

# AM03

## Notice of administrator's proposals



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 2 2 1 7 5 6 4

Company name in full A. & S. Carpets & Vinyls Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Alessandro

Surname Sidoli

### 3 Administrator's address

Building name/number 100 Barbirolli Square

Street Manchester

Post town

County/Region

Postcode M 2 3 B D

Country

### 4 Administrator's name ①

Full forename(s) Alan

Surname Fallows

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 100 Barbirolli Square

Street Manchester

Post town

County/Region

Postcode M 2 3 B D

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM03

## Notice of Administrator's Proposals

**6**

### Statement of proposals

☒ I attach a copy of the statement of proposals**7**

### Qualifying report and administrator's statement <sup>①</sup>

☐ I attach a copy of the qualifying report☐ I attach a statement of disposal

<sup>①</sup> As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

**8**

### Sign and date

Administrator's  
Signature

Signature

**X****X**

Signature date

<sup>d</sup>

2

<sup>d</sup>

5

<sup>m</sup>

0

<sup>m</sup>

3

<sup>y</sup>

2

<sup>y</sup>

0

<sup>y</sup>

2

<sup>y</sup>

4

# AM03

## Notice of Administrator's Proposals



### 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	Josh Daly						
Company name	Xeinadin Corporate Recovery Limited						
Address	100 Barbirolli Square						
	Manchester						
Post town							
County/Region							
Postcode	M	2		3	B	D	
Country							
DX							
Telephone	0161 832 6221						



### 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 and dated the form.



### Important information

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



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶  
Attach this to the relevant form.  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Chris

Surname

Brindle

## 3 Insolvency practitioner's address

Building name/number

Seneca House

Street

Post town

Amy Johnson Way

County/Region

Blackpool

Postcode

F Y 4 2 F F

Country

# **Joint Administrators' Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1**

**A. & S. Carpets & Vinyls Limited -  
In Administration**

**25 March 2024**

## **A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION**

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## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

### 1 Introduction and Background

- 1.1 A. & S. Carpets & Vinyls Limited ("The Company") was Incorporated in February 1988 after a split from a previous company. The Company, as part of the split was only able to trade in vinyl floor coverings for a period of 5 years. Using the director's, at the time, expertise and knowledge the Company was built up.
- 1.2 In 1995 the previous director took over the running of the Company and for 23 years the Company dealt in carpets and vinyls successfully making profits year on year.
- 1.3 The banking crisis in 2008 badly affected business volumes which slowly recovered after the Company moved to Worsley. Once the crisis ended, the Company began to recover and made profits or small losses from 2014 until the COVID-19 pandemic.
- 1.4 This was achieved despite low staff levels which were further affected by illness and subsequently the death of two key employees. Both employees had worked for the Company for 20 years and another employee was also unable to work due to long Covid. At this stage the former director decided that he would attempt to sell the Company.
- 1.5 The Company was sold to the current director, Neil Palmer, in July .
- 1.6 The Company continued to run as usual and had built up a profile in the industry. However, the Company began to enter cashflow difficulties following the change in ownership and received pressure from various creditors due to non-payment of invoices.
- 1.7 In December 2023, the Company sold a motor vehicle which was subject to a fixed charge and failed to account for the balance to the fixed chargeholder. The chargeholder took action, to protect their position, and decided to appoint Administrators under the powers of their charge.
- 1.8 As a result, Alessandro Sidoli and Alan Fallows of Xeinadin Corporate Recovery Limited, 100 Barbirolli Square, Manchester, M2 3BD and Christopher Brindle of Campbell Crossley & Davis, Seneca House, Links Point, Amy Johnson Way, Blackpool, FY4 2FF were appointed Joint Administrators of the Company by the Floating Charge Holder on 6 February 2024.
- 1.9 Alessandro Sidoli, Alan Fallows and Christopher Brindle are licensed to act in the United Kingdom as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.
- 1.10 The Administrators are authorised to act jointly and severally in the Administration.
- 1.11 Xeinadin Corporate Recovery Limited will be responsible for the dealing with the duties on appointment, reporting to creditors, general administrative matters and the Company's creditors. Campbell, Crossley & Davis will be responsible for all investigations into the Company's affairs. Furthermore, Xeinadin Corporate Recovery Limited will be responsible for dealing with the Company's assets, however, responsibility for the acceptance of an offer for the assets of the Company is with Campbell, Crossley & Davis.
- 1.12 When carrying out our initial pre-appointment conflict checks, it was found that the Company's accountant was Hallidays who are a member of the wider Xeinadin Group, like Xeinadin Corporate Recovery Limited. This initially could be perceived as a self-review threat of Xeinadin Corporate Recovery Limited reviewing work conducted by Hallidays in their capacity as accountants of the Company thus threatening their objectivity.
- 1.13 To safeguard against any perceived objectivity threat Chris Brindle at Crossley, Campbell and Davies was appointed as Joint Administrator to carry out the work detailed at section 1.11.
- 1.14 Information about the way that we will use and store personal data on insolvency appointments can be found at [www.xeinadin.com/privacy-policy](http://www.xeinadin.com/privacy-policy). If you are unable to download this, please contact us and a hard copy will be provided to you.

## A. & S. CARPETS & VINYL LIMITED - IN ADMINISTRATION

- 1.15 This report incorporates the Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 27 March 2024.

### ***Type of proceedings***

- 1.16 The proceedings flowing from the Administration appointment will be COMI proceedings.

## **2 Administration Strategy and Objective**

- 2.1 The Administrators must perform their functions with the purpose of achieving one of the following objectives:

- *Rescuing the Company as a going concern; or*
- *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*
- *Realising property in order to make a distribution to one or more secured or preferential creditors.*

- 2.2 In this instance it was not possible to achieve purpose one and rescue the Company as a going concern as the Company was insolvent on both a balance sheet and cash flow basis and as such was unable to fund ongoing trade.

- 2.3 Objective 2 could not be achieved due to the level of additional work, and therefore cost, that has to be incurred in the Administration (relative to the level of assets in this case) resulting in no distribution to any class of creditors apart from the fixed charge creditor. From the Agent's valuation it is clear that a sale of the assets on a break up value, in a winding up scenario, would also have resulted in no distribution to any class of creditor rather than the fixed charge creditor. Therefore pursuing an objective to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up was not achievable..

- 2.4 In this case, the Joint Administrators are pursuing the third objective of realising property in order to make a distribution to one or more secured or preferential creditors objective 1 and 2 cannot be achieved and the Administrators believe they will be in a position to make a distribution to the secured creditors.

### **Consideration of Proposals by Creditors**

- 2.5 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:

(a) The Company has sufficient property to enable each creditor of the Company to be paid in full,

(b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or

(c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved

- 2.6 Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals

- 2.7 In this case I think that Para 52(1)(c) of Schedule B1 to the Insolvency Act 1986 applies and I am therefore not required to seek a decision from creditors to approve my Proposals unless the requisite number of creditors request such a decision within the prescribed period. Please see the covering letter which accompanies this Report for further information about this.



## **A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION**

### **Progress Since Appointment**

#### **Administration (including statutory compliance and reporting)**

- 2.8 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work will, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3<sup>rd</sup> party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.9 I have also dealt with a number of statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising my appointment in the London Gazette.
- 2.10 Other statutory duties performed are outlined in further detail in the fees information which can be found at Appendix D. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

#### **Trading**

- 2.11 As a result of the Company's financial position and the significant costs that would be incurred from continued trading the Company ceased to trade on the Administrators' appointment.

#### **Realisation of assets**

- 2.12 The Company's assets were valued on 7 February 2024 by Damian Short of Middleton Barton Valuation ("the Agent") who is a RICS registered valuer. The Agent has confirmed their independence and that they carry adequate professional indemnity insurance.
- 2.13 A full site visit was undertaken on 7 February 2024 at the Company's premises upon which a detailed inspection of all assets was undertaken, and an inventory compiled. The Company's tangible assets were valued on both an in-situ basis and an ex-situ basis. Separately, the Company's assets were placed on Open Cover insurance from appointment.
- 2.14 The in-situ valuation assumed that all assets were to be sold as a whole for use in the current situation. The Agent used the in-situ valuation to assess the offers received. The Agent also valued the assets on an ex-situ basis which assumed that the assets would be sold for removal from the current location at the cost of the purchaser. This type of valuation best demonstrates the sale of assets in a breakup or restricted marketing situation.
- 2.15 The physical assets comprised of plant, machinery, motor vehicles and a significant amount of stock. In addition to valuing these assets, the Agent also undertook a detailed review of the Company's goodwill and intellectual property.
- 2.16 Following a marketing process carried out by the Agent, various offers were received from connected and unconnected parties. This involved issuing a mailshot to the Agent's mailing list of 6,393 names, and also placing a sale notification on their website on 8 February 2024.
- 2.17 Please see below details of the offers received:
- The Purchaser - £55,000 payment in full on completion – this was the accepted offer for details outlined at section 2.19.
  - Purchaser B - £50,000 – declined as less than accepted offer.
  - Purchaser C – connected party - £50,500 with an initial deposit of £15,000 and the remainder on a deferred basis. This offer was declined as it was for less than the

## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

accepted offer and there is an element of risk due to a majority of the amount being deferred.

- Purchaser D - £35,000 payment in full on completion – declined as less than accepted offer.
- 2.18 An offer of £55,000 has been received from LCL Flooring (“The Purchaser”) who are an unconnected party.
- 2.19 In light of various offers being received, The Agent provided a written recommendation to the Joint Administrators to confirm acceptance of LCL Floorings’ offer of £55,000.
- 2.20 The Agent recommended the offer based on the following reasons:
- The offer exceeded the valuation of the Company’s assets provided by the Agent if we were to sell on a break up basis.
  - The offer was the best offer received and the value was far above the next biggest offer.
  - The offer was for payment in full upfront thus mitigating any risk going forward
- 2.21 The following assets were sold and the consideration paid is shown next to each asset.
- Plant and Machinery - £3,928.57
  - Motor Vehicles - £7,963.32
  - Office Furniture and Equipment - £637.07
  - Stock - £42,471.04
- 2.22 Payment in full of £55,000 has been received in full on completion of the sale and JMW Solicitors LLP were instructed to complete the sales agreement, which has now been signed.

### Book Debts

- 2.23 From a review of the Company’s books and records, there appears to be book debts outstanding of £20,885.64. A 50% bad debt provision has been applied to the ledger, due to the difficulties with collecting the outstanding debts in an insolvency scenario, as shown in the estimated financial position. On appointment, letters were issued to each debtor by the Administrators.
- 2.24 Various responses have been received from potential debtors advising that they had previously paid the outstanding balance in cash and they had never had outstanding credit with the Company.
- 2.25 The position is being investigated further by the Administrators. The outstanding book debts seem relatively low for the turnover of this type of Company. The Administrators are currently liaising with a former director of the Company who has key knowledge relating to the systems used to record debtors in order to ascertain whether there are any further book debts.

### Cash in Hand

- 2.26 £28.94 was collected by the Administrators in respect of cash held by the Company at the trading premises.
- 2.27 The work undertaken by the Administrator and his staff to date in realising the Company’s assets has been necessary in order to maximise the likelihood of a return to creditors being

## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.

- 2.28 Further information on the estimated outcome of the Administration can be found in section 9 below.

### Creditors

- 2.29 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 2.30 I can confirm that the Company has secondary preferential creditors.
- 2.31 Due to the nature of the Company, it is expected that the Joint Administrators will be required to spend a significant amount of time dealing with Retention of Title ("ROT") claims from creditors. Three ROT claims have been received to date and the Joint Administrators are currently reviewing the same with the Agent to ascertain whether the stock falling under the claims can be identified and, if so, protected for collection should there be valid claims.
- 2.32 Work undertaken by an Administrator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company.
- 2.33 HM Revenue and Customs ("HMRC") have been contacted to advise of the appointment of the Joint Administrators and to secure full details of any claims they may have. The Joint Administrators will take steps to fully verify the position in order that it can be established whether HMRC has any claim.
- 2.34 Following appointment all creditors of the Company were written to, to confirm the appointment of the Joint Administrators and to request full details of their claims and any supporting evidence.
- 2.35 It is anticipated that due to the level of asset realisations a dividend will be payable to the secured creditor under their fixed charge only.
- 2.36 It is anticipated that due to the level of asset realisations and costs of the Administration, a dividend will not be payable to any other class of creditor. If however funds do become available to allow a dividend to be paid to the unsecured creditors, I will advise creditors of this in my progress reports.

### Investigations

- 2.37 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Director's Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Administrators can pursue for the benefit of creditors.
- 2.38 In order to comply with the above legislation steps have been taken to secure all of the Company's books and records, both manual and electronic, in order that a full review of the

## **A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION**

same may be undertaken to submit the statutory report on the conduct of the Directors of the Company to the Department of Business, Energy and Industrial Strategy.

- 2.39 The Company's bank has also been contacted to advise of our appointment and request the delivery up of copy bank statements for the two years preceding the commencement of the Administration. Upon receipt of the same, a full review will be undertaken to establish if there are any areas of concern that require further investigation or may possibly result in a recovery for the benefit of the creditors.
- 2.40 In addition, all creditors of the Company have been written to including a creditor questionnaire inviting creditors to provide information on any concerns regarding the way in which the Company's business has been conducted and on any potential recoveries for the benefit of the Administration estate. A detailed review of all creditor responses received will be completed and any matters of concern that are highlighted, will be duly followed up that may include additional enquiries of third parties and where applicable the instruction of a solicitor to commence any appropriate legal or recovery action.

### **3 Joint Administrators' Receipts and Payments**

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 25 March 2024 is attached at Appendix B.

### **4 Financial Position**

- 4.1 Attached at Appendix C is a summary of the Director's Estimated Statement of Affairs of the Company as at the date of the appointment of the Administrators.
- 4.2 This was verified by a statement of truth by the Director on 20 February 2024 and is stated before the costs of the Administration procedure are considered.
- 4.3 I have the following observations to make in relation to the Directors' Estimated Statement of Affairs:
- 4.4 It should be noted that, the image quality of the Estimated Statement of Affairs is quite poor to the extent that it is illegible. The director advised he was unable to scan a copy and had to use the camera on his mobile phone to produce the images of the documents. The Joint Administrators have since requested the original version from the director who has confirmed this has been posted. This is yet to be received.
- 4.5 All figures shown in the Estimated Statement of Affairs have been provided by the Directors and do not necessarily reflect valuations or creditor information held by the Joint Administrators. All creditor balances will be verified by the Joint Administrators prior to any distribution being made if applicable.
- 4.6 The estimated to realise value for the Company's assets is the Director's view of the value of the assets in their current state. From a review of the Estimated Statement of Affairs the director had given the estimated to realise values as £60,000 for the fixed charge assets and £160,000 for the remaining assets.
- 4.7 Trade and expense creditors include all of the Company general trade and expense creditors.

### **5 Proposals**

- 5.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration as set out in Section 2 of this report. A

## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

Summary of the Administrators' Proposals in relation to the pursuance of this objective can be found at Appendix D.

### 6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals I do not believe that an extension to the period of Administration will be necessary, however will confirm the position to creditors in a subsequent progress report in due course.
- 6.3 Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration are set out below.

#### ***Payment of Secured and/or Preferential Creditors followed by Dissolution of the Company***

- 6.4 Based on present information, the Administrator thinks that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrators' final report, for the dissolution of the Company. of Companies.
- 6.5 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

#### ***Compulsory Liquidation***

- 6.6 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrators will become the Joint Liquidators in the subsequent liquidation.

### 7 Pre-administration Costs

- 7.1 Pre-administration costs are defined as:
- (i) Fees charged, and
  - (ii) Expenses incurred
- 7.2 by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.
- 7.3 I would confirm there are no pre-administration costs in this case.

## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

### 8 Joint Administrators' Remuneration

- 8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.
- 8.2 In addition to this, where Administrators seek to pass a resolution to agree the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, we are not seeking to determine the basis of our remuneration as time properly spent by us and our staff in dealing with the affairs of the Company and we are therefore not, required to provide a fees estimate to creditors. Details of the basis or bases we are proposing, together with information about the work we consider will be necessary in this case and the expenses we consider will, or are likely to be, incurred on this case can be found at Appendix E.
- 8.4 Further information on the work done since our appointment to the date of this report, can be found in section 2.
- 8.5 Appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.
- 8.6 Separately, it has been agreed with the chargeholder that Xeinaadin Corporate Recovery Limited's fee for carrying out the sale of the fixed charge assets will be 5% of the fixed charge asset realisations.
- 8.7 Please note however, that in circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, we will revert to creditors with our fees estimate for approval.
- 8.8 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.9 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2010/creditors-guide-to-administrators-fees-england-and-wales-apr-2010.ashx>. If you would prefer this to be sent to you in hard copy please contact Josh Daly of this office on 0161 212 8389.

### 9 Estimated Outcome

- 9.1 An estimate of the outcome of the Administration as at 25 March 2024 is attached as Appendix F.
- 9.2 The estimated outcome has been calculated using the most up to date figures. Therefore, these may be different to the figures used in the Directors' estimated statement of affairs.
- 9.3 The Company granted a floating charge to Simon Bolton and Emma Bolton on 7 July 2023. Accordingly, we are required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the **Prescribed Part**).
- 9.4 However, due to the costs of the Administration, there are expected to be insufficient funds to make a distribution to the secured creditor under its floating charge and as such the prescribed part will not apply.

## **A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION**

- 9.5 The figures stated for plant & machinery, motor vehicles, furniture & equipment and stock represent the consideration for the sale of the business and assets to the Purchaser.
- 9.6 The figures stated for book debts includes a 50% provision to allow for difficulties in collection associated with insolvency proceedings.
- 9.7 The liability shown as outstanding to HMRC in respect of their secondary preferential claim reflects the amount outstanding at the date of our appointment per an estimate provided by the Company's former accountant. As such, the final figure owed to HMRC may be significantly higher.
- 9.8 Based on a review of the Company's books and records and the directors' Estimated Statement of Affairs attached to this report the estimated value of the preferential (including secondary) creditors is £10,706.27 and the unsecured creditors is £182,633.81.
- 9.9 Based upon the current level of asset realisations and the expected claims as set out in the estimated outcome statement and explained above, a dividend to the secured creditor of 18.8p/£ is anticipated under their fixed charge.
- 9.10 Based upon the current level of asset realisations and the expected claims as set out in the estimated outcome statement and explained above, no further dividend to any other class of creditor is anticipated.
- 9.11 Please be aware that this may fluctuate during the course of the Administration and further updates will be provided in our progress reports in due course.

### **10 Proposals approval and Next Report**

- 10.1 As I think that neither of the objectives specified in Paragraph 3(1)(a) and (b) of Schedule B1 can be achieved, I am not required to seek a decision from the unsecured creditors on the approval of my Proposals.
- 10.2 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of  
A. & S. Carpets & Vinyls Limited



**Alessandro Sidoli**  
Joint Administrator

Enc

# A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

## Appendix A

### Statutory Information

#### 1 Company information

Company name	A. & S. Carpets & Vinyls Limited
Trading name(s)	None
Registered number	02217564
Registered office address	100 Barbirolli Square, Manchester, M2 3BD
Former registered office address	Riverside House, Kings Reach Business Park, Yew Street, Stockport, SK4 2HD
Trading address(s)	Fallons Rd, Wardley, Swinton, Worsley, Manchester, M28 2NY
Court details	In the Business and Property Courts Manchester District Registry
Court reference number	CR-2024-MAN-000182

#### 2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
Neil Palmer	7 July 2023	-	28,592
Simon Bolton	27 March 1994	7 July 2023	-
Secretary			
None			

#### 3 Joint Administrators' Details

Name of Administrators	Alessandro Sidoli	Alan Fallows	Christopher Brindle
Address	100 Barbirolli Square Manchester M2 3BD	100 Barbirolli Square Manchester M2 3BD	Campbell Crossley & Davis, Seneca House, Links Point, Amy Johnson Way, Blackpool, FY4 2FF
Telephone Number	0161 832 6221	0161 832 6221	01253 349331
Fax Number	0161 834 8479	0161 834 8479	-
Administrator's IP Number	14270	9567	22092
Authorising Body	Institute of Chartered Accountants in England and Wales	Institute of Chartered Accountants in England and Wales	Institute of Chartered Accountants in England and Wales



**A. & S. Carpets & Vinyls Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 25/03/2024**

<b>S of A £</b>		<b>£</b>	<b>£</b>
	<b>SECURED ASSETS</b>		
	Plant & Machinery	3,928.57	
	Motor Vehicles	7,963.32	
	Office Furniture and Equipment	637.07	
			12,528.96
	<b>SECURED CREDITORS</b>		
(60,000.00)	Simon & Emma Bolton	NIL	
			NIL
	<b>ASSET REALISATIONS</b>		
	Stock	42,471.04	
	Book Debts	41.03	
	Cash in Hand	28.94	
			42,541.01
	<b>PREFERENTIAL CREDITORS</b>		
(598.14)	Employee Preferential Claims	NIL	
			NIL
	<b>SECONDARY PREFERENTIAL CREDITORS</b>		
(9,471.19)	HMRC (Secondary Preferential Claim)	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(182,633.81)	Trade & Expense Creditors	NIL	
(1,235.08)	Employee Non-Preferential Claims	NIL	
			NIL
<b>(253,938.22)</b>			<b>55,069.97</b>
	<b>REPRESENTED BY</b>		
	Current A/c		55,069.97
			<b>55,069.97</b>

Joint Administrator

Statement of affairs

A/S Capital, 1000 100	000000
[Empty Box]	CR - 2000000

Balance sheet, 1000 100, 1000 100, 1000 100

Balance sheet, 1000 100, 1000 100, 1000 100

1000 100

2. The date that the company started its operations

Statement of Profit

I certify that the facts stated in this statement of affairs are true and correct as of the date of the statement of affairs, 1000 100, 1000 100, 1000 100

1000 100

1000 100

1000 100

A - Summary of Assets

Assets

Assets subject to loan charges

1000	1000
1000	1000
1000	1000
1000	1000

Assets subject to O. 602 charge

40k

Uncharged assets

240k

Estimated and mark available for preferred creditors

40k

*[Signature]* Jan 20, 2014

## A1 - Summary of Liabilities

Estimated

639k

to 100%

299k

Estimated and mark available for preferred  
creditors (marked from PFD A)

40k

Liabilities  
Preferred creditors

2

20-3-24

# COMPANY CREDITORS

Notes: The name and address of each creditor and the amount of the debt must be stated in this statement and the name and address of the creditor must be stated in the statement of assets and liabilities.

Name of creditor	Address	Amount of debt	Amount of debt paid	Amount of debt due
Bank of India		1000		
Bank of China		500		
Bank of Japan		200		
Bank of America		100		
Bank of England		100		
Bank of France		100		
Bank of Germany		100		
Bank of Italy		100		
Bank of Spain		100		
Bank of Portugal		100		
Bank of Greece		100		
Bank of Russia		100		
Bank of Persia		100		
Bank of Egypt		100		
Bank of India		100		
Bank of China		100		
Bank of Japan		100		
Bank of America		100		
Bank of England		100		
Bank of France		100		
Bank of Germany		100		
Bank of Italy		100		
Bank of Spain		100		
Bank of Portugal		100		
Bank of Greece		100		
Bank of Russia		100		
Bank of Persia		100		
Bank of Egypt		100		

2

20-3-24

# COMPANY SHAREHOLDERS

Name of shareholder	Address (with post office)	No. of shares	Amount paid	Date of share
Bank of India		100%	2000	
Bank of China				
Bank of Japan				
Bank of America				
Bank of England				
Bank of France				
Bank of Germany				
Bank of Italy				
Bank of Spain				
Bank of Portugal				
Bank of Greece				
Bank of Russia				
Bank of Persia				
Bank of Egypt				
Bank of India				
Bank of China				
Bank of Japan				
Bank of America				
Bank of England				
Bank of France				
Bank of Germany				
Bank of Italy				
Bank of Spain				
Bank of Portugal				
Bank of Greece				
Bank of Russia				
Bank of Persia				
Bank of Egypt				

**Section 100**

1. The following are the main points of the report:

2. The first point is that the project is of great importance.

3. The second point is that the project is of great importance.

4. The third point is that the project is of great importance.

5. The fourth point is that the project is of great importance.

6. The fifth point is that the project is of great importance.

7. The sixth point is that the project is of great importance.

8. The seventh point is that the project is of great importance.

9. The eighth point is that the project is of great importance.

10. The ninth point is that the project is of great importance.

11. The tenth point is that the project is of great importance.

12. The eleventh point is that the project is of great importance.

13. The twelfth point is that the project is of great importance.

14. The thirteenth point is that the project is of great importance.

15. The fourteenth point is that the project is of great importance.

16. The fifteenth point is that the project is of great importance.

17. The sixteenth point is that the project is of great importance.

18. The seventeenth point is that the project is of great importance.

19. The eighteenth point is that the project is of great importance.

20. The nineteenth point is that the project is of great importance.

21. The twentieth point is that the project is of great importance.

22. The twenty-first point is that the project is of great importance.

23. The twenty-second point is that the project is of great importance.

24. The twenty-third point is that the project is of great importance.

25. The twenty-fourth point is that the project is of great importance.



44-38861-24

**Appendix D**

**Summary of Joint Administrators' Proposals**

It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:

- If having realised the assets of the Company the Administrators think that a distribution will be made to the secured, preferential creditors and secondary preferential creditors only, they will distribute this in the Administration following which they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company. Court approval is not required to enable the Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- It is currently anticipated that once the purpose of the Administration has been achieved, the Company will be dissolved.
- The Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they consider desirable or expedient to achieve the statutory purpose of the Administration.
- If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration, Category 2 expenses (where charged) and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
  - As a percentage of the value of the assets they have to deal with, or
  - By reference to time properly spent by the Administrators and their staff managing the Administration, or
  - As a set amount
    - In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Administrators be authorised to draw Category 2 expenses as and when funds are available, in accordance with their firm's published tariff.

## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

- Where no Creditors' Committee is appointed, the remuneration and Category 2 expenses of the Administrators shall be fixed by a decision of creditors or where the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrators will also seek approval from creditors for any unpaid pre-administration costs (such that they exist) and their discharge from liability in the same manner.
- In this case, the Administrators are seeking to approve the basis of their remuneration as follows:

As a set amount

Please note, the Administrators have agreed an additional fee of 5% of the fixed charge asset realisations with the chargeholder in respect of dealing with the sale of these assets. An additional 5% of the fixed charge asset realisations will also be paid to the Agent for their assistance with the sale of the same.

- The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.



## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

### Appendix E

#### Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors Fee Basis

##### Fee Basis and Proposed Expenses

Alessandro Sidoli and Alan Fallows of Xeinadin Corporate Recovery Limited are seeking to agree the basis of their remuneration in this case as a set amount. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at Section 2.

Christopher Brindle of Campbell, Crossley & Davis is seeking to agree the basis of his remuneration in this case as a set amount. Attached to this appendix are details of the work the Administrator proposes to undertake and the expenses the Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Administrators Report and Statement of Proposals at Section 2.

As a set fee is being sought in this case, the Administrators' fee information attached to this report provides further details about the basis being proposed and the work the Administrators anticipate at this stage, having to carry out.

The fees information provided is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on the proposed remuneration basis, such as additional investigatory matters or potential realisable assets, further time or cost may be incurred, and it may be necessary to revise the Administrators' estimate of costs.

In this case, I do not currently anticipate that it will be necessary to seek further approval to increase the level of the fees proposed.

Also included within the fees information attached are details about the Administrators' anticipated expenses, which includes any **Category 1 expenses**, which generally comprise of external supplies of incidental services specifically identifiable to the case and do not require prior creditor approval to be paid. The information about expenses also outlines any **Category 2 expenses** charged by this firm which do require prior approval by creditors and are costs which are directly referable to the appointment but are not payments to an independent third party and may therefore include payments to associates of the Administrators or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis.

##### Category 1 expenses

The following Category 1 expenses are currently anticipated on this assignment:

<i>Expense</i>	<i>Basis of remuneration/cost</i>	<i>Service to be provided</i>	<i>Estimated cost £ (+VAT)</i>
Agent's fees & expenses	10% of realisations plus fixed fee for valuation and expenses	Valuation & sale of the insolvent's assets.	6,623.56
Legal fees & expenses	Time costs	Dealing with appointment, asset sale agreement and ongoing advice	6,622.50
Statutory advertising	Fixed cost	Statutory advertising in London Gazette	102.00
Bordereau	Fixed cost	Statutory bond required in all insolvency appointments for each office holder appointed	120.00
Insurance	Fixed rate	Asset insurance	177.86

## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

External storage costs	£1.84 plus VAT per box per quarter.	Storage of insolvent's books & records for statutory timescales	58.88
External mail services	Fixed cost per letter	External mail service costs for creditor circulars e.g., Postworks	209.86
Bank charges	Fixed cost	Charges incurred for operating the insolvent estate account	50.00

### Category 2 expenses

The following Category 2 expenses are currently anticipated on this assignment:

<i>Expense</i>	<i>Basis of remuneration/ cost</i>	<i>Payment to Associate or shared/allocated cost</i>	<i>Service to be provided</i>	<i>Estimated cost £</i>
Receipt Bank – Digital conversion of Bank Statements	16 pence per sheet	Allocated cost	Scanning of Bank Statements and conversion into digital records for review under SIP 2 (assuming bank statements are found to exist in respect of the Company)	32.00

### Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

On this case we have used, or anticipate using, the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the administration.

<b>Service (s)</b>	<b>Provider</b>	<b>Work to be done</b>	<b>Basis of fee arrangement</b>	<b>Cost to date £</b>	<b>Anticipated total cost £</b>
Rates Review	PCA	Liaising with local authorities to establish if there is any rates refund due to the Administration estate	20%	-	Dependent upon future realisations

PCA will be instructed to undertake a rates review and liaise with the relevant local authorities as the nature of this work is protracted in its nature due to the lengthy response time encountered in dealing with the local authorities. The Joint Administrators could undertake such work, but the time costs in doing so are likely to be far greater than the agreed fee basis with PCA this if there is any rates refund due, the return to the Administration estate is likely to be greater.

### Professional Advisors

## A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION

On this assignment we have used, or are proposing to use, the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
JMW Solicitors LLP (legal advice)	Time costs
AON (insurance)	Fixed Fee
Middleton Barton (valuation and disposal advice)	Percentage of realisations and time costs

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

### A. & S. Carpets & Vinyls Limited (the Company)

## Fees Information in accordance with The Insolvency (Amendment) Rules 2015 and Statement of Insolvency Practice 9

### *Fees Overview*

Prior to an insolvency practitioner agreeing the basis of their remuneration as Administrator, details of the work proposed to be done and the expenses it is considered will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

In addition, where the Administrator proposes to take all or any part of this remuneration based on the time they and their staff will spend dealing with the affairs of the insolvent company, a **fees estimate** must also be provided. This will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

In this case, I am not proposing to agree the basis of my remuneration as Administrator based on time spent dealing with the Company's affairs, therefore am not required to provide creditors with a **fees estimate**. I am required to confirm the basis or bases I am seeking in the alternative and details of the work proposed to be done in this case, which can be found below.

### *Work anticipated and the likely return to creditors*

Some of the work undertaken by an insolvency practitioner is required by statute and may not necessarily provide a financial benefit to creditors. Examples of this work include investigations required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 or dealing with the claims of former employees via the National Insurance Fund.

Where the work to be done is anticipated to produce a financial benefit to creditors, this will be stated and it may be necessary for the Administrator to instruct third parties to assist in this process because of a particular expertise that the third party may bring such as valuation, tax or legal advice.

Where it is practical to do so, an Administrator will provide an indication of the likely return to creditors when seeking approval for the basis of his remuneration. Again due to the complex nature of the work undertaken by insolvency practitioners and the uncertainties that may exist in relation to the realisation of a company's assets at the outset of a case, this may not be possible. An Administrator is however, required by statute to provide periodic reports to creditors on the progress of a case which will include an update as to the likely return creditors may expect.

## **A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION**

### ***Proposed Fee Basis/Bases***

#### **Xeinadin Corporate Recovery Limited**

In this case, I am proposing following basis or bases for my remuneration as Administrator:

A set fee of £25,000 plus VAT.

This would encompass all work set out below for the duration of the appointment. In arriving at the level of fee appropriate for this appointment, I have taken into consideration the facts of the case including, level of assets owned by the Company, the number of creditors, the number of debtors (and their likely disputes that are being raised) and potential Retention of Title claims that will need to be dealt with. In addition, the firm has previously undertaken a review of historical similar cases to understand the average time costs incurred in completing the administration of such an appointment. The set fee proposed here is in line with the time costs typically incurred on those similar cases. This has enabled me to confirm that the set fee requested here is fair, reasonable and proportionate to the circumstances.

#### **Campbell, Crossley & Davis**

In this case, I am proposing following basis or bases for their remuneration as Administrator:

A set fee of £15,000 plus VAT.

This would encompass all work set out below in relation to the Investigations. In arriving at the level of fee appropriate for this appointment, I have taken into consideration the facts of the case including, the concerns of creditors that may require further investigation outside of the parameters of the normal investigation and the number of creditors. The set fee proposed here is in line with the time costs typically incurred on those similar cases. This has enabled me to confirm that the set fee requested here is fair, reasonable and proportionate to the circumstances.

Set out in the table at the end of this document is information about any proposed expenses that are not included in the above proposed percentage or set fees. These may include statutory costs (unless they are included in the above fee proposal, in which case this will be stated) or other necessary costs, such as agent's costs and legal expenses.

Finally, please note that in circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, I reserve the right to refer back to creditors to establish how I am to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, I will revert to creditors with my fees estimate for approval.

### ***Outline of work to be done by the Administrator***

Below are details of the work I propose undertaking in support of the above fee proposal for the Administration:

#### ***Administration (including statutory compliance & reporting)***

Under insolvency legislation the Administrator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company.

Work Undertaken to Date by Xeinadin Corporate Recovery

- Notifying creditors of the Administrator's appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Complying with statutory duties in respect of the Administrator's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Securing the Company's books and records
- Completion and filing of the notice of the Company's insolvency to HMRC
- Opening, maintaining and managing the Administration estate cashbook and bank account(s)

## **A. & S. CARPETS & VINYL LIMITED - IN ADMINISTRATION**

- Dealing with all post-appointment VAT and corporation tax compliance
- Liaison with secured creditors, obtaining charge documents and validating the security
- Dealing with former employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company

Work Undertaken to Date by Campbell, Crossley & Davis

- Complying with statutory duties in respect of the office holder's specific penalty bond
- Creation and update of case files on the firm's insolvency software
- Securing the insolvent's books and records
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the insolvent's books and records and the identification of potential further asset realisations which may be pursued in the proceedings

Outline of work to be done by Xeinadin Corporate Recovery

- Periodic case progression reviews (At the 1 month anniversary and typically every 6 months thereafter)
- Preparing and issuing progress reports to members and creditors
- Closing the administration and preparing and issuing the Administrators final account to prescribed parties

Outline of work to be done by Campbell Crossley & Davis

- Continue to liaise with the Company's former bankers to secure bank statements for the period leading to Administration and an investigation into the same
- Submitting a statutory report to the Insolvency Service under the CDDA requirements

### ***Realisation of assets***

The Administrator will seek to realise all of the Company's assets as outlined in the director's statement of affairs and I would comment on the known assets of the Company as follows:

#### **Sale of Business**

The Company's assets were valued on 7 February 2024 by Damian Short of Middleton Barton Valuation ("the Agent") who is a RICS registered valuer. The Agent has confirmed their independence and that they carry adequate professional indemnity insurance.

A full site visit was undertaken on 7 February 2024 at the Company's premises upon which a detailed inspection of all assets was undertaken, and an inventory compiled. The Company's tangible assets were valued on both an in-situ basis and an ex-situ basis.

The in-situ valuation assumed that all assets are to be sold as a whole for use in the current situation. The Agent has used the in-situ valuation to assess the offers received. The Agent also valued the assets on an ex-situ basis which assumed that the assets would be sold for removal from the current location at the cost of the purchaser. This type of valuation best demonstrates the sale of assets in a break up or restricted marketing situation.

The physical assets comprised of plant, machinery, motor vehicles and a significant amount of stock. In addition to valuing these assets, the Agent also undertook a detailed review of the Company's goodwill and intellectual property.

Following an extensive marketing process carried out by the Agent, various offers were received from connected and unconnected parties. Please see below details of the offers received:

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*The Purchaser - £55,000 payment in full on completion – this was the accepted offer for details outlined at section 2.19*

*Purchaser B - £50,000 – declined as less than accepted offer*

*Purchaser C – connected party - £50,500 with an initial deposit of £15,000 and the remainder on a deferred basis. This offer was declined as it was for less than the accepted offer and there is an element of risk due to a majority of the amount being deferred.*

*Purchaser D - £35,000 payment in full on completion – declined as less than accepted offer.*

An offer of £55,000, detailed above, has been received from LCL Flooring ("The Purchaser") who are an unconnected party.

In light of various offers being received, The Agent provided a written recommendation to the Joint Administrators to confirm acceptance of LCL Floorings' ("the Purchaser")'s offer of £55,000.

The Agent recommended the offer based on the following reasons:

- The offer exceeded the valuation of the Company's assets provided by the Agent if we were to sell on a breakup basis.
- The offer was the best offer received and the value was far above the next biggest offer.
- The offer was for payment in full thus mitigating any risk going forward

The following assets are to be sold and the consideration to be paid is shown next to each asset.

- *Plant and Machinery - £3,928.57*
- *Motor Vehicles - £7,963.32*
- *Office Furniture and Equipment - £637.07*
- *Stock - £42,471.04*

Payment in full of £55,000 was received on completion of the sale and JMW Solicitors LLP were instructed to complete the sales agreement.

A distribution of the amounts due to the secured creditor under their fixed charge will be made from the amounts received from the sale.

### Book Debts

From a review of the Company's books and records, there appears to be book debts outstanding of £20,885.28. A 50% bad debt provision has been applied to the ledger in a break up basis as shown in the estimated financial position. On appointment, letters were issued to each debtor by the Administrators.

Various responses have been received from potential debtors advising that they had previously paid the outstanding balance in cash and they had never had outstanding credit with the Company. The position is being investigated further by the Administrators. The outstanding book debts seems relatively low for the turnover of this type of Company. The Administrators are currently liaising with a former director of the Company who has key knowledge relating to the systems used to record debtors in order to ascertain whether there are any further book debts. Should resistance continue to be met with payment the Administrators will review whether to appoint Solicitors to escalate matters.

### Cash in Hand

## **A. & S. CARPETS & VINYLs LIMITED - IN ADMINISTRATION**

£28.94 was collected by the Administrators in respect of cash held by the Company.

We will provide updates on the realisation of the property with our progress reports in due course.

Work done by the office holders, their staff and any third parties engaged to assist the office holder in realising the insolvent's assets will, it is anticipated, provide a financial benefit to creditors. This may involve realising assets to facilitate a distribution to secured or preferential creditors only, or may, depending on realisations and the extent of any 3rd party security, result in a distribution to the unsecured creditors.

The attached Estimated Outcome Statement provides an illustration of what the outcome for creditors may be at this time. However this is subject to fluctuation during the proceedings, depending on actual realisations made, costs incurred and the eventual claims submitted by creditors, all of which cannot be predicted with any certainty at this stage.

Creditors will be updated on the anticipated outcome in future progress reports issued by the office holder.

### ***Creditors (claims and distributions)***

As Administrator, I will deal with all secured, preferential and unsecured creditor correspondence and claims as received, including any claims of creditors under retention of title. Based on the directors' estimated statement of affairs, I think that a distribution to creditors may become available to the preferential creditors. I will either deal with the review and adjudication of creditors' claims in the Administration or in the subsequent liquidation, if and when it is determined that a dividend is to be declared to creditors.

The Company granted a floating charge to Simon & Emma Bolton on 7 July 2023. Work will be carried out to confirm the validity of the charge ahead of any dividend to the secured creditor.

It is currently expected that a dividend of 18.8p/£ will be paid to secured creditors under their fixed charge.

It is anticipated that there will be a small preferential claim in respect of the employees holiday pay. Work will be undertaken to review and submit the employee claims to the Redundancy Payments Service ("RPS") and review any claim received from the RPS.

It is not currently expected that a dividend will be paid to preferential creditors.

It is anticipated that HMRC will have claims in respect of overdue VAT and PAYE liabilities. Work will be required to review and process the claim of HMRC .

It is not currently expected that a dividend will be paid to secondary preferential creditors.

It should be noted that the above is based on the Company's books and records received and the projected realisable value of the Company's assets which at this stage is unconfirmed. I will undertake appropriate investigations into and obtain valuations of, the Company's assets and will confirm the likely return to creditors in my first progress report.

### ***Investigations***

As Administrator, I am required to conduct investigations into the conduct of the director(s) of the Company and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2 (Investigations by Office Holders in Administrations and Insolvent Liquidations).

## **A. & S. CARPETS & VINYL LIMITED - IN ADMINISTRATION**

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake by statute. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.

### ***Office Holder's Expenses and the use of Subcontractors***

Expenses are payments from an insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or shareholder. Some expenses can be paid without prior approval from creditors (Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (Category 2 expenses).

Examples of expenses include agent's costs for assisting in the disposal and realisation of assets, legal costs, specialist pensions advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing books and records. Expenses also include expenses which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit.

Further details of my firm's Category 2 expenses policy, which explains the basis on which any proposed expenses appearing in the relevant table below are being charged to the estate, is attached for creditors' information. Approval to pay any proposed Category 2 expenses will be sought from creditors at the same time as the basis of the office holder's remuneration is agreed.

Details of there have been provided in the report above.



**A. & S. Carpets & Vinyls Limited**  
**(In Administration)**  
**Joint Administrators' Estimated Outcome Statement**  
**As at 25/03/2024**

Statement of Affairs £	Realised / Paid	Projected	Total £
SECURED ASSETS			
Plant & Machinery	3,928.57	NIL	3,928.57
Motor Vehicles	7,963.32	NIL	7,963.32
Office Furniture and Equipment	637.07	NIL	637.07
	12,528.96	NIL	12,528.96
COSTS OF REALISATION			
Office Holders Fees - Secured	NIL	626.44	626.44
Agents/Valuers Fees - Secured	NIL	626.44	626.44
	NIL	(1,252.88)	(1,252.88)
SECURED CREDITORS			
(60,000.00) Simon & Emma Bolton	NIL	11,276.08	11,276.08
	NIL	(11,276.08)	(11,276.08)
ASSET REALISATIONS			
Stock	42,471.04	NIL	42,471.04
Book Debts	41.03	10,401.61	10,442.64
Cash in Hand	28.94	NIL	28.94
	42,541.01	10,401.61	52,942.62
COST OF REALISATIONS			
Bordereau	NIL	120.00	120.00
Office Holders Fees - Xeinadin CR	NIL	23,945.96	23,945.96
Office Holders Fees - Cambell, Crossley	NIL	15,000.00	15,000.00
Agents/Valuers Fees	NIL	6,623.56	6,623.56
Legal Fees	NIL	6,622.50	6,622.50
Stationery & Postage	NIL	209.86	209.86
Storage Costs *	NIL	58.88	58.88
London Gazette Advertising	NIL	102.00	102.00
Bank Statement Review	NIL	32.00	32.00
Insurance of Assets	NIL	177.86	177.86
Bank Charges	NIL	50.00	50.00
	NIL	(52,942.62)	(52,942.62)
PREFERENTIAL CREDITORS			
(598.14) Employee Preferential Claims	NIL	NIL	NIL
	NIL	NIL	NIL
SECONDARY PREFERENTIAL CREDITORS			
(9,471.19) HMRC (Secondary Preferential Claim)	NIL	NIL	NIL
	NIL	NIL	NIL
UNSECURED CREDITORS			
(182,633.81) Trade & Expense Creditors	NIL	NIL	NIL
(1,235.08) Employee Non-Preferential Claims	NIL	NIL	NIL
	NIL	NIL	NIL
(253,938.22)	55,069.97	(55,069.97)	0.00

REPRESENTED BY

Current A/c	55,069.97	NIL	55,069.97
	<u>55,069.97</u>	<u>NIL</u>	<u>55,069.97</u>

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Alessandro Sidoli  
Joint Administrator