

AM23

Notice of move from administration to dissolution



Companies House

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1 Company details

Company number 08463187

Company name in full ACL 2020 Limited (Formerly Axminster Carpets Limited)

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice

Court number 0012442020

3 Administrator's name

Full forename(s) Benjamin John

Surname Wiles

4 Administrator's address

Building name/number The Shard

Street 32 London Bridge Street

Post town London SE1 9SG


County/Region

Postcode

Country

AM23

Notice of move from administration to dissolution

5		Administrator's name ①	
Full forename(s)	Geoffrey Wayne		① Other administrator Use this section to tell us about another administrator.
Surname	Bouchier		
6		Administrator's address ②	
Building name/number	The Shard		② Other administrator Use this section to tell us about another administrator.
Street	32 London Bridge Street		
Post town	London SE1 9SG		
County/Region			
Postcode	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>		
Country			
7		Final progress report	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report	
8		Sign and date	
Administrator's signature	Signature 		
Signature date	<div> <div> <div>d</div> <div>1</div> </div> <div> <div>d</div> <div>5</div> </div> <div> <div>m</div> <div>0</div> </div> <div> <div>m</div> <div>2</div> </div> <div> <div>y</div> <div>2</div> </div> <div> <div>y</div> <div>0</div> </div> <div> <div>y</div> <div>2</div> </div> <div> <div>y</div> <div>2</div> </div> </div>		

**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 **Craig Draper**

Company name **Kroll Advisory Ltd.**

Address **The Shard**

32 London Bridge Street

Post town **London SE1 9SG**

County/Region

Postcode

Country

DX

Telephone

+44 (0) 20 7089 4700

**Checklist**

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

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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

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Final Progress Report to Creditors

15 February 2022

**ACL 2020 Limited (Formerly
Axminster Carpets Limited)
(In Administration)**

*Joint Administrators' Final Progress Report for the period from 19 August
2021 to 15 February 2022 with a summary of the Administration.*

Kroll Advisory Ltd.
The Shard
32 London Bridge Street
London
SE1 9SG

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1. Introduction

The Joint Administrators were appointed on the Appointment Date by an order of the High Court of Justice, Business and Property Courts of England and Wales, Company and Insolvency List (ChD). The Court reference number is 1244 of 2020. The application to Court was made by IGF, the holder of a qualifying floating charge.

The Administration was extended until 18 February 2022 by consent of the Secured Creditors to allow the Joint Administrators to collect the remaining book debts and to complete the sale of the Wilton Looms, both of which were impacted by the COVID-19 pandemic, and to allow the remaining tax affairs to be completed.

This report is the Joint Administrators' Final Progress Report and provides creditors with a final account of the Administration of the Company, together with a summary of the Administration as a whole.

The Joint Administrators have also explained the exit route from the Administration and the outcome for each class of creditor.

You will find other important information in this Final Progress Report such as the costs the Joint Administrators incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this Final Progress Report is attached at Appendix 9.

2. Creditor Summary

Summary of Proposals

- The Proposals were approved by creditors on 15 April 2020.
- It is considered that the third objective of an Administration has been achieved as distributions have been made to IGF under its specific pledge via book debt collections, as well as distributions under its fixed charge.
- There were no major amendments to or deviations from the Proposals.
- A summary of the approved proposals is included at Appendix 2 and the Proposals are also available on the Creditors' Portal.

Progress to Date

- The Joint Administrators wound down certain parts of the business on a significantly reduced basis to honour certain customer contracts. The final trading surplus in this respect was £5,763.
- The Axfelt business and the Factory Outlet Shop were sold via pre-packaged Administration sales on 19 February 2020 for £400,000 and 21 February 2020 for £25,000, respectively.
- The Axminster business was sold to ACL Carpets on 4 March 2020 for total consideration of £333,500.
- Lease payments of £25,008, an option premium fee of £25,000 and sales consideration of £195,000 were realised in respect of the Wilton Looms.
- The book debts were specifically pledged to IGF and realisations totalling £667,748 were paid direct to IGF (including gross sales of £36,600 during the wind down period, that were subject to IGF's security).

- Other realisations included stock and cash assets and further details of all asset realisations are included at section 3.

Outcome for Creditors

- IGF have been paid £667,748 direct from book debt realisations and fixed charge distributions of £664,728 from the Administration estate. However, there have been insufficient asset realisations to enable IGF to be paid in full.
- There have been insufficient asset realisations to enable distributions to H Dawson or Robert Day.
- Upon their appointment, the Joint Administrators' paid arrears of wages to former employees in the sum of £80,864. There were insufficient asset realisations to enable a distribution to preferential creditors.
- There were insufficient asset realisation to enable a distribution under the Prescribed Part or to non-preferential unsecured creditors.

Please note, this report provides creditors with a final account of the Administration of the Company, together with a summary of the Administration as a whole. The Previous Reports and the Proposals are available to view at the Creditors' Portal and paper copies can be provided free of charge by writing to Craig Draper at Craig.Draper@Kroll.com. Unless otherwise stated, all amounts in this Final Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides a final update on the strategy for the Administration and progress made, including a summary of the information provided in the Previous Reports.

Strategy and Progress to Date

Wind Down

The Joint Administrators wound down certain parts of the business on a significantly reduced basis to honor certain customer contracts where possible. The final trading surplus payable to the Administration estate was £5,763.

Book Debts

In accordance with the invoice discounting agreement between IGF and the Company, the Company's book debts were specifically pledged to IGF and are therefore not an asset of the Company.

As at the Appointment Date, the Company's book debt ledger totalled c£731k, with an estimated to realise value of £512,195 according to the SOA.

It was initially anticipated that ACL Carpets would collect the book debts on behalf of the Company. However, following the impact of COVID-19 on the business of ACL Carpets, the Joint Administrators dealt with the book debt collections themselves.

The Joint Administrators also instructed Shoosmiths to pursue certain of the Company's outstanding book debts on a contingent fee basis.

Collections during the Cumulative Period total £667,748 with these funds flowing to IGF in respect of indebtedness at the Appointment Date of £1,433,575.

Asset Realisations

Realisations during the Final Period and the Cumulative Period are set out in the receipts and payments account at Appendix 3.

Further details regarding asset realisations prior to the Final Period, including sale consideration apportionments, steps taken by the Joint Administrators to realise the assets and the full SIP 16 Disclosure requirements are included in the Previous Reports. A summary of the most significant realisations during the Cumulative Period are provided below:

Axfelt Business

The Axfelt Business was sold to Ulster on the Appointment Date for total consideration of £400,000.

As part of the sale, three employees working at the Axfelt plant were transferred to Ulster pursuant to TUPE.

The Factory Outlet Shop

The factory outlet shop business was sold to Factory Outlet on 21 February 2020 for total consideration of £25,000.

As part of the sale, three employees working at the Factory Outlet Shop were transferred to Factory Outlet pursuant to TUPE.

Further, stock of £38,500 was subsequently sold to the Factory Outlet Shop on 4 March 2020.

Axminster Business

The Axminster Business was sold to ACL Carpets on 4 March 2020 for total consideration of £333,500.

As part of this transaction, the Company's name was changed to ACL 2020 Limited, and ACL Carpets changed its name to Axminster Carpets Limited on 18 March 2020.

ACL Retail – stock sale

On 6 March 2020, stock totalling £58,000 was sold to ACL Retail.

Wilton Looms

As noted in the Previous Reports, the Joint Administrators entered a lease agreement and option to purchase with ACL Carpets in respect of the Wilton Looms. Under the terms of the agreement, ACL Carpets would pay lease payments and an option premium fee. Lease payments totalling £25,008 and an option premium fee of £25,000 were realised in this respect.

ACL Carpets had an option to purchase the Wilton Looms for a pre-agreed sale price of £350,000, plus an exit fee of £50,000. At the end of the lease period, ACL Carpets had not exercised its option to purchase the Wilton Looms and the Joint Administrators subsequently negotiated at length with ACL Carpets in respect of a sale of the Wilton Looms.

ACL Carpets reduced its offer for the Wilton Looms to £195,000. This offer was accepted after the Agents undertook a further valuation of the Wilton Looms and after consultation with IGF and H Dawson, who released their security in order to allow a sale to take place. Robert Day also released his security.

Despite the lower purchase price for the Wilton Looms, the total amount received resulted in a higher return to the Company than any other offer available to the Joint Administrators.

Cash at Bank / Cash in Transit / Petty Cash

During the Cumulative Period, £88,171 was received in respect of cash at bank and £2,839 was realised in respect of petty cash.

In addition, funds totalling £23,867 were received from Barclaycard Merchant Services in respect of credit card receipts in transit as at the Appointment Date.

Investigations

The Joint Administrators reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors.

The Joint Administrators filed their confidential report with BEIS regarding the conduct of the directors who served in the three years prior to the Appointment Date.

There are no outstanding lines of enquiry.

Costs

Payments made in the Final Period and the Cumulative Period are set out in the receipts and payments account at Appendix 3.

A summary of the most significant payments made during the Administration is provided below:

Legal Fees

The Joint Administrators paid legal fees and disbursements to Shoosmiths LLP totalling £37,748 in the Final Period in respect of assistance provided in dealing with the sale of the business and assets and the preparation of various sale agreements, reviewing security documents, assisting the Joint Administrators' investigations into the Company's affairs, assistance in respect of book debt collections and other ad hoc legal matters.

Agents' Fees

The Joint Administrators paid fees and disbursements to SIA Asset Ingenuity Limited of £15,611 in relation to the valuation and advice on sale of assets, £1,000 of which was paid in the Final Period in respect of the Wilton Looms.

The Joint Administrators paid fees to Spreckley Partners Limited of £5,163 in the Cumulative Period in relation to media coverage and enquiries.

Accountant's Fees

The Joint Administrators paid LB Group Limited £2,300 in the Cumulative Period in relation to corporation tax requirements.

4. Outcome for Creditors

Secured Creditors

IGF

In consideration for the monies advanced under an invoice discounting agreement, the Company granted a debenture to IGF, which confers fixed and floating charges over all of the assets of the Company. The debenture also granted IGF a specific pledge over the Company's book debts. This charge was created on 31 August 2018 and delivered on 6 September 2018.

According to the SOA, as at the Appointment Date, the Company's indebtedness to IGF totalled £1,433,575, subject to accruing interest and charges.

During the Cumulative Period, book debt collections of £667,748 have been paid to IGF under its specific pledge over the Company's book debts.

Total fixed charge distributions paid to IGF in the Cumulative Period were £664,728, of which £264,728 was paid in the Final Period.

There were insufficient asset realisations to enable IGF to be repaid in full and IGF will suffer a shortfall on its indebtedness.

H Dawson

In consideration for monies advanced under the debenture agreement the Company granted a fixed and floating charge to H Dawson, which confers a fixed and floating charge over all of the assets of the Company. The charge was created on 5 April 2013 and was delivered on 11 April 2013.

According to the SOA, as at the Appointment Date, the Company's indebtedness to H Dawson was £6,103,669, subject to accruing interest and charges. This ranked behind the security held by IGF.

There were insufficient asset realisations to enable a distribution to H Dawson.

Robert Day

In consideration for the monies advanced under the debenture agreement the Company granted a fixed and floating charge to Robert Day, which confers a charge over all of the assets of the Company. The charge was created on 11 March 2015 and was delivered on 26 March 2015.

According to the SOA, as at the Appointment Date, the Company's indebtedness to Robert Day was £750,000, subject to accruing interest and charges. This ranked behind the security held by IGF and H Dawson.

There were insufficient asset realisations to enable a distribution to Robert Day.

Preferential Creditors

Preferential creditor claims consist of employee claims for arrears of wages and accrued holiday pay, the majority of which are subrogated to BEIS, following payment to the employees by the RPS. The SOA noted preferential creditor claims of approximately £88,000, which the Joint Administrators understand included arrears of wages outstanding at the Appointment Date.

As previously reported, the Joint Administrators settled the employees' arrears of wages up to the Appointment Date totalling £80,864, which significantly reduced the preferential claims in the Administration.

As previously advised, certain employees were transferred pursuant to TUPE as part of the various sale transactions and therefore the anticipated preferential claims are reduced.

The RPS have not submitted a claim in the Administration to date.

There were insufficient asset realisations to enable a distribution to Preferential Creditors.

Prescribed Part

The Company granted floating charges to the Secured Creditors and therefore the Prescribed Part provisions apply.

There were insufficient asset realisations to enable a distribution under the Prescribed Part.

Non-Preferential Unsecured Creditors

According to the SOA, non-preferential unsecured creditors total £4,830,620 at the Appointment Date and can be summarised as follows:

Creditor	£
HMRC (estimated)	478,000
Trade and expense creditors	538,002
Landlord – dilapidations	1,084,075
Investor loan – H Dawson	2,000,000
Other creditors including deposits and accruals	730,543
Total	4,830,620

Non-preferential unsecured claims totaling £1,049,227 have been received in the Administration to date.

There were insufficient asset realisations to enable a distribution to non-preferential unsecured creditors.

To confirm, there will be no future distribution to any class of creditor.

5. Other Matters

Creditors' Committee

A creditors' committee was not established in the Administration.

Joint Administrators' Receipts and Payments Account

A detailed receipts and payments account for the Final Period and the Cumulative Period is shown at Appendix 3.

Creditors' Rights

Further information regarding the remuneration and disbursements of the Joint Administrators, including creditors' rights to challenge such costs is provided at Appendix 7, Statement of Creditors' Rights.

6. Fees, Expenses and Pre-Administration Costs

Fees and Expenses

Time Costs

The Joint Administrators' remuneration was approved on the basis of time costs incurred by the Joint Administrators and their staff by the Secured Creditors on 4 May 2020. The Joint Administrators' fee estimate of £216,645, and the drawing of Category 2 Expenses, were also approved by the Secured Creditors on this date.

Time has been charged in six-minute units. Details of the time charged for the Final Period and the Cumulative Period are attached at Appendix 5.

Time costs incurred in the Final Period total £15,060, which represents 58 hours at an average hourly rate of £261.

Time costs incurred in the Cumulative Period total £406,805, which represents 1,300 hours at an average hourly rate of £313.

Time costs incurred in the Cumulative Period have exceeded the fee estimate by £190,160 and further details are noted below.

- The Joint Administrators and their staff have undertaken significant and time-consuming work in collecting the Company's book debt ledger. At the date of the fee estimate, it was envisaged that ACL Carpets would collect the book debts on behalf of the Company. However, following the impact of COVID-19 on the business of ACL Carpets, the Joint Administrators dealt with the book debt collections themselves, which has significantly increased the time costs incurred.
- The Joint Administrators have had to deal with receipts due to ACL Retail being paid to the IGF facility and subsequently needing to be returned to ACL Retail. In order to confirm the correct amount is refunded, the Joint Administrators have spent significant time liaising with ACL Retail and IGF as well as reviewing the necessary documentation.
- A number of debtors have disputed their debtor balances which has incurred further costs in liaising with ACL Carpets in respect of the alleged issues.
- The delay to the sale of the Wilton Looms meant the Administration lasted longer than anticipated, and increased time spent liaising with ACL Carpets in respect of the sale, as well as increased statutory costs given the longer Administration process and further statutory reporting requirements.
- The Joint Administrators have incurred more time costs than anticipated in dealing with creditor queries, in addition to providing updates to the Secured Creditors, predominantly being IGF, given their specific pledge over the Company's book debts, and the impact of the above points on the book debts.

In accordance with SIP 9, the Joint Administrators provide further narrative detail of the time costs incurred at Appendix 6.

It is anticipated that a further £2,000 of time costs will be incurred in bringing the Administration to a formal conclusion. The Joint Administrators will not be seeking approval of the outstanding time costs.

Fees

In the Cumulative Period, the Joint Administrators have drawn remuneration of £216,645, of which £114,688 was drawn in the Final Period.

Included in this balance is a refund due from HMRC of £3,544 which will be paid direct to Kroll from HMRC shortly in respect of the final Administration VAT return submitted to HMRC in June 2021.

In the Cumulative Period, the Joint Administrators have drawn disbursements of £1,257.

The remuneration and disbursements drawn in the Cumulative Period are detailed in the receipts and payments account at Appendix 3.

Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration.

Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1 Expenses) and those that do (Category 2 Expenses).

The Joint Administrators provided in the Proposals an estimate of expenses for the Administration, totalling £80,680. This was for information purposes only and could possibly change over the course of the Administration. Creditors have been kept updated of any variations with associated reasons in the Previous Reports. The Joint Administrators have not exceeded the original expenses estimate.

Appendix 4 details the final update of the expenses estimate. Appendix 4 also details the expenses incurred and paid in the Final Period and the Cumulative Period.

In the Cumulative Period, Category 1 Expenses of £63,743 were incurred and paid, of which £39,668 was paid in the Final Period.

No Category 2 Expenses were incurred in the Cumulative Period and no further expenses will be drawn.

Additional Information

Also attached at Appendix 6 is a narrative summary of the work carried out to assist creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and any financial benefit to creditors.

Details of how to obtain further information relating to the fees and expenses of the Joint Administrators is set out at Appendix 7.

Pre-Administration Costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Pre-Administration costs incurred by Kroll total £154,856, of which £124,600 was paid in the Cumulative Period as outlined below:

Pre-Administration Costs	Paid (£)	Unpaid (£)	Total (£)
Kroll Advisory Ltd. - time costs and disbursements	79,753	28,820	108,574
Shoosmiths LLP – time costs and disbursements	24,391	1,436	25,827
SIA Group Asset Ingenuity Limited – time costs and disbursements	16,256	0	16,256
Spreckley Partners Limited – time costs and disbursements	4,200	0	4,200
Total	124,600	30,256	154,856

Pre-Administration costs incurred by Armstrong Watson total £93,280, of which £78,642 was paid in the Cumulative Period as outlined below:

Armstrong Watson LLP - Pre-Administration Costs	Paid (£)	Unpaid (£)	Total (£)
Armstrong Watson - time costs and disbursements	60,545	14,818	75,363
Schofield Sweeney - time costs and disbursements	4,936	0	4,936
Sanderson Weatherall - time costs and disbursements	12,981	0	12,981
Total	78,462	14,818	93,280

The above pre-Administration costs were approved for payment from asset realisations by the Secured Creditors. For further details regarding pre-Administration costs, please refer to the Previous Reports.

7. Conclusion of the Administration

The Joint Administrators have now concluded the Administration. This is the Joint Administrators' final report on the Administration and no further reports will be issued.

The Joint Administrators have filed a copy of this Final Progress Report with the Registrar of Companies, together with the requisite notice to dissolve the Company.

The Administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be automatically dissolved three months after that date.

The Joint Administrators will be discharged from liability in respect of any actions as Joint Administrators on 15 February 2022.

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

If you require further information or assistance, please do not hesitate to contact Craig Draper.

Yours faithfully
For and on behalf of
ACL 2020 Limited



Benjamin Wiles
Joint Administrator

Encs.

The affairs, business and property of the Company are being managed by the Joint Administrators, Benjamin Wiles and Geoffrey Bouchier, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory Information

Company information		
Company and trading name	ACL 2020 Limited (Formerly Axminster Carpets Limited)	
Date of incorporation	26 March 2013	
Registered number	08463187	
Company director(s)	Gary Bridge Jo Harry Dawson Jonathan Young	
Shareholders	H Dawson	57,800
	Robert Day	11,798
	Natalie Marshall	10,088
	Emily Hargrove	10,088
	Joshua Dutfield	1,708
	Simon Wright	4,270
	Gary Bridge	<u>1,708</u>
	Total	97,460
Trading address	Factory Gamberlake Woodmead Road Axminster Devon EX13 5PQ	Shop Abbey Gate Musbury Road Axminster Devon EX13 8TJ
	Registered office	Current: The Shard 32 London Bridge Street London SE1 9SG

Administration information

Administration Appointment	The Administration appointment granted in the High Court of Justice, Business and Property Courts of England and Wales, Company and Insolvency List (ChD), CR-001244 of 2020.
Appointor	IGF, the holder of a qualifying floating charge
Date of Appointment	19 February 2020
Joint Administrators	Benjamin Wiles and Geoffrey Bouchier
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1
Current Administration expiry date	18 February 2022
Prescribed Part	The Prescribed Part is applicable in this case. However, there have been insufficient net asset realisations from the floating charge to enable a distribution under the Prescribed Part.
Application of EC Regulations	These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

The following proposals were approved by creditors on 15 April 2020.

General

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;
- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's creditors; and
- Seek an extension to the Administration period if considered necessary.

Distributions

- To make distributions to the Secured Creditors where funds allow;
- To make distributions to the non-preferential unsecured creditors from the Prescribed Part, where applicable; and
- To make further distributions to the non-preferential unsecured creditors over and above the Prescribed Part, if funds become available and apply to court for authority to do so, where applicable.

End of Administration

- Apply to Court for the Administration order to cease to have effect from a specified time and for a return of control to the Directors;
- Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Benjamin John Wiles and Geoffrey Wayne Bouchier of Duff & Phelps would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Benjamin John Wiles and Geoffrey Wayne Bouchier of Duff & Phelps would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them; and
- Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies if the Joint Administrators consider that Liquidation is not appropriate because (1) the Company has no remaining property which might permit a distribution to its creditors, and (2) all outstanding matters have been satisfactorily completed

Resolutions Approved by the Secured Creditors

- That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration;
- That the Joint Administrators' Fee Estimate as provided at Appendix 5 of the Proposals in the total sum of £216,645 is approved;
- That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), which have been charged in accordance with Duff & Phelps policy, as set out in Appendix 8 of the Proposals;
- That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing;
- That Duff & Phelps and their agents' unpaid pre-Administration costs totaling £154,857, as detailed in the Joint Administrators' statement of Pre-Administration costs, is approved for payment as an expense of the Administration; and
- That the period of the Administration be extended by 12 months to 18 February 2022.

Appendix 3 – Final Receipts and Payments Account

ACL 2020 Limited (In Administration)

Joint Administrators' Receipts and Payments Account - Trading Account

	Final Period 19 August 2021 to 15 February 2022	Cumulative Period 19 February 2020 to 15 February 2022
	(£)	(£)
Income		
Administration sales - Barclays	-	16,458.30
Administration sales - Credit Card	-	8,943.54
	<hr/>	<hr/>
	-	25,401.84
Other Direct Costs		
Direct Labour	-	(6,952.47)
	<hr/>	<hr/>
	-	(6,952.47)
Trading Expenditure		
Haulage Costs	-	(4,717.91)
PAYE / NI	-	(3,385.56)
Insurance	-	(1,541.89)
Pension	-	(1,055.01)
Deduction of Earnings	-	(36.44)
Contractors	-	(1,950.00)
	<hr/>	<hr/>
	-	(12,686.81)
Trading Surplus		<hr/>
		<hr/>
		5,762.56

ACL 2020 Limited (In Administration)

Joint Administrators' Receipts and Payments Account

Statement of Affairs Estimated to Realise	Final Period 19 August 2021 to 15 February 2022	Cumulative Period 19 February 2020 to 15 February 2022
(£)	(£)	(£)
512,194.90		
Asset Realisations - Specifically Pledged		
Book Debts	2,266.28	631,147.51
Gross Post Administration Sales	-	36,600.01
Book Debts - Received in Error	-	-
	<u>2,266.28</u>	<u>667,747.52</u>
Cost of Realisations		
Gross Facility Fees and Interest	(5,089.07)	(102,209.02)
	<u>(5,089.07)</u>	<u>(102,209.02)</u>
(1,433,575.00)		
Secured Creditors		
IGF - Book Debts	(197.85)	(568,310.01)
	<u>(3,020.64)</u>	<u>(2,771.51)</u>
Asset Realisations - Fixed Charge		
Wilton Looms - Option Fee	-	25,000.00
Wilton Looms - Lease Payments	-	25,008.27
865,000.00	-	165,000.00
175,000.00	-	50,006.00
Plant & Machinery - Axminster	-	399,992.00
Goodwill, Business Information	-	195,000.00
Plant & Equipment - Axfelt	-	16.73
Wilton Looms - Purchase Consideration	195,000.00	
Gross Bank Interest - Fixed Account	-	
	<u>195,000.00</u>	<u>860,023.00</u>
Costs of Realisations		
Armstrong Watson Fees - Pre-Administration	-	(60,545.11)
Agent's Fees	-	(14,165.00)
Pre-Administration Agent's Fees	-	(12,981.00)
Pre-Administration Legal Fees	-	(4,850.00)
Agent's Disbursements	-	(445.91)
Joint Administrators' Remuneration	(53,688.00)	(53,688.00)
Pre-Appointment Remuneration - Kroll	(8,013.73)	(8,013.73)
Legal Fees	(37,500.00)	(37,500.00)
Legal Disbursements	(248.25)	(248.25)
Pre-Administration Legal Disbursement	-	(86.00)
	<u>(99,449.98)</u>	<u>(192,523.00)</u>
Secured Creditors		
IGF - Fixed Charge Distribution	(264,728.49)	(664,728.49)
(6,103,669.00)	-	-
H Dawson	-	-
Uncertain	-	-
Robert Day	-	-
	<u>(264,728.49)</u>	<u>(664,728.49)</u>
Total Fixed Charge Account	<u>(169,178.47)</u>	<u>2,771.51</u>
265,000.00		
Floating Charge Asset Realisations		
Stock	-	239,995.00
Cash at Bank	-	88,170.80
Pre-Administration Cash in Transit (Credit Cards)	-	23,866.80
Funds Due to IGF	-	12,402.36
Debtors (non-funded)	-	6,157.26
Facility VAT	4,505.09	10,421.26
Trading Surplus/(Deficit)	-	5,762.56
Petty Cash	-	2,839.02
Sundry Refunds	-	605.48
Bank Interest Gross	-	109.23
IT Equipment	-	3.00
Customer Contracts and WIP	-	2.00
Prepayments	-	1.00
Suppliers Contracts	-	1.00
	<u>4,505.09</u>	<u>390,336.77</u>
Floating Charge Cost of Realisations		
Joint Administrators' Remuneration	(61,000.00)	(162,956.50)
Joint Administrators' Category 1 Expenses	-	(1,256.70)
Kroll's Pre-Appointment Remuneration	(5,196.00)	(68,239.50)
Kroll's Pre-Appointment Disbursements	-	(3,500.05)
Pre-Administration Legal Fees	-	(24,390.50)
Pre-Administration Agent's Fees	-	(19,650.00)
Repayment to IGF of funds received in error	-	(12,402.36)
Facility VAT	-	(6,100.02)
Agent's Fees	(1,000.00)	(6,162.50)
Accountant's Fees	-	(2,300.00)
Pre-Administration Agent's Disbursements	-	(806.29)
Stationery & Postage	-	(651.01)
Statutory Advertising	-	(94.50)
Insurance of Assets	(821.05)	(821.05)
Irrecoverable VAT	(33.07)	(33.07)
Storage Costs	(98.33)	(98.33)
Bank Charges	(10.52)	(10.52)
	<u>(68,158.97)</u>	<u>(309,472.90)</u>
Preferential Creditors		
(88,000.00)	-	(80,863.87)
Arrears of Wages	-	(80,863.87)
(4,830,620.00)	-	-
Non-Preferential Unsecured Creditors	-	-
Total Floating Charge Account		-
Balance of Estate		<u>0.00</u>
Represented By		-
Closings Bank Account		-

Appendix 4 – Analysis of Expenses Incurred

Expenses (per receipts and payments account)	Activity	Fee Basis	Original Expenses Estimate	Final Period Incurred and Paid	Cumulative Period Incurred and Paid
			(£)	(£)	(£)
Agents' Fees & Disbursements - SIA Group Asset Ingenuity Limited	Valuation of Company assets	Time costs / disbursements incurred	20,000.00	1,000.00	15,610.91
Agents / Valuers Fees - Spreckley Partners Limited	Dealing with media coverage and queries	Time costs	6,000.00	0.00	5,162.50
Legal Fees & Disbursements - Shoosmiths LLP	Legal advice regarding sale of the business and assets, assisting with investigations into the Company's affairs, book debt collections and other ad hoc matters	Time costs / percentage of realisations / disbursements incurred	37,500.00	37,748.25	37,748.25
Accountants Fees - LB Group Limited	Completion of post appointment tax returns	Time costs	10,000.00	0.00	2,300.00
Stationery and Postage - Accurate Mailing Services Limited	Sending correspondence to creditors	Fixed fee per unit	1,260.00	0.00	651.01
Statutory Advertising - Courts Advertising Limited	Statutory Advertising	Fixed fee per unit	94.50	0.00	94.50
Storage Costs - Total Data Management Limited	Storage of company and office holder records	Fixed fee per unit	2,000.00	98.33	98.33
Insurance of Assets - AUA Insolvency Risk Services Limited	Insurance of assets	Fixed fee	1,500.00	821.05	821.05
Joint Administrators' Disbursements - Willis Limited	Statutory bond requirement	Fixed fee per unit	225.00	0.00	225.00
Joint Administrators' Disbursements - Various	Travel	As incurred	1,000.00	0.00	397.99
Joint Administrators' Disbursements - Various	Subsistence	As incurred	250.00	0.00	176.95
Joint Administrators' Disbursements - Various	Accommodation	As incurred	750.00	0.00	451.26
Joint Administrators' Disbursements - Various	Sundry	As incurred	100.00	0.00	5.50
Total			80,679.50	39,667.63	63,743.25

Notes

The above costs exclude VAT.

The Previous Reports have informed creditors of any increase in the original expenses estimate.

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.

Kroll Advisory Ltd. being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Administrators.

It is considered that these expenses are fair and reasonable and proportionate to the Administration.

Appendix 5 – Analysis of Time Charged

ACL 2020 Limited (Formerly Axminster Carpets Limited)(In Administration)

Analysis of the Joint Administrators' time costs for the Final Period

Classification of Work Function	Hours					Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant	Support			
Administration & Planning								
Case review & Case Diary management	0.00	0.20	0.00	1.60	0.00	1.80	424.00	235.56
Cashiering & accounting	0.00	3.70	2.30	13.20	0.00	19.20	5,437.00	283.18
Insurance	0.00	0.00	0.00	0.30	0.00	0.30	60.00	200.00
Statutory matters (Meetings & Reports & Notices)	0.00	2.20	0.00	13.60	0.00	15.80	3,689.00	233.48
Strategy planning & control (incl engagement financial control)	0.00	2.20	0.00	4.40	0.00	6.60	1,859.00	281.67
Tax Compliance / Planning	0.00	1.00	0.00	4.90	0.00	5.90	1,436.00	243.39
Creditors								
Dealings with creditors and employees	0.00	0.00	0.00	1.60	0.00	1.60	320.00	200.00
Secured Creditors	0.00	0.90	0.00	0.90	0.00	1.80	580.50	322.50
Investigations								
Book debts	0.00	0.00	0.00	3.50	0.00	3.50	700.00	200.00
Other Tangible Assets	0.00	1.20	0.00	0.10	0.00	1.30	554.00	426.15
Total Hours	0.00	11.40	2.30	44.10	0.00	57.80		260.54
Total Fees Claimed (£)	0.00	5,435.00	1,023.50	8,601.00	0.00		15,059.50	

ACL 2020 Limited (Formerly Axminster Carpets Limited)(In Administration)

Analysis of the Joint Administrators' time costs for the Cumulative Period

Classification of Work Function	Hours					Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant	Support			
Administration And Planning								
Case review & Case Diary management	0.00	4.60	6.10	8.90	0.00	19.60	6,096.00	311.02
Cashiering & accounting	0.00	25.20	43.30	94.10	0.00	162.60	49,659.50	305.41
Dealings w/ directors & management (inc associated updates/reporting)	0.00	4.10	0.50	3.20	0.00	7.80	2,614.50	335.19
IPS set up & maintenance	0.00	0.40	0.00	4.80	0.00	5.20	1,170.00	225.00
Insurance	0.00	0.30	2.80	1.90	0.00	5.00	1,577.50	315.50
Statement of affairs	0.00	4.00	1.90	0.40	0.00	6.30	2,566.00	407.30
Statutory matters (Meetings & Reports & Notices)	0.50	32.20	72.50	84.70	0.00	189.90	58,836.00	309.83
Strategy planning & control (incl engagement financial control)	1.50	31.50	18.60	69.50	0.00	121.10	37,613.50	310.60
Tax Compliance / Planning	0.00	2.00	3.00	15.20	0.00	20.20	5,121.00	253.51
Creditors								
Dealings with creditors and employees	0.00	10.20	71.00	86.40	0.00	167.60	47,903.00	285.82
Non Pref Creditors / Employee claims handling	0.00	1.20	2.00	1.80	0.00	5.00	1,758.00	351.60
Pref claims adjudication & distribution	0.00	0.00	0.90	0.00	0.00	0.90	342.00	380.00
Secured Creditors	0.00	23.70	0.70	4.70	0.00	29.10	11,752.50	403.87
Investigations								
CDDA & reports & Communication	0.00	5.10	7.30	11.30	0.00	23.70	6,851.50	289.09
Financial review and investigations (S238/239 etc)	0.00	0.00	2.60	22.00	0.00	24.60	5,096.00	207.15
Realisation of Assets								
Book debts	0.00	33.40	118.50	206.40	0.00	358.30	104,513.00	291.69
Freehold and Leasehold Property	0.00	2.90	0.00	2.40	0.00	5.30	1,702.50	321.23
Hire Purchase and Lease Assets	0.00	0.50	1.40	0.40	0.00	2.30	858.50	373.26
Other Intangible Assets	0.00	0.00	2.90	0.00	0.00	2.90	1,102.00	380.00
Other Tangible Assets	0.00	11.50	6.70	0.90	0.00	19.10	7,843.50	410.65
Sale of business	0.00	52.50	9.20	0.30	0.00	62.00	26,906.50	433.98
Trading								
Trading - Accounting	0.00	0.30	5.00	0.00	0.00	5.30	2,033.50	383.68
Trading - Employees	0.00	4.10	5.20	2.10	0.00	11.40	4,136.50	362.85
Trading - Operations	0.00	29.50	13.20	0.00	0.00	42.70	18,143.50	424.91
Trading - Retention of Title & Claims handling	0.00	0.00	1.60	0.00	0.00	1.60	608.00	380.00
Total Hours	2.00	279.20	396.90	621.40	0.00	1,299.50		313.05
Total Fees Claimed (£)	1,500.00	125,899.50	151,212.00	128,193.00	0.00		406,804.50	

Appendix 6 – Narrative of Work Carried out for the Cumulative Period

SIP 9 narrative for the Cumulative Period

Administration and Planning	<ul style="list-style-type: none"> • Monitoring and reviewing the Administration strategy; • Briefing staff on the Administration strategy and matters in relation to workstreams; • Regular case management and reviewing of process 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 various instructions, including agreeing content of engagement letters; and • Complying with internal filing and information recording practices, including documenting strategy decisions.
Creditors	<ul style="list-style-type: none"> • Updating the list of unsecured creditors; • Responding to enquiries from creditors regarding the Administration and submission of claims; • Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; • Drafting statutory progress reports; • Providing written and oral updates to the Secured Creditors regarding the progress of the Administration and case strategy; and • Filing notice of the extension of the Administration.
Investigations	<ul style="list-style-type: none"> • Managing and reviewing the Company books and records; • Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions; • Obtaining records from third parties; • Reviewing pre-appointment transactions; and • Documenting investigations.
Statutory and Compliance	<ul style="list-style-type: none"> • Ensuring compliance with all statutory obligations within the relevant timescales; • Uploading information to the Creditors' Portal; • Drafting and publishing progress reports; • Running decision procedures; • Reviewing time costs to date and producing analyses of time incurred which is compliant with SIP 9; • Monitoring the fees estimate; and • Monitoring the expenses estimate.

Cashiering	<ul style="list-style-type: none">• Preparing statutory receipts and payments accounts;• Renewing bonding and complying with statutory requirements;• Making payments of statutory costs; and• Monitoring the Administration bank accounts.
Asset Realisations	<ul style="list-style-type: none">• Collating information from the Company's records regarding assets;• Completing the sales of the Axfelt Business, the Factory Outlet Shop and the Axminster Business;• Negotiating the lease agreement, option to purchase and subsequent sale of the Wilton Looms;• Liaising with agents and legal advisors regarding the sale of assets;• Reviewing outstanding book debts and management of debt collection strategy, including allocation of pre and post Administration receipts and realising VAT on facility fees;• Seeking legal advice in relation to book debt collections;• Realising the residual stock assets;• Realising cash, petty cash and cash in transit assets;• Realising sundry refunds;• Liaising with suppliers on retention of title claims;• Liaising with third parties regarding costs incurred;• Reviewing and agreeing invoices;• Reviewing costs incurred to ensure recorded accurately; and• Arranging payments to agents and solicitors in a timely manner.
Trading	<ul style="list-style-type: none">• Overseeing the wind down period;• Attending to supplier and customer queries and correspondence;• Reviewing invoices to ensure they correspond with the relevant purchase orders; and• Raising payments to suppliers in respect of wind down Administration costs.
Tax	<ul style="list-style-type: none">• Analysing and considering the tax effects of asset sales;• Working 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; and• Dealing with post appointment tax compliance.

Appendix 7 – Statement of Creditors' Rights

*Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)
Section or paragraph numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Craig Draper at Craig.Draper@kroll.com.

Information for creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of the expenses policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Creditor's Guide to Insolvency Practitioner Fees". This can be viewed and downloaded from Kroll's website at:

<https://www.kroll.com/en-gb/services/restructuring-advisory/creditor-guides-and-employee-fact-sheets>

Should you require a copy, please contact this office.

Creditors' requests for further information

If you would like to request more information about the Joint Administrators' 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 the Joint Administrators' 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 are by unsecured creditors (including the unsecured creditors 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 Craig Draper on Craig.Draper@Kroll.com.

Appendix 8 – Definitions

Word or Phrase	Definition
ACL Carpets	ACL Carpets Limited (Company Number: 12443969), the purchaser of certain parts of the business and certain assets of the Company on 4 March 2020
ACL Retail	ACL Retail Limited (Company Number: 12451108), the purchaser of certain stock on 5 March 2020
the Act	The Insolvency Act 1986 (as amended)
the Agents	SIA Group Asset Ingenuity Limited, independent agents instructed to value and assist with the sale of the Company's assets
the Appointment Date	19 February 2020, being the date of appointment of the Joint Administrators
Armstrong Watson	Armstrong Watson LLP, insolvency practitioners previously instructed to assist with the sale of the Company
Axfelt / Underlay	The Company's underlay manufacturing business which was sold to Ulster on the Appointment Date
BEIS	Department for Business, Energy & Industrial Strategy
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval.
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment.
the Company	ACL 2020 Limited (Formerly Axminster Carpets Limited) (In Administration) (Company Number: 08463187)
the Creditors' Portal	The Joint Administrators have chosen to deliver the majority of documents to creditors by making them available for viewing and downloading at the website www.ips-docs.com . Additionally, creditors can also submit their claim via the Creditors' Portal.
the Directors	Mr Gary Bridge, Mr Jo Harry Dawson and Mr Jonathan Young, being the directors of the Company as of the Appointment Date
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Factory Outlet	Axminster Carpets (Factory Outlet) Limited (Company Number: 12452625), the purchaser of certain parts of the business and certain assets of the Company, via a pre-packaged Administration sale on 21 February 2020
Factory Outlet Shop	The Company's sales shop and showroom which sold the Company's product range direct to customers

the Final Period	19 August 2021 to 15 February 2022
H Dawson	H Dawson Sons and Company (Wool) Limited (under CVA), the holder of a second ranking fixed and floating charge over the Company's assets
HMRC	HM Revenue and Customs
IGF	IGF Business Credit Limited, being the provider of an invoice discounting facility and the holder of a first ranking fixed and floating charge over the Company's assets
the Joint Administrators	Benjamin Wiles and Geoffrey Bouchier of Kroll
Kroll	Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London SE1 9SG
the Landlord	ACL Properties (2013) Limited, the landlord of the Company's trading premises. The trading premises were divided into a number of leases for the different service lines, including the Factory Outlet Shop and the Underlay business, being the aspects of the business sold via a pre-packaged Administration
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of a company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Previous Reports	The Proposals and the Joint Administrators' Progress Reports to Creditors dated 15 September 2020, 16 March 2021 and 15 September 2021
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 12 March 2020
the Purchasers	Ulster and Factory Outlet, the purchasers of certain parts of the business and certain assets of the Company via pre-packaged Administration sales
Robert Day	Mr Robert Day, being the holder of a third ranking fixed and floating charge over the Company's assets
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditors	IGF, H Dawson and Robert Day, the holders of fixed and floating charge security over the Company's assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 16	Statement of Insolvency Practice 16 – Industry best practice for Insolvency Practitioners in relation to the requirement for disclosure of

	information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
SIP 16 Disclosure	The Joint Administrators' Disclosure in accordance with Statement of Insolvency Practice 16 "Pre-Packaged Sales in Administrations" in accordance with SIP 16 dated 5 March 2020
SOA	Statement of Affairs, documentation supplied by the Directors outlining the Company's financial position as at the Appointment Date
the Solicitors / Shoosmiths	Shoosmiths LLP, the legal advisors to the Joint Administrators and to Kroll in the lead up to the Administration, also instructed to pursue the remaining book debts
Spreckley	Spreckley Partners Limited, PR agents instructed to liaise with the media
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
Ulster	Ulster Carpets Mills (Holdings) Limited (Company Number: NI1001207), the purchaser of certain parts of the business and certain assets of the Company via a pre-packaged Administration on 19 February 2020

Appendix 9 – Notice about this Report

This report has been prepared by Benjamin Wiles and Geoffrey Bouchier, the Joint Administrators of the Company, solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 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 purposes, 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 any financial interest in the Company or any other company in the same 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 (England and Wales) Rules 2016 does so at their 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.

Benjamin Wiles and Geoffrey Bouchier are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators 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, Kroll Advisory Ltd. does not assume any responsibility and will not accept any liability to any person in respect of this Final Progress Report or the conduct of the Administration.