

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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03/08/2017

#230

COMPANIES HOUSE

1 Company details

Company number 0 1 1 5 9 4 8 1

Company name in full AMS Retail Interiors Limited
trading as AMS International

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Mark Jeremy

Surname Orton

3 Administrator's address

Building name/number One Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B 4 6 G H

Country

4 Administrator's name ①

Full forename(s) William James

Surname Wright

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number One Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B 4 6 G H

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

From date	^d 0	^d 6	^m 0	^m 1	^y 2	^y 0	^y 1	^y 6
To date	^d 0	^d 5	^m 0	^m 7	^y 2	^y 0	^y 1	^y 7

7

Progress report

☐ I attach a copy of the progress report

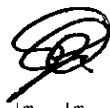
8

Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 4	^m 0	^m 8	^y 2	^y 0	^y 1	^y 7
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AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Jess Henrick**

Company name **KPMG LLP**

Address **One Snowhill**

Snow Hill Queensway

Post town **Birmingham**

County/Region

Postcode **B 4 6 G H**

Country

DX

Telephone **Tel +44 (0) 121 232 3000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

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The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Joint
Administrators'
progress
report for the
period 6
January 2017
to 5 July 2017

AMS Retail Interiors Limited
trading as AMS International -
in Administration

2 August 2017

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+AH10694140.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 7).

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1 Executive summary

- The directors filed an application to court to appoint Mark Orton and Will Wright of KPMG as Joint Administrators on 6 January 2017.
- We delivered our statement of proposals to all known creditors on 1 March 2017. They were deemed approved without modification on 14 March 2017.
- This progress report covers the period from the date of our appointment to 5 July 2017. Please note: you should read this progress report in conjunction with our proposals which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+AH10694140.html>.
- As previously reported, following the Company ceasing to trade on 10 February 2017, a wind down of the Company commenced immediately thereafter and the Company's assets were sold on break up basis. (Section 2.2 – Asset Realisations)
- The Company's debtor ledger is the principal asset of the Company and is subject to a CID facility with LCFL. In order to protect the debtor book, the trading period was funded by LCFL. The ledger stood at £5.1m on appointment. Realisations during the period total £4m with further realisations expected. (Section 2.2 – Asset Realisations)
- It is anticipated that LCFL, being the first ranking charge holder, will suffer a shortfall on their indebtedness. (Section 3 - Dividend prospects and dividends paid).
- Lloyds TSB Bank PLC and Thincats Loan Syndicates Limited also hold debentures. It is not anticipated that there will be a distribution to either of these secured creditors. (Section 3 - Dividend prospects and dividends paid).
- It is not anticipated that there will be a distribution to either the preferential or unsecured creditors due to insufficient funds available. (Section 3 - Dividend prospects and dividends paid).
- Once all outstanding matters have been finalised it is anticipated the Company will be moved to dissolution before the expiry of the administration (Section 5 – Future conduct of the administration)
- Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Mark Orton
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

2.1 Strategy and progress to date

Strategy

Please refer to the Joint Administrators proposals for details with regards to the initial strategy of the administration.

Trading

Following the Joint Administrators' appointment the decision was made, in conjunction with the Company's principle lender LCFL, to continue to trade the business to ensure the value of the debtor ledger was preserved. Continued trade also enabled the Joint Administrators to continue running the sale of business process to seek a buyer for the Company.

As stated in the Joint Administrators proposals a number of key customers were approached whose stock was either currently stored at the company premises or in the process of being completed. To enable the Company to realise value for these items, the Joint Administrators reached agreements with several customers for existing orders to be completed, alongside a commitment to pay any outstanding ledger balances.

The debtor ledger was the Company's principle asset and by continuing to complete customer orders facilitated the maximum realisation of the Company's ledger. The business continued to trade at a loss which was funded by LCFL. As a result of this strategy, debtor realisations have totalled £4.0m. To date, LFCL have advanced funding of £662,385 for trading, to cover the shortfall on the costs associated with administration and the wind down of the Company. Please note £341,000 of this was received outside of this reporting period and therefore is not reflected in the attached receipts and payments account.

The Company ceased to trade on 10 February 2017. Sales of £762,502 were generated during the trading period and we are awaiting payment of a further £19,285. Payments to suppliers have totalled £354,013 including the costs of carriage.

As stated in our proposals, the administrators occupied two sites at Oxleasow Road and Padgets Lane. Oxleasow Road was vacated on 24 February 2017 and Padgets Lane was vacated on 10 March 2017. Rent for the occupation of both sites during the trading period totalled £56,712.

Other significant payments made during the trading period relate to port and freight forwarding costs of £45,694 which was paid to JAS Forwarding. This related to the costs associated with stock which had arrived at the port at the time of our appointment and further stock which was due in to the port during the trading period. This stock was reviewed on a shipment by shipment basis to determine if it could be utilised by the Joint Administrators.

Other property expenses of £8,640 include property security costs paid to GMS Property Solutions Limited and alarm monitoring.

Following the Company ceasing to trade, our agents Hilco, were instructed to dispose of the Company's assets. Further detail regarding the outcome of this is included in Section 2.2.

Sale of Business

A sale of business process was explored prior to the Administrators appointment. Initially the business was marketed to turnaround investors, however with no successful sale route, trade parties were approached.

The sale process continued following the appointment and three formal offers for the business were received, two of which were for the business in its entirety.

A period of exclusivity was granted with the preferred offeree however after completing due diligence their interest for the business as a whole was withdrawn. Following this withdrawal the position of the business at this stage meant a sale was no longer viable.

Overseas branches

As stated in our proposals the Company had overseas branches in China and Singapore. The administrators sought legal advice in relation to the branch located in Shanghai and it was determined that the individuals located there were not employees of the Company but were employed through a Chinese government agency. The agency were notified of this position shortly after appointment and the branch was subsequently closed.

We retained the assistance of the director Kris Stewart, who was based in Singapore and following his employment, helped us to successfully deregister the branch in Singapore.

Employees

Following the Administrators appointment, 45 redundancies were made on 10 January 2017, this was to allow for labour resource to be aligned to the ongoing customer commitments. Further staggered redundancies were made in the weeks following this. 44 employees were made redundant following the Company ceasing to trade on 10 February 2017.

Direct and indirect labour costs of £293,993 were incurred during the trading period with £18,439 of this relating to expenses paid to individuals in China who were employed by a Chinese government agency. These expenses were incurred, assisting the administrators during the trading period.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Debtors

As stated previously the Company's principle asset was the book debt ledger. The debtor ledger was subject to a CID facility with LCFL. At the date of the Joint Administrators appointment the book debt stood at £5.1m before taking into account known disputes and potential offsets.

To date realisations have totalled £4.0m which have been remitted direct to LCFL in line with their CID facility. Further realisations are expected however, the quantum is currently unknown.

Plant, Machinery and Motor Vehicles

Following the Company ceasing to trade Hilco marketed the assets for sale and following an auction that was held on 15 February 2017 we were successful in realising £107,733.

Please note, £92,442 of this is reflected in the attached receipts and payments account and we are awaiting transfer of the remaining funds from Hilco.

Stock

As stated in the proposals the Company's stock was of a bespoke nature and therefore it held minimal value to anyone other than the customer it was manufactured for. As a result of this the majority of the stock was used for completing customer orders during the trading period. Following the Company's insolvency, certain customers amended their specification which therefore left majority of the stock items, which remained at the Company's site, obsolete. We were however successful in realising £20,000 in respect of a small quantity of stock which was purchased by Heartbeat.

Investigations

We have reviewed the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

In addition to the trading costs discussed in section 2.1, a summary of the most significant payments made during the period are provided below.

Debt collection costs

A total of £1,000 and £4,283 has been paid respectively to Acasta Consulting Limited and a former director of the Company, Kris Stewart for their assistance with collecting the book debts.

Following his employment with the Company ceasing, the administrators retained the assistance of Kris Stewart whilst the collection of the overseas debtors was finalised, due to his background knowledge of each debt and relationship with each debtor.

Wages and salaries

The administrators retained 21 staff to assist with the wind down of the business. All remaining staff were made redundant by 9 March 2017 shortly before the administrators vacated the site at Padgets Lane. Wages paid during this period totalled £59,688.

PAYE & NIC

The administrators have paid to HMRC £29,643 relating to the PAYE & NIC costs associated with the above wages.

Rent

Rent payments relating to the period following the Company ceasing to trade, totalled £10,089 for the occupation of the premises in both Oxleasow Road and Padgets Lane.

Retention of Title

The administrators received a number of retention of title claims in respect of raw materials supplied to the Company prior to our appointment. A total of £16,001 has been paid to those who successfully proved their claims.

Heat and light

Utility costs for the period after the Company ceased to trade totalled £9,737 within this period. This was for gas and electricity for both sites at Oxleasow and Padgets Lane. We are currently in the process of finalising the accounts with the remaining utility suppliers and expect a further £10,000 - £15,000 to be payable.

Other property expenses

A total of £14,247 has been paid to GMS Security Services Limited for security of both premises occupied during the wind down period.

The administrators have also paid £5,089 to MTB (Midlands) Ltd for the safe removal of the hazardous waste which was located at the Company's premises.

Agents' fees

As stated above we instructed Hilco to conduct a valuation and dispose of the Company's assets after the company had ceased to trade. A total of £14,715 fees and disbursements have been incurred during the period by them for their costs associated with valuation and marketing of assets and for the assistance provided to the administrators to successfully wind down both sites at Oxleasow and Padgets Lane.

Hilco recovered their fees associated with the sale of the Company's assets by way of a 15% buyer's premium.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects and dividends paid

3.1 Secured creditors

Lloyds Commercial Finance Limited

LCFL are the first ranking charge holder who provided a CID facility against the book debts of the Company.

As stated in the proposals LCFL were owed approximately £3.8m on appointment in respect of the facility. In addition to this LCFL funded the trading period and other costs of the administration as stated above. To date they have advanced funding of £662,385. Please note £321,385 has been reflected in the attached receipts and payments account with the remaining £341,000 being received outside of this reporting period.

To date, debtor realisations total £4.0m. LCFL they are expected to suffer a shortfall against the total debt owed to them.

Lloyds TSB Bank PLC

Lloyds TSB Bank are the second ranking charge holder, they provided trade finance loans to the Company and hold floating charge debenture over the remaining assets of the Company. £137,611 was owed to Lloyds TSB Bank PLC by the Company at the date of appointment. It is not likely they will receive a distribution from the Administration.

Thincats Loan Syndicates Limited

Thincats are the final ranking secured creditor and were owed approximately £150,000 at the date of appointment. It is not anticipated that there will sufficient funds to provide a distribution to Thincats.

We have confirmed the validity of charge held by LCFL. The validity of the charges held by both Thincats and Lloyds TSB Bank PLC have not been confirmed as distributions are highly unlikely.

3.2 Preferential creditors

We estimate the amount of preferential claims to be £63,815.

Based on current estimates, it is highly unlikely that there will be a dividend to preferential creditors.



3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Joint Administrators' remuneration, disbursements and pre-administration costs

4.1 Joint Administrators' remuneration and disbursements

During the period, the Secured Creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge out rates provided in our proposals.
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy.

Time costs

From the date of our appointment to 5 July 2017, we have incurred time costs of £968,652. These represent 2,785 hours at an average rate of £348 per hour. We do not expect to recover these costs in full.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have incurred disbursements of £6,902. None of these have yet been paid.

Additional information

We have attached a revised fees estimate at Appendix 4. Our estimated time costs have increased because of the time spent on trading; dealing with creditor queries including ROT claims; realisation of assets and the issues surrounding obtaining a new VAT number.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 5 July 2017. We have also attached our charging and disbursements policy.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

Pre-administration costs			
	Paid (£)	Unpaid (£)	Total (£)
Solicitors fees	0.00	6,835.75	6,835.75
Solicitors disbursements	0.00	179.85	179.85
Total	0.00	7,015.60	7,015.60

The payment of unpaid pre-administration costs as an expense of the administration was subject to the same approval as our remuneration, as outlined in the proposals. The payment of unpaid pre-administration has been approved by the Secured Creditors.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs and the business of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Continue to pursue recovery of the outstanding debts;
- Finalise outstanding costs of the administration;
- Dealing with other statutory matters in the administration including ensuring tax matters are dealt with;
- Proceeding with closure related formalities and taking necessary steps to exit the administration and move to dissolution.

5.2 Discharge from liability

The secured creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, on filing our final progress report with Companies House.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to Court in order to obtain discharge from liability.

5.3 Future reporting

We will provide a further progress report within one month of 5 January 2017 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	AMS Retail Interiors Limited trading as AMS International
Date of incorporation	7 February 1974
Company registration number	01159481
Trading address	20/21 Padgets Lane, South Moons Moat, Redditch, B98 0RA
Previous registered office	20/21 Padgets Lane, South Moons Moat, Redditch, B98 0RA
Present registered office	KPMG LLP, One Snowhill, Snow Hill, Queensway, Birmingham, B4 6GH
Company Directors	James Hugh Francis Clark – shares held Adam David Alderson - shares held David Valentine Hyde - shares held Ian Malcolm Parr - shares held Kristofer Alan Stewart – shares held
Company Secretary	Adam David Alderson

Administration information

Administration appointment	The administration appointment granted in High Court of Justice Chancery Division Birmingham District Registry, 8445 of 2016
Appointor	Directors
Date of appointment	6 January 2017
Joint Administrators' details	Mark Orton and Will Wright
Purpose of the Administration	Achieving a better result for creditors as a whole than would be likely if the company were to be wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Prescribed Part	The Prescribed Part is applicable on this case.
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is less than £10,000. Estimated Prescribed Part is £nil.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. This is because it is anticipated that the Prescribed Part will be automatically disapplied given that the estimated Net Property is less than £10,000 and the costs of making a distribution are anticipated to be disproportionate to the benefits. However, if the circumstances of the administration change, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

AMS Retail Interiors Limited trading as AMS International - in Administration

Trading accounts

Statement of Affairs (£)	From 06/01/2017 To 05/07/2017 (£)	From 06/01/2017 To 05/07/2017 (£)
POST-APPOINTMENT SALES		
Sales	725,577.07	725,577.07
	<u>725,577.07</u>	<u>725,577.07</u>
PURCHASES		
Purchases	(340,836.81)	(340,836.81)
	<u>(340,836.81)</u>	<u>(340,836.81)</u>
OTHER DIRECT COSTS		
Direct labour	(244,998.75)	(244,998.75)
Direct expenses	(18,439.91)	(18,439.91)
	<u>(263,438.66)</u>	<u>(263,438.66)</u>
TRADING EXPENSES		
Indirect labour	(30,554.45)	(30,554.45)
Customs duty	(2,691.20)	(2,691.20)
Rent	(56,712.44)	(56,712.44)
Heat & light	(19,597.15)	(19,597.15)
Port and forwarding costs	(45,694.89)	(45,694.89)
Telephone/Telex/Fax	(5,697.93)	(5,697.93)
Carriage	(13,177.08)	(13,177.08)
Bank charges & interest	(512.20)	(512.20)
Hire of equipment	(6,225.56)	(6,225.56)
Repairs and maintenance	(175.00)	(175.00)
Sundry expenses	(10,132.10)	(10,132.10)
Waste management costs	(2,478.29)	(2,478.29)
Payroll Services	(2,169.08)	(2,169.08)
IT costs	(7,531.76)	(7,531.76)
Other property expenses	(8,640.91)	(8,640.91)
	<u>(211,990.04)</u>	<u>(211,990.04)</u>
Trading surplus/(deficit)	(90,688.44)	(90,688.44)

AMS Retail Interiors Limited trading as AMS International - in Administration
Abstract of receipts & payments

Statement of affairs (£)		From 06/01/2017 To 05/07/2017 (£)	From 06/01/2017 To 05/07/2017 (£)
FIXED CHARGE ASSETS			
5,017,593.00	Book debts	NIL	NIL
		NIL	NIL
FIXED CHARGE COSTS			
	Debt collection costs	(5,283.47)	(5,283.47)
		(5,283.47)	(5,283.47)
FIXED CHARGE CREDITORS			
(3,931,335.00)	Fixed charge creditor - LBCF	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
103,860.00	P&M, Motor Vehicles, Office Furniture	92,442.51	92,442.51
	Furniture & equipment	5,291.67	5,291.67
274,603.00	Stock	20,000.00	20,000.00
	Cash at bank	3,441.62	3,441.62
		121,175.80	121,175.80
OTHER REALISATIONS			
	Bank interest, gross	161.61	161.61
	Petty cash	2,133.69	2,133.69
	Sundry refunds	6,622.23	6,622.23
	Trading surplus/(deficit)	(90,688.44)	(90,688.44)
	Funding from Lloyds Commercial Finance	321,385.11	321,385.11
		239,614.20	239,614.20
COST OF REALISATIONS			
	Waste management costs	(3,823.82)	(3,823.82)
	Retention of title	(16,001.75)	(16,001.75)
	Hire of equipment	(3,183.91)	(3,183.91)
	Telephone/Telex/Fax	(2,397.80)	(2,397.80)
	Heat & light	(9,737.99)	(9,737.99)
	Storage costs	(485.73)	(485.73)
	Re-direction of mail	(520.00)	(520.00)
	Statutory advertising	(69.00)	(69.00)
	Rent	(10,089.04)	(10,089.04)
	Other property expenses	(11,819.64)	(11,819.64)

AMS Retail Interiors Limited trading as AMS International - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 06/01/2017 To 05/07/2017 (£)	From 06/01/2017 To 05/07/2017 (£)
	Insurance of assets	(10,029.16)	(10,029.16)
	Wages & salaries	(59,688.13)	(59,688.13)
	PAYE & NIC	(29,643.96)	(29,643.96)
	Bank charges	(1,517.40)	(1,517.40)
		(159,007.33)	(159,007.33)
PREFERENTIAL CREDITORS			
(63,815.00)	Employees' wage arrears and holiday pay	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(149,879.00)	Floating charge - Thincats	NIL	NIL
(137,611.00)	Floating charge - Lloyds	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(7,233,498.00)	Trade & expense	NIL	NIL
(1,855,653.00)	EP(C)A bal. & redundancy	NIL	NIL
(17,991.00)	Accruals	NIL	NIL
(353,256.00)	Corp tax etc/nonpref PAYE & NIC	NIL	NIL
(126,556.00)	Non-preferential VAT	NIL	NIL
(150,069.00)	Landlord	NIL	NIL
		NIL	NIL
(8,623,607.00)		196,499.20	196,499.20
REPRESENTED BY			
	Floating ch. VAT rec'able		108,741.45
	Floating charge current		139,975.05
	Floating ch. VAT payable		(55,384.48)
	Petty cash control account		100.00
			193,432.02

Appendix 3 Schedule of expenses

Schedule of expenses (06/01/2017 to 05/07/2017)

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not paid in the period (£)	Total (£)
Purchases			
Purchases	340,836.81	0.00	340,836.81
Other direct costs			
Direct labour	244,998.75	0.00	244,998.75
Direct expenses	17,213.63	0.00	18,439.91
Trading expenses			
Indirect labour	30,554.45	0.00	30,554.45
Customs duty	2,691.20	0.00	2,691.20
Rent	56,712.44	0.00	56,712.44
Water rates	0.00	1,301.40	1,301.40
Heat & light	19,597.15	2,433.24	22,030.39
Port and forwarding costs	45,694.89	0.00	45,694.89
Telephone/Telex/Fax	5,697.93	0.00	5,697.93
Carriage	13,177.08	0.00	13,177.08
Bank charges & interest	512.20	0.00	512.20
Hire of equipment	6,225.56	2,555.98	8,781.54
Repairs and maintenance	175.00	0.00	175.00
Sundry expenses	10,132.10	0.00	10,132.10
Waste management costs	2,478.29	0.00	2,478.29
Payroll Services	2,169.08	0.00	2,169.08
IT costs	7,531.76	0.00	7,531.76
Other property expenses	8,640.91	0.00	8,640.91
Fixed charge costs			
Debt collection costs	5,283.47	4,000.00	9,283.47
Cost of realisations			
Waste management costs	3,823.82	0.00	3,823.82
Retention of title	16,001.75	0.00	16,001.75
Hire of equipment	3,183.91	0.00	3,183.91



Telephone/Telex/Fax	2,397.80	0.00	2,397.80
Water rates	0.00	776.81	776.81
Heat & light	9,737.99	2,598.15	12,336.14
Storage costs	485.73	0.00	485.73
Re-direction of mail	520.00	0.00	520.00
Statutory advertising	69.00	0.00	69.00
Rent	10,089.04	0.00	10,089.04
Other property expenses	11,819.64	0.00	11,819.64
Insurance of assets	10,029.16	0.00	10,029.16
Agents fees and disbursements	0.00	14,715.00	14,715.00
Wages & salaries	59,688.13	0.00	62,305.28
PAYE & NIC	29,643.96	0.00	29,643.96
Bank charges	1,517.40	30.00	1,547.40
TOTAL	979,330.03	28,380.58	1,007,710.61

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Jess Henrick at KPMG LLP, One Snowhill, Snow Hill, Queensway, Birmingham, B4 6GH.

Appendix 4 Joint Administrators' Revised fees estimate

Estimated time costs for the Administration				
	Initial estimated total hours	Initial estimated time costs (£)	Revised estimated total hours	Revised total estimated time cost (£)
Administration & planning				
Bankrupt/Director/Member	18.00	6,320.00	14.95	4,341.25
Cashiering - processing receipts, payments and bank reconciliations	90.00	31,400.00	114.75	29,514.47
General - books & records, fees & work in progress	130.00	44,550.00	62.20	17,771.54
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy, closure	150.00	55,050.00	105.60	42,959.00
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	79.00	30,950.00	158.60	53,397.53
Creditors				
Creditors and claims - general correspondence, notification of appointment, statutory reports, ROT claims	215.00	76,250.00	469.25	138,346.04
Employees - correspondence	80.00	33,550.00	105.85	39,264.38
Investigation				
Directors - correspondence, statement of affairs, questionnaires	35.00	10,825.00	60.05	17,205.75
Investigations - director conduct and affairs of the Company	43.00	15,365.00	19.10	7,617.50
Realisation of assets				
Asset Realisation - including insurance of assets	687.00	282,845.00	817.70	328,219.60
Trading				
Trading - purchases, sales, cash projections	893.00	320,025.00	1,005.15	345,178.66
Total	2,420.00	907,130.00	2,946.00	1,023,815.72

It is not anticipated that the above fees will be paid in full.

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Jess Henrick on 020 73114896.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: CRS	
Grade	From 01 Nov 2016 £/hr
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements from the date of our appointment to 5 July 2017.

SIP 9 - Disbursements					
<i>Disbursements</i>	Category 1		Category 2		Totals (£)
	<i>Paid (£)</i>	<i>Unpaid (£)</i>	<i>Paid (£)</i>	<i>Unpaid (£)</i>	
Accommodation	1,317.13		NIL		1,317.13
Courier & delivery costs	26.09		NIL		26.09
External printing	58.80		NIL		58.80
Meals	517.77		NIL		517.77
Mileage	NIL		3,077.35		3,077.35
Postage	307.26		NIL		307.26
Stationery	508.50		NIL		508.50
Sundry	353.42		NIL		353.42
Travel	735.48		NIL		735.48
Total	3,824.45		3,077.35		6,901.80

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 6 January 2017 to 5 July 2017

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of LCFL regarding the progress of the administration and case strategy.

Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment;
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Trading	<ul style="list-style-type: none"> ■ preparing cash flow statements to monitor the cash position; ■ attending to supplier and customer queries and correspondence; ■ raising, approving and monitoring purchase orders and setting up control systems for trading; ■ negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; ■ securing petty cash on site and monitoring spend; ■ dealing with issues in relation to stock and other assets required for trading; ■ communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions; ■ monitoring stock and stock reconciliations; ■ dealing with hauliers to ensure ongoing services; ■ ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets; ■ dealing with issues associated with the sale of stock; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with Company credit control staff and communicating with debtors; ■ seeking legal advice in relation to book debt collections; ■ liaising with the Company staff regarding debtor recoveries;
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues;
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements; ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; ■ carrying out sale negotiations with interested parties.
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with;

	<ul style="list-style-type: none"> ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ <i>dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</i> ■ holding employee briefing meetings to update employees on progress in the administration and our strategy; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ <i>reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</i> ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits; ■ drafting our progress report.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ arranging for the redirection of the Company's mail; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority.

Time costs

SIP 9 –Time costs analysis (06/01/2017 to 05/07/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Trading			
Asset Realisation			
Health & safety	10.30	3,250.50	315.58
Cashiering			
General (Cashiering)	47.45	10,463.75	220.52
Reconciliations (& IPS accounting reviews)	9.40	4,794.00	510.00

Employees



SIP 9 –Time costs analysis (06/01/2017 to 05/07/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Correspondence	94.35	40,845.75	432.92
Pensions reviews	6.05	1,522.75	251.69
Tax			
Initial reviews - CT and VAT	2.80	1,190.00	425.00
Post appointment corporation tax	8.00	3,790.00	473.75
Post appointment PAYE (Non Trading)	0.70	297.50	425.00
Post appointment VAT	36.20	11,996.50	331.40
Trading			
Cash & profit projections & strategy	58.00	19,417.50	334.78
Purchases and trading costs	272.90	98,349.50	360.39
Sales	105.45	37,152.25	352.32
Administration & planning			
Bankrupt/Director/Member			
General correspondence	2.35	1,023.25	435.43
Notification of appointment	12.60	3,318.00	263.33
Cashiering			
General (Cashiering)	83.75	18,302.25	218.53
Reconciliations (& IPS accounting reviews)	6.00	2,490.00	415.00
General			
Books and records	48.55	12,585.25	259.22
Fees and WIP	5.65	2,444.75	432.70
Statutory and compliance			
Appointment and related formalities	25.15	7,622.25	303.07
Bonding & Cover Schedule	1.70	677.00	398.24
Checklist & reviews	11.55	3,848.25	333.18
Closure and related formalities	1.75	376.25	215.00
Pre-administration checks	0.70	150.50	215.00
Reports to debenture holders	17.60	10,980.00	623.86
Statutory advertising	0.50	107.50	215.00
Strategy documents	46.65	19,197.25	411.52
Tax			
Initial reviews - CT and VAT	4.50	1,756.50	390.33
Post appointment corporation tax	33.45	10,496.25	313.79
Post appointment overseas tax	4.50	1,807.50	401.67
Post appointment PAYE (Non Trading)	12.50	5,207.50	416.60

SIP 9 –Time costs analysis (06/01/2017 to 05/07/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Post appointment VAT	68.65	20,417.75	297.42
Creditors			
Creditors and claims			
Agreement of unsecured claims	2.70	580.50	215.00
General correspondence	208.60	52,845.50	253.33
Notification of appointment	4.90	1,637.50	334.18
Payment of dividends	1.10	236.50	215.00
Pre-appointment VAT / PAYE / CT	3.00	1,275.00	425.00
ROT Claims	125.80	32,834.00	261.00
Secured creditors	35.25	17,378.75	493.01
Statutory reports	52.90	19,145.50	361.92
Employees			
Correspondence	63.80	25,882.00	405.67
Pension funds	4.50	1,716.50	381.44
Pensions reviews	22.55	5,375.25	238.37
Investigation			
Directors			
Correspondence with directors	9.45	3,270.75	346.11
D form drafting and submission	34.50	8,639.00	250.41
Directors' questionnaire / checklist	8.00	1,720.00	215.00
Statement of affairs	8.10	3,576.00	441.48
Investigations			
Correspondence re investigations	1.70	831.50	489.12
Mail redirection	3.40	836.00	245.88
Review of pre-appt transactions	14.00	5,950.00	425.00
Realisation of assets			
Asset Realisation			
Cash and investments	5.70	2,075.50	364.12
Debtors	490.95	216,085.25	440.14
Health & safety	5.45	1,738.75	319.04
Insurance	13.00	4,614.50	354.96
Leasehold property	82.05	27,103.25	330.33
Office equipment, fixtures & fittings	19.60	5,264.00	268.57
Other assets	25.25	8,830.75	349.73

SIP 9 –Time costs analysis (06/01/2017 to 05/07/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Plant and machinery	62.35	15,781.25	253.11
Rent	3.10	1,394.00	449.68
Sale of business	30.10	14,661.50	487.09
Stock and WIP	50.10	22,054.00	440.20
Vehicles	20.05	4,499.75	224.43
Trading code used outside trading period			
Trading			
Cash & profit projections & strategy	22.45	9,081.25	404.51
Purchases and trading costs	245.20	74,620.00	304.32
Sales	65.90	21,240.00	322.31
Total in period	2,785.20	968,652.00	347.79
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	2,785.20	968,652.00	
Carry forward time (appointment date to SIP 9 period end date)	2,785.20	968,652.00	

Appendix 6 Glossary

Bank/LCFL	Lloyds Commercial Finance Limited
CID	Confidential Invoice Discounting
Company	AMS Retail Interiors Limited trading as AMS International - in Administration
Hilco	Hilco Appraisal Limited
Joint Administrators/we/our/us	Mark Orton and Will Wright
KPMG	KPMG LLP
Oxleasow Road	Unit 9A Oxleasow Road, Redditch
Padgets Lane	Units 18-21 Padgets Lane, Redditch
Secured Creditors	Lloyds Commercial Finance Limited Lloyds TSB Bank PLC Thincats Loan Syndicates Limited

Any references in this progress report to sections, paragraphs and rules are to Sections, paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 7 Notice: About this report

This report has been prepared by Mark Orton and Will Wright, the Joint Administrators of AMS Retail Interiors Limited trading as AMS International – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Mark Jeremy Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

William James Wright is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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