

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 1 0 7 3 8 0 9 5

Company name in full Decorwise Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Nicholas

Surname Cusack

3 Administrator's address

Building name/number c/o Parker Andrews Ltd

Street 5th Floor, The Union Building, 51-59 Rose Lane

Post town Norwich

County/Region Norfolk

Postcode N R 1 1 B Y

Country

4 Administrator's name ①

Full forename(s) David

Surname Perkins

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 5th Floor

Street The Union Building

Post town 51-59 Rose Lane

County/Region Norwich

Postcode N R 1 1 B Y

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 ^①

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

^① 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

^d

2

^d

3

^m

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^m

8

^y

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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 **Natalie Clark**

Company name **Parker Andrews Limited**

Address **5th Floor**

The Union Building

Post town **51-59 Rose Lane**

County/Region **Norwich**

Postcode

N	R	1		1	B	Y
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Country

DX

Telephone **01603 284284**



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 or email enquiries@companieshouse.gov.uk

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

Decorwise Limited (In Administration)
("the Company")

**DOCUMENT CONTAINING THE STATEMENT OF THE JOINT ADMINISTRATORS'
PROPOSALS AS REQUIRED BY RULE 3.55(10) OF THE INSOLVENCY (ENGLAND AND
WALES) RULES 2016**

In accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators are not seeking a decision from creditors on the approval of the Proposals. Section 10 of the attached Statement explains how creditors may request a decision on the Proposals if they so desire.

Separately, the Joint Administrators seeking certain creditors' approval of several proposed decisions including that the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration.

A statement of the pre-Administration costs is attached at Appendix III to the Proposals. Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.

The affairs, business and property of Decorwise Limited (in Administration) are managed by the Joint Administrators, who act as agents of the Company and without personal liability.

**In the In the High Court of Justice Business and Property Courts of England and Wales
Insolvency and Companies List (ChD) Reference No. 004579 of 2023**

Decorwise Limited (In Administration)

THE JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

Nicholas Cusack and David Perkins
Joint Administrators

Parker Andrews Limited

5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY

01603 284284

Natalie.Clark@parkerandrews.co.uk

Disclaimer Notice

- This Statement of Proposals has been prepared by Nicholas Cusack and David Perkins, the Joint Administrators of Decorwise Limited, solely to comply with their statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals 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 document for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 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 Statement of Proposals.
- The Joint Administrators act as agent for Decorwise Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Parker Andrews Limited does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.

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1. Executive Summary

- 1.1** This Statement of Proposals is being delivered to creditors on 23 August 2023.
- 1.2** The principal activity of the Company was painting and decorating services for both commercial and residential clients, and it traded from Unit B5a, Smallmead House, Smallmead, Horley, Surrey, RH6 9LW. On 17 August 2023, Nicholas Cusack and David Perkins of Parker Andrews Limited were appointed Joint Administrators of the Company by the Company.
- 1.3** The Joint Administrators are currently pursuing the third statutory objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.4** A summary of the current and anticipated future positions are detailed below.

Assets

Asset	Realisations to date £	Anticipated future realisations £	Total anticipated realisations £
Goodwill	30,000.00	Nil	30,000.00
Motor Vehicles	9,500.00	Nil	9,500.00
Office Furniture & Computer Equipment	500.00	Nil	500.00
Director's Loan Account	Nil	Uncertain	Uncertain
TOTAL	40,000.00	Uncertain	Uncertain

Expenses

Expense	Expense incurred to date £	Anticipated further expense to closure £	Total anticipated expense £
Agents Expenses	485.00	Nil	485.00
Agents Fees	7,475.00	Nil	7,475.00
Joint Administrators' Expenses	224.80	Uncertain	Uncertain
Joint Administrators' Fees	7,328.50	Uncertain	Uncertain
Legal Expenses	64.20	Nil	64.20
Legal Fees	3,503.32	Nil	3,503.32
Pre-Appointment Fees	10,000.00	Nil	10,000.00
TOTAL	29,080.82	Uncertain	Uncertain

Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor (fixed charge)	N/A	N/A
Secured creditor (floating charge)	N/A	N/A
Preferential creditors	N/A	N/A
Secondary Preferential creditor	Nil	Uncertain
Unsecured creditors	Nil	Nil

- 1.5** The main work remaining to be done to conclude the Administration is pursue any outstanding balances owed to the Company, including completing a reconciliation of

the overdrawn director's loan account and pursuing repayment for the benefit of creditors. The Administration is expected to be concluded in 12 months by exiting to dissolution.

1.6 Definitions of the terms used in this Proposal are provided in Appendix I.

2. Background to the Company

2.1 The business was incorporated on 24 April 2017 and the principal activity of the Company was painting and decorating. It traded from premises at Unit B5a, Smallmead House, Smallmead, Horley, Surrey, RH6 9LW.

2.2 The Company traded well initially. The COVID-19 pandemic however had a detrimental impact of the Company's ability to trade and resulted in a significant reduction in contracts available. As a consequence of this reduction in trade, the director was required to obtain funding in the form of bank loans in order to enable the Company to continue to trade during the pandemic.

2.3 With the assistance of this funding, the Company was able to trade profitably in 2021. Despite this, in 2022, the Company employed a new salesperson and the director discovered that they had sold a significant amount of loss-making work which resulted in a large amount of time and resources spent on work which was ultimately unprofitable.

2.4 Despite the director's best efforts to improve the Company's cashflow by pursuing debtors and reducing overheads, the above factors meant that the Company was insolvent and the director therefore made contact with Parker Andrews Limited to discuss his options.

2.5 Statutory information on the Company and extracts from the most recent accounts are provided at Appendix II. Please note that this information has not been verified by the Joint Administrators or by Parker Andrews Limited.

3. Events leading to the Administration

3.1 The Company's director was referred to Parker Andrews Limited by Alastair Lycett of Lycett Law Group LLP on 20 February 2023 to help advise on the options available for the Company, as it was deemed to be insolvent. Upon discussions with the director, a decision was reached that the appointment of Joint Administrators was necessary due to the following reasons:

- To preserve the value in the Company's assets, including Goodwill, and provide protection in this respect to the creditors of the Company;
- To affect a sale by way of a pre-packaged sale, whilst enabling a sufficient period of marketing to ensure that the best value was achieved; and
- A statutory purpose of Administration could be achieved, as it was envisaged that a distribution would be paid to secondary preferential creditors.

3.2 As a result of the above, the director instructed Parker Andrews Limited to assist with placing the Company into Administration and a signed engagement letter was received on 20 July 2023.

3.3 No Moratorium under Part A1 of the Act has been in force for the Company at any time within the period of 2 years ending with the day on which it entered Administration.

3.4 Attached at Appendix III is an account of the work undertaken prior to the Joint Administrators' appointment and the costs associated with that work.

- 3.5** Payment of any unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England & Wales) Rules 2016 and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Insolvency Act 1986.
- 3.6** On 17 August 2023, Nicholas Cusack, and David Perkins of Parker Andrews Limited were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the Company.
- 3.7** These proceedings are COMI proceedings as defined by the Insolvency (England and Wales) Rules 2016 (as amended).

Ethical Considerations

- 3.8** Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and a perceived threat to compliance with the Code of Ethics was identified in respect of objectivity as it was noted that the duly appointed Joint Administrators would be required to review the sale of the business and assets which they had effectively "lined up" prior to appointment. It was however considered that this was not an actual threat to objectivity as neither the Joint Administrators, nor Parker Andrews Limited, had any previous prior professional or personal relationships with the Company or its directors, and the proposed sale was also reviewed by an independent evaluator, prior to the Administration Order being granted. No further ethical concerns have been identified.

4. The Objective of the Administration

- 4.1** Administrators must perform their functions with the objective of:
- rescuing the company as a going concern.
 - or if that is not possible, then achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration).
 - or if that is not possible, realising property to make a distribution to one or more secured or preferential creditors.
- 4.2** The Joint Administrators would comment that the first objective would not be achievable as there was a lack of working capital to contemplate trading the business in Administration and the Joint Administrators did not consider it possible to restructure the existing business or propose a Company Voluntary Arrangement.
- 4.3** The second objective is normally achieved by means of a sale of the business and assets as a going concern or a more orderly sales process than in liquidation. The Joint Administrators would comment that whilst the Administration has enabled a sale of the business and assets to be achieved, the level of secondary preferential creditors will likely result in there being insufficient funds available for a return to unsecured creditors. Accordingly, the Joint Administrators do not believe that the second objective will be achieved.
- 4.4** The Joint Administrators would comment that the third objective will be achieved, as they expect to pay a distribution to the Company's secondary preferential creditors.
- 4.5** A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Events since the Joint Administrators' Appointment

- 5.1** Immediately upon appointment, the Joint Administrators undertook a review of the Company's affairs with particular regard to its financial and resource requirements. This assessment was carried out in liaison with the remaining management of the Company.

The sale of the Company's business and assets

- 5.2** The Joint Administrators concluded a pre-pack sale of the Company's business and assets. Information relating to this sale is attached at Appendix IV. The sale consideration of £40,000 has been received in full by the Joint Administrators' solicitors, Keystone Law Limited ("Keystone"). These funds will be transferred to the Administration estate shortly.

Sales to connected parties

- 5.3** In accordance with the requirements of SIP13, details of the sales of assets to parties connected with the Company since the Joint Administrators' appointment are as follows:
- 5.4** Prior to the Joint Administrators' appointment, Kloss Group Limited ("Kloss") expressed an interest in purchasing the Company's business and assets. Kloss is connected with the Company because the director of the Company, Adam Kloss, is also director and shareholder of Kloss.
- 5.5** The Joint Administrators instructed SIA Group Asset Ingenuity Limited ("SIA"), who are professional independent agents with adequate professional indemnity insurance, to dispose of the Company's assets using the most advantageous method available. The agents carried out an appraisal of the Company's assets, including motor vehicles which were held on finance.
- 5.6** Kloss was therefore invited to contact SIA direct to progress its interest. SIA weighed up the advantages of a swift sale, which would avoid the ongoing costs of storing and marketing the assets, against the potential of attracting a better offer albeit that this would involve incurring more costs. SIA concluded that the offer received from Kloss was very likely to represent the best net realisation for the assets and they recommended to the Joint Administrators that the offer be accepted.
- 5.7** Consequently, the Company's business and assets were sold to Kloss on 17 August 2023 for £40,000 (exclusive of any VAT), which was received in full by Keystone on the same day.
- 5.8** No further assets have been sold to connected parties during the period of the Joint Administrators' appointment.

Other steps taken as regards assets

- 5.9** The Joint Administrators will take steps to fully reconcile the position in relation an overdrawn director's loan account and any outstanding sums due to the Company will be pursued accordingly. The director is aware of the position and the Joint Administrators are in the process of liaising with the director in order to discuss proposals for repayment.
- 5.10** The Joint Administrators made immediate contact with the Company's bankers to freeze the Company's bank accounts and to request the transfer of any credit balances to the Joint Administrators' control. It is however understood that the

Company's account is currently overdrawn, and it is therefore not anticipated that any recoveries will be made in this regard.

Steps taken as regards creditors

- 5.11** Immediately following the appointment of the Joint Administrators, members of the Joint Administrators' staff advised employees of the Joint Administrators' appointment. Staff were briefed with regards to the Administration and informed that a sale of the business and assets had been completed to Kloss. Staff were then informed that their employment had been transferred under TUPE and they were referred to the relevant contact from Kloss.
- 5.12** The Joint Administrators' staff have handled creditors' queries as they have arisen, which has included telephone calls and correspondence.

Instruction of specialists

- 5.13** When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted, and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.
- 5.14** The Joint Administrators' legal advisors advised in respect of all legal issues arising on the sale of business and assets and have been assisting the Joint Administrators with matters arising in the Administration.
- 5.15** To advise on appropriate legal matters and to prepare required legal documentation, including the appointment documentation and SPA, the Joint Administrators instructed Keystone, a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations. The solicitors' fees are based upon the time costs incurred at their standard charge out rates. The legal fees incurred to date total £3,503.32 plus VAT, as well as expenses totalling £64,20 plus VAT where appropriate. These costs will be reviewed by the Joint Administrators' staff before being approved for payment.
- 5.16** In addition, SIA, a firm of chattel agents, was instructed by the Joint Administrators to undertake inventories and valuations of the Company's chattels and intangible assets where appropriate. The agents also advised on the best method of disposal of those assets and assisted in their disposal, as well as assisted with claims of retention of title and security. The agents' fees are based upon the time costs incurred at their standard charge out rates, as well as a sales commission of 10% of gross realisations. These costs will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's affairs prior to the Administration

- 5.17** The Joint Administrators have commenced a review of the Company's trading activities to establish whether there are actions that may be taken for the benefit of the Administration and consequently to enable a report to be submitted to the Insolvency Service on the conduct of the Company's directors.
- 5.18** Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate,

they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

6. The Statement of Affairs and the Outcomes for Creditors

- 6.1** To date, the director has not submitted a signed Statement of Affairs, although they are currently in the process of drafting this. The Estimated Financial Position of the Company, together with a list of creditors, is attached at Appendix V. These details have been extracted from the Company's records and therefore no warranty can be given to the accuracy of the details given.
- 6.2** In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration.

Prospects for creditors

- 6.3** Attached at Appendix VI is the Joint Administrators' receipts and payments account for the period from 17 August 2023 to 23 August 2023.
- 6.4** Also attached at Appendix VII is an Estimated Outcome Statement, which illustrates the anticipated outcomes for creditors.
- 6.5** The Act requires administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential and secondary preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 6.6** In this case, it is anticipated that the prescribed part provision will not apply, as there are no qualifying floating charges.
- 6.7** In summary, it is anticipated that there will be insufficient funds to pay secondary preferential creditors in full, and therefore insufficient funds to pay a distribution to unsecured creditors.

7. The Joint Administrators' Fees

- 7.1** The Joint Administrators propose to fix their fees on the following basis:
- the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Parker Andrews Limited at the time the work is performed.
- 7.2** Attached at Appendix VIII is the Joint Administrators' Fees Estimate. Attached at Appendix IX is a breakdown of the time costs incurred in the Administration to 23 August 2023 and the charge-out rates of the Joint Administrators and their staff are provided at Appendix X.
- 7.3** The Estimated Outcome Statement at Appendix VII provides an overview of the financial benefit that this work is expected to bring to creditors.
- 7.4** Creditors may access a Guide to Administrators' Fees at <http://thecompliancealliance.co.uk/cgfadm.pdf> or a hard copy will be provided on request.

8. The Joint Administrators' Expenses

- 8.1** Attached at Appendix XI are details of the expenses that the Joint Administrators expect to incur in the Administration.

9. The Joint Administrators' Discharge

- 9.1** The Act requires that the timing of the Joint Administrators' discharge from liability will be decided by the unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

10. Approval Process

Approval of the Statement of Proposals

- 10.1** Attached at Appendix XII is a summary of the Joint Administrators' Statement of Proposals. For further information on how the Company's affairs will continue to be managed, if these Proposals are approved, please refer to Appendix VIII, which sets out in detail what further work the Joint Administrators propose to undertake.

- 10.2** The Joint Administrators think that neither of the first two Administration objectives can be achieved. Therefore, pursuant to Paragraph 52(1)(c) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals. Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision. If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules.

Other Decisions

- 10.3** The Joint Administrators are inviting creditors to decide on the following matters:

- Whether to establish a creditors' committee.
- The timing of the Joint Administrators' discharge from liability.
- In the event that a creditors' committee is not established:
 - The basis on which the Joint Administrators' fees shall be fixed.
 - The approval of the unpaid pre-Administration costs.

- 10.4** Attached at Appendix XIII are the relevant notices and forms required to assist creditors in submitting a vote in these proceedings.

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators or Natalie Clark, on 01603 284284 or by email to Natalie.Clark@parkerandrews.co.uk.

Dated 23 August 2023



Nicholas Cusack
Joint Administrator

Nicholas Cusack and David Perkins were appointed Joint Administrators of Decorwise Limited on 17 August 2023. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix I: Definitions

The Act	The Insolvency Act 1986
The Rules	The Insolvency (England & Wales) Rules 2016
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Nicholas Cusack and David Perkins
The Company	Decorwise Limited (in Administration)
The Court	In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)
EBIT	Earnings before interest and tax
SPA	Sale & Purchase Agreement
RPO	The Redundancy Payments Office
HMRC	HM Revenue & Customs
ROT	Retention of Title
EOS	Estimated Outcome Statement
PP or Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Act
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)
TUPE	Transfer of Undertakings (Protection of Employment) Regulations

Appendix II: Statutory and Financial Information

Company name	Decorwise Limited
Previous name(s)	
Trading name(s)	
Proceedings	In Administration
Court	In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)
Court reference	004579 of 2023
Date of appointment	17 August 2023
Appointed by	Decorwise Limited – in Administration Yew Tree House Lewes Road Forest Row East Sussex RH18 5AA
Joint Administrators	Nicholas Cusack and David Perkins Parker Andrews Limited 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY
Statement required by Paragraph 100(2) of Schedule B1 of the Act	The Joint Administrators are authorised to carry out all functions, duties and powers by either one or by both of them.
Registered office	c/o Parker Andrews Limited, 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY
Company number	10738095
Incorporation date	24 April 2017
Company Secretary at date of appointment	None
Directors at date of appointment	Adam Kloss
Director's shareholdings	Adam Kloss – 1 ordinary share Yvette Kloss – 1 ordinary share

Summary Profit and Loss Account

	Draft Management Accounts for year to 31 March 2023 £	Unaudited Statutory Accounts for year to 31 March 2022 £	Unaudited Statutory Accounts for year to 31 March 2021 £
Turnover	1,633,582	1,504,034	963,888
Cost of Sales	(1,399,561)	(1,047,038)	(694,420)
Gross Profit	234,021	456,996	269,468
Gross Margin %	14.3%	30.9%	27.9%
Other Expenses	(227,723)	(242,769)	(187,197)
(L)/EBIT	6,298	214,227	82,271

Summary Balance Sheet

	Draft Management Accounts for year to 31 March 2023 £	Unaudited Statutory Accounts for year to 31 March 2022 £	Unaudited Statutory Accounts for year to 31 March 2021 £
Intangible assets	-	-	2,000
Tangible assets	21,969	23,641	30,220
Fixed assets	21,969	23,641	32,220
Current Assets			
Stocks	2,000	2,000	2,000
Debtors	328,522	181,374	208,492
Cash at bank	12	24,935	65,128
	330,534	208,309	275,620
Liabilities			
Creditors: amounts falling due within one year	(304,924)	(129,873)	(186,118)
Creditors: amounts falling due after more than one year	(47,447)	(98,743)	(121,615)
Total Liabilities	(352,371)	(228,616)	(307,733)
Net Assets	132	3,334	107

Appendix III: Statement of Pre-Administration Costs

On 20 July 2023, the director agreed with the proposed Joint Administrators that Parker Andrews Limited be paid fees for work done prior to the Administration on the basis of a set fee of £10,000 plus VAT and related expenses for the following tasks and matters that were considered to be necessary to placing Decorwise Limited into Administration.

Setting the Joint Administrators' fees in the sum of £10,000 plus VAT and expenses is considered to be a fair and reasonable reflection of the work undertaken, as the fixed fee covered the work set out below.

Prior to Administration, the proposed Joint Administrators gathered information on the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for pursuing achievement of an Administration objective. In addition, it was considered advantageous to take steps to market the business and assets of the Company and to negotiate with interested parties with a view to agreeing a sale in principle that could be completed shortly after the Joint Administrators' appointment. Thus, agents were engaged to value and market the business and assets by the most beneficial means in view of the time available. Solicitors were also engaged to draft a sale and purchase agreement and to assist in agreeing its terms with the prospective purchaser.

In conducting the above work, the following costs were incurred:

	£
Parker Andrews Limited's fees	10,000.00 plus VAT
Agents' costs	7,960.00 plus VAT
Solicitors' costs	3,567.52 plus VAT

All the above costs remain unpaid.

Appendix IV: SIP16 Statement

A PRE-PACKAGED SALE INVOLVING DECORWISE LIMITED – IN ADMINISTRATION (“the Company”)

Following Statement of Insolvency Practice 16, I provide details regarding the sale of the Company’s business and assets (“the Sale”) and the events leading up to the Sale.

PRE-PACKAGED SALE

The Company’s business and assets have been sold following a pre-packaged sale. The primary function of an administrator is to achieve one of the objectives set out in the Insolvency Act. In this case, the statutory purpose pursued is to realise the Company’s property in order to make a distribution to one or more secured or preferential creditors. This transaction enables the statutory purpose to be achieved and in my view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. I provide below an explanation and justification of why a pre-packaged sale was undertaken.

The Roles of the Insolvency Practitioners

In most cases involving a pre-packaged sale, an insolvency practitioner’s firm is initially engaged by the insolvent company to help its board of directors to consider the company’s options for resolving its financial difficulties and/or for arranging an orderly winding up of its affairs. If it is decided that an administration is appropriate, the company may then instruct the insolvency practitioner’s firm to assist the company or its directors to issue the statutory notices to commence the process and to assist the company to take steps towards selling its business and assets to achieve the best available outcome for creditors as a whole in all the circumstances. Once appointed as administrator, the role of the insolvency practitioner is to manage the company’s affairs, business and assets with the objective of achieving a statutory purpose of an administration. In the event of a pre-packaged sale, this involves concluding a sale of the business and/or assets shortly after the administration has begun. When instructed to advise the company before administration, the insolvency practitioner makes it clear that their role is not to advise the directors personally or any parties connected with any potential purchaser, who should be encouraged to take independent advice.

In this case, prior to commencement of the Administration, Parker Andrews Limited acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither Parker Andrews Limited nor its insolvency practitioners advised the directors personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for and in control of the Company’s affairs.

During this time, the insolvency practitioners of Parker Andrews Limited took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company’s business and assets swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the value and continued viability of the business and assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with parties interested in acquiring the business and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately on their appointment, the Joint Administrators, as officers of the court and as agents of the Company, took over from the Board the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve a statutory purpose of an Administration, they concluded the Sale.

Ethical Considerations

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and a perceived threat to compliance with the Code of Ethics was identified in respect of objectivity as it was noted that the duly appointed Joint Administrators would be required to review the sale of the business and assets which they had effectively "lined up" prior to appointment. It was however considered that this was not an actual threat to objectivity as neither the Joint Administrators, nor Parker Andrews Limited, had any previous prior professional or personal relationships with the Company or its directors, and the proposed sale was also reviewed by an independent evaluator prior to the Administration Order being granted. No further ethical concerns have been identified.

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted, and that the advice or work contracted reflects the best value and service for the work undertaken. The firm reviews annually the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

Initial Introductions

The Company's director was referred to Parker Andrews Limited by Alastair Lycett of Lycett Law Group LLP on 20 February 2023 to help advise on the options available for the Company, as it was deemed to be insolvent.

Pre-appointment Matters

In addition to advising on the Company's options, our advice covered marketing the business and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment. The fee agreed in respect of the pre-appointment advice was fixed at the sum of £10,000 plus VAT and expenses. The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the director of the Company on 20 July 2023.

The Company traded as a painting and decorating business from Unit B5a, Smallmead House, Smallmead, Horley, Surrey, RH6 9LW.

The director advised that the Company had become insolvent due to the following factors:-

- Detrimental impact of COVID-19 resulting in reduction in available contracts and requirement to obtain additional funding to continue to trade; and
- Significant loss-making contracts taken on in 2022 as a result of poor decisions made by a former salesperson.

The Company has granted no security.

By 20 July 2023, it had become apparent that the Company required funding above the level available to it by its bank and neither the Company nor its investors were in a position to advance the necessary funding in order to pay wages on an ongoing basis.

A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the medium term in order for a purchaser to be found. There were no requests made to potential funders because it was considered necessary to initiate an insolvency process as soon as possible and, having reviewed the projected cash flow, trading would be loss-making and there would be the additional costs of the Joint Administrators in managing ongoing trading. Therefore, it was not considered to be in the creditors' interests to prepare to trade on during Administration.

The options listed below were considered with the director.

Continuing to trade outside insolvency or through a Moratorium

The Company had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading.

The Company's shareholders and bank confirmed that they were not able to provide the level of additional funding necessary to support the Company to trade, and therefore this option was not viable.

Company Voluntary Arrangement ("CVA")

Although a CVA would have given the Company some immediate relief from creditor pressure, without securing additional funding, the directors were not confident that the Company would be successful in trading through its difficulties.

Liquidation

The possibility of placing the Company into Liquidation was considered. It was however decided that this was not the best course of action, as issuing notices initiating the liquidation process would have damaged the Company's ability to continue to trade and redundancies would have been very likely necessary leading to an increase in the level of creditors. There would also have been no realisation for goodwill and any potential debtor realisations would have been greatly affected.

Pre-packaged Administration Sale

There was insufficient working capital and no prospect of persuading new funding to allow medium-term trading to continue in order that the business and assets could be exposed thoroughly to the market. The benefits of achieving a pre-packaged sale were the transfer of the employees and the lease on the trading premises and the absence of a break in supply of goods and services, which would enable a value to be achieved for goodwill and ensure a more effective debt collection process.

The Joint Administrators' Options on Appointment

Immediately prior to appointment, the proposed Joint Administrators had considered whether the first Administration purpose might be achieved by continuing to trade the business within Administration in order that a proposal for a CVA might be put to creditors. However, it was considered that trading the business during the Administration could not continue, as the Company had insufficient finance in order to do so and it was not clear that the business would trade profitably. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the business and assets could be improved upon.

Due to the fact that there has been minimal creditor pressure, and that there were no major creditors which would affect the trade of any potential purchaser, it was not considered necessary for any consultation with major creditors to take place.

To my knowledge, the business and assets sold were not previously purchased from an insolvent company within the past 24 months.

Marketing of the Business and Assets

The director was asked to provide information on any parties, of which he was aware, who would be interested in purchasing the business and assets of the Company.

The director was asked to advise of any marketing conducted by the Company prior to approaching Parker Andrews Limited for advice and we were advised that none had been undertaken by the Company. We were advised of no interested party apart from the director. Agents, SIA Group Asset Ingenuity Ltd ("SIA"), were then instructed to market the business and assets of the Company.

The Marketing Strategy

It was agreed with the agents that the marketing and media coverage would include marketing the business as widely as possible which involved advertising on the agents' and other websites including www.ip-bid.com, www.dealopportunities.co.uk and <http://uk.businessesforsale.com>. The business was also marketed via the agents' internal mailing lists and known buyer contacts, as well as a distribution of marketing memo for advertisement on the Agent's website/database and LinkedIn platform.

Marketing was undertaken for a period of 25 days due to the proposed Joint Administrators' appointment and this being the maximum amount of time available in the circumstances. Marketing materials were issued at the first opportunity. I was satisfied that this length of marketing achieved the best available outcome for creditors in all the circumstances.

The reasons for the marketing and media strategy adopted were to minimise costs while maximising exposure of the opportunity to the market. It was not deemed cost effective to incur significant third-party publication advertising costs in the timescale available.

The agents' marketing led to several parties expressing an interest and negotiations were entered into with five parties. One offer of £15,000 was received from an unconnected party, however the agents advised to accept the offer of £40,000 from Kloss Group Limited as it represented a fair value for the business and assets, and the best net realisation available under the circumstances. In addition, the agents advised that acceptance of this offer would improve the creditor position compared to a Liquidation scenario as all employees would be transferred to the purchaser in accordance with TUPE and the leasehold interests would also be novated. The agents also advised that acceptance of this offer would limit any further costs to the Joint Administrators, and that further marketing of the business could frustrate any current interest and have a negative effect on the overall net realisation.

The marketing strategy has achieved the best available outcome for creditors as a whole in all the circumstances because a sale was achieved in line with the valuation without the need for additional funding to extend the marketing period or trade in Administration.

Valuation of the Business and Assets

SIA were instructed on 18 April 2023 to value the business and assets of the Company. They confirmed their independence, are qualified by the Royal Institute of Chartered Surveyors, and have adequate professional indemnity insurance.

Their valuation was received on 12 July 2023 and is detailed below:-

	Forced Sale £	Going Concern £	Actual Sale Price £
Assets Specifically Pledged			
Motor Vehicles (subject to finance)	Nil	Nil	Nil
Assets Not Specifically Pledged			
Goodwill	Nil	50,000.00	30,000.00
Motor Vehicles	8,500.00	10,500.00	9,500.00
Office Furniture & Computer Equipment	155.00	350.00	500.00
TOTAL	8,655.00	60,850.00	40,000.00

The goodwill has been valued and the basis of this valuation is that, despite the despite minimal ongoing contracts, it is considered that there is a clear benefit of acquiring a ready formed business, the infrastructure, continuity of the brand and existing customer base in a sale or transfer of the business and assets which would not exist otherwise. As a result, whilst in part subjective, there is an intrinsic value to anyone continuing to trade the same/similar business from the same premises and certainly from using the same name which is over and above the cost from a standing start (as a minimum) to achieve the same benefit.

It is therefore considered that the main value in the Goodwill relates to the following:

1. The existing continuity of trade.
2. The benefit of acquiring an already established position in the market, the databases and future repeat business by association that comes with the acquisition of a ready formed business.
3. The benefit of the leasehold interests and leasehold improvements even if only a 'replacement cost' basis.

4. The benefit of the assets In-Situ.
5. The website and domain, social media and all forms of digital marketing currently in existence.
6. The existing trained staff and workforce in place; and
7. The cost savings over and above the cost to start a similar business from scratch.

A going concern valuation reflects the estimated amount for which the assets could be sold as a whole in their working place. The forced sale basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser. The Joint Administrators considered the bases of the valuations appropriate, as they were able to consider offers with the objective of selling the business and assets as a going concern, but it was also necessary to understand what the assets might realise in the event that sale negotiations deteriorated, and a forced sale of the assets became a real possibility.

The sale price achieved for the business and assets was less than the agents' valuation, but represents the best offer received from interested parties and will also be paid in full upon completion which will reduce the additional costs and potential risk of pursuing deferred consideration.

Assets excluded from the sale as below have not yet been valued.

The Transaction

The purchaser and related parties

A sale of the business and assets was completed on 17 August 2023 with Kloss Group Limited. Adam Kloss, who was a director of the insolvent Company, is a director and shareholder of Kloss Group Limited.

The transaction is between the insolvent Company and Kloss Group Limited only and does not impact on any related companies.

Adam Kloss, a Company director, had given guarantees for amounts due from the insolvent Company to a prior financier, National Westminster Bank Plc, and to my knowledge that financier is not financing the new business.

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

The sale consideration

The sale consideration totalled £40,000 and was received in full by the Joint Administrators' solicitors on 17 August 2023.

The sale consideration has been allocated to the following asset categories:-

Goodwill	£30,000.00
Motor Vehicles	£9,500.00
Office Furniture & Computer Equipment	£500.00

The following assets were excluded from the Sale:

- the Book Debts;
- the Administrators' Records;
- the VAT Records;
- the Third Party Assets;
- the ROT Assets, except as provided in clause 9.5;
- any cash in hand or at the bank;
- any real property owned, leased or used by the Seller;

- all policies of insurance and assurance and any actual or potential claim under such policies or similar contracts or in damages against any third party;
- the benefit of any actual or potential claim, or right to make a claim, against any person (other than claims under the manufacturers or suppliers' warranties included in the Assets) including the proceeds of any litigation;
- any shares or other securities owned by the Seller;
- any other property, rights or assets of the Seller which are not listed in clause 2.1.

There were 5 employees who were transferred as part of the Sale.

The consideration for the Sale has been received in full.

There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

The Sale is not part of a wider transaction.

Connected Person Transactions

Viability statement

A viability statement was requested from the purchaser, but one was not provided.

The Evaluator's Report

Regulations require connected persons who are proposing to purchase all or a substantial part of the business or assets of a company via a pre-pack to obtain a report from an independent party called an evaluator.

I attach a copy of the evaluator's report.

Stag Advisory LLP

Evaluators report in relation to the proposed substantial sale of the business and assets of Decorwise Limited to the Kloss Group Limited

Qualifying report provided pursuant to the Administration (Restriction on Disposal to Connected Persons) Regulations 2021 ("**the Regulations**")

13th August 2023

Background

As per the Regulations, in the absence of creditor approval for a substantial disposal of business and assets, a connected party purchaser is required to obtain a qualifying report in accordance with Section 6 of the Regulations. The attached report has been requested and is provided to satisfy that purpose.

Contents

- Evaluators profile, experience and professional indemnity insurance
- Transacting companies, background to the transaction and details of connected persons
- Details of any previous qualifying evaluator reports
- Structure of proposed transaction
- Third party evidence provided to support marketing strategy, independent asset valuations and recommendation for proposed transaction
- Evaluators opinion on the proposed transaction

Definitions

Unless the context otherwise requires, the following expressions shall have the following meanings:

- **Connected Persons** – as defined in Paragraph 60(A)3 of Schedule B1 of the Insolvency Act 1986 - including directors, shadow directors or other officers of the company, non-employee associates as well as connected companies
- **Evaluator** – has the meaning given to it in the Regulations
- **Previous Report** – has the meaning given to it in the Regulations
- **Proposed Administrators / Administrators** – David Perkins & Nicholas Cusack of Parker Andrews Limited
- **Qualifying Report** – has the meaning given to it in the Regulations
- **Regulations** – means the Administration (Restriction on Disposal to Connected Persons) Regulations 2021
- **Relevant Property** – means the property being disposed of, hired out or sold through the substantial disposal
- **Substantial Disposal** – has the meaning given to it in the Regulations

Evaluators profile, experience and professional indemnity insurance

This Qualifying Report is provided by Nick Elliott, Partner of Stag Advisory LLP (registered number - OC415774).

I am satisfied that I am a qualified evaluator within the meaning of the Regulations. I possess the relevant knowledge and experience to provide this report. A summary of my professional qualifications and experience is:

- Fellow of the Institute of Chartered Accountants in England and Wales (FCA of ICAEW) with 25 years plus experience in business advisory markets
- Qualified Insolvency Practitioner (ICAEW) holding a non-appointment taking Insolvency Licence and member of R3 the association of business recovery professionals with 25 years plus post qualification experience in the insolvency and restructuring arena
- Member of the Chartered Institute of Credit Management – 20 plus years
- Over 30 years of insolvency, restructuring and advisory experience as a Director in a Big 4 Accounting and Advisory firm, Partner in a Top 10 Accounting and Advisory firm and over 6 years running my own specialist turnaround, transformation and business acquisition / interim management business
- I have previously led the origination and structuring team at a leading high street asset based lender in the UK, Europe and North America and have extensive experience of working capital and asset finance

I can confirm that I meet the requirements to act as an Evaluator in providing this report.

Professional indemnity insurance is maintained as follows:

- Insured – Stag Advisory LLP
- Insurer – Hiscox Business Insurance
- Policy number – PL-PSC10000689857/08
- Cover period – 28/2/23 to 27/2/24 inclusive
- Coverage – worldwide excluding USA and Canada
- Amount covered - £2,000,000 each and every claim

Transacting companies, background to the transaction and details of connected persons

Disposing Company ("**Vendor**") to the transaction acting by the Administrators:

- Decorwise Limited
- Company Registration number - 10738095

Proposed Purchaser ("**Purchaser**") to the transaction:

- Kloss Group Limited
- Company registration number – 15029617
- This is a newco SPV set up for the purposes of the acquisition and is 100% owned by Adfam Kloss and Mrs Evette Kloss

Background to the transaction:

- The Vendor is likely to enter administration in the coming days with the Administrators being appointed to handle their affairs
- The Vendor was incorporated in April 2017 and operates as commercial and residential painters and decorators in London. The business advertises itself as working in private residential properties as well as commercial, school and retail / office environments
- The Vendor trades from leasehold premises in Horley with a number of employed staff as well as 3rd party subcontractors
- I'm advised that the business was adversely affected by the impacts of Covid where its ability to trade was severely impacted (by the restrictions preventing businesses from trading) as well as additional restrictions on / costs incurred in working inside properties / the need for additional PPE protection
- As well as limiting trade, Covid restrictions significantly stretched the financials of the business
- I'm advised that the business started to bounce back in 2021/22, although there was a backlog of Covid related debt that required servicing. A new salesperson was taken on to expand the business post Covid but it subsequently transpired that the contracts quoted by the new salesman were underpriced and potentially loss making for the business – these contract losses have now been estimated at c£200k
- In an attempt to move the business forward, I'm advised that the Director reached a TTP agreement with HMRC as well as payment plan agreements with a number of creditors. With these agreed, the loss-making contracts were completed (to avoid additional counter claims against the business) and efforts were made to continue trading
- However, I'm advised that the cash requirements needed to cover the agreed payments plans and to fund ongoing trade were too much and the director has therefore taken steps to place the business into Administration
- I'm advised that the Vendor has a CBIL's loan of c£70k and a bank loan and overdraft of c£37k (I'm advised that both of the latter are personally guaranteed)
- The Administrators proposals will set out a full background on the Vendor, the challenges faced and the reasons for the Administration

Connected Persons

The Connected Persons in relation to this report and the nature of the connection has been advised as follows:

- **Adam Kloss (AK)** – is a director and shareholder in the Vendor and also the same with the purchaser. AK is listed as one of the persons with significant control by virtue of his shareholding
- **Mrs Evelette Loss (EK)** – is a shareholder in the Vendor and also a shareholder of the purchaser. EK is listed as one of the persons with significant control by virtue of her shareholding

Details of any previous qualifying evaluator reports

The Connected Persons have provided written confirmation that no previous Qualifying Reports have been instructed or received from any other Evaluator and I have seen no evidence to suggest that this isn't correct.

Structure of the proposed transaction

The Relevant Property subject to the Substantial Disposal by the Vendor has been notified as follows:

- Goodwill and intellectual property to include business names as well as social media / domains, customer / supplier lists and contracts
- Motor vehicles
- Office furniture and computer equipment

In addition to the above tangible and non-tangible assets, the Purchaser has also advised that they will be taking a TUPE (Transfer of Undertakings Protection of Employment) transfer of the employees of the Vendor (5 staff).

I'm advised that the Purchaser will also be taking over the obligations of the Vendor in respect of a finance agreement which otherwise could result in a claim in the administration for a potential shortfall. As such, this reflects an improvement in the outcome for other creditors in the Administration

The adoption of the above sums by the Purchaser will reduce creditor claims against the Vendor in the Administration

The proposed consideration and terms of the transaction have been stated as follows:

	£
Goodwill and intellectual property	30,000
Motor vehicles	9,500
Office furniture and computer equipment	500
<hr/>	
Total Consideration	40,000
<hr/>	

Notes to the above

- o Total consideration will be paid by way of cash on completion
- o The allocation of the consideration is as advised on the date of this report

3rd party evidence provided to support marketing strategy, independent asset valuations and recommendation for proposed transaction

Independent valuation

- o The Proposed Administrators have provided (on a confidential basis given the commercial sensitivities of valuations versus the price offered at the date of this report) a copy of the valuation report from their agents dated 12th July 2023 ("**Valuation Report**") which has been undertaken to support the Substantial Disposal. This report and work have been undertaken by SIA Group Asset Ingenuity Limited ("**Valuation Agents**")
- o I can confirm that the Valuation Report provides values for the Relevant Property being disposed of as part of this Substantial Disposal on both In-situ and Ex-situ basis
- o The Valuation Report makes no comment as to the value achieved for any book debts of the Vendor as this is purely a commercial decision for the Administrators
- o I can confirm that the consideration in respect of the Substantial Disposal is in excess of the Ex-situ value and slightly below the In-Situ value that the Valuation Agents has provided. However, these valuations exclude any allowance for goodwill and intellectual property which then provides a further £30k of realisations against a backdrop of a loss making business

Marketing strategy

- o The Valuation Agents have provided details of the marketing undertaken in relation to the Relevant Property and any other business and assets of the Vendor
- o The accelerated sales process commenced on 13th July 2023 and can be summarised as follows:
 - o Marketing was undertaken by the Valuation Agents via the well-known insolvency marketing websites of IP-bid.com, Deal Opportunities and businessesforsale as well as via the Valuation Agents own website
 - o There were 12 expressions of interest (including the Connected Persons) and 11 NDA's were sent

- 4 correctly completed NDA's were received and further information was provided to these parties. The Connected Party did not sign an NDA given the existing connected knowledge of the Vendor
- The Valuation Agents report details the discussions / further information that was made available to the parties who had correctly completed NDA's
- Following further discussions, the Valuation Agents received two offers including one from the Connected Persons. Following further DD discussions, the offer from the third party was significantly reduced and the offer from the Connected Party was refined to provide cash consideration in full on completion as opposed to an element of deferred consideration
- Based on the finalisation of offers, I'm advised that the decision was made to proceed with the finalised offer from the Connected Persons with all cash being paid on completion

Recommendation for the proposed transaction

- I confirm that I have had sight of a letter of recommendation ("**Letter of Recommendation**") dated 7th August 2023 from the Valuation Agents recommending the Substantial Disposal of the Relevant Property to the Connected Persons on the basis of the structure noted above

Evidence relied upon in providing this Qualifying Report

- In providing this Qualifying Report I have relied on the following:
 - Connected Persons information pack supplied in support of the application and additional correspondence with the Connected Persons
 - Agents Report and Letter of Recommendation from the Valuation Agents
 - Background financial information on the Vendor received as part of the information pack supporting the application as that available from general internet based searches
 - Correspondence with the Administrators and Valuation Agents, the Vendor and the Purchaser
 - 12 months forward looking forecast for the new business provided by the Purchaser which indicates a positive net income over this period

Evaluators opinion on the proposed transaction

In accordance with the Regulations, I am satisfied that the consideration to be provided and the grounds for the Substantial Disposal are reasonable in the circumstances.

In arriving at this opinion, I have considered all the evidence that has been submitted in support of the transaction and I have also considered the commercial benefit to the Administrators of completing the proposed transaction including:

- The level of marketing and offers received as a result of work of the Proposed Administrators
- The overall consideration that is being received in respect of the transaction in the context of the Agents Report and information from the Proposed Administrators
- The reduction in preferential and non-preferential creditor claims against the Vendor that result from the TUPE transfer of employees
- The reduction in unsecured claims against the Vendor as a result of the transfer of a finance agreement
- Proceeding with the Substantial Disposal also mitigates additional transaction risks that would be associated with alternative courses of actions, including alternative lower offers, a number of split transactions with alternative parties or the risks of an auction / tender sale disposal / wind down of the remaining business and assets of the which would likely result in nominal realisations

Please note, neither I or Stag Advisory LLP have conducted an audit or additional verification of the information provided (other than as stated) and this report should be read in that context.

For the avoidance of doubt, I express no view or opinion on whether the Purchaser is, or will in the future remain a going concern, neither do I express an opinion on any decision by the Administrators to enter into the Substantial Disposal or any other transaction in connection with the Vendor. These are matters for the Administrators to determine.



Nick Elliott – FCA FABRP MCICM

For and on behalf of Stag Advisory LLP

Appendix V: Estimated Financial Position

Insolvency Act 1986

Decorwise Limited
Company Registered Number: 10738095

Estimated Statement Of Affairs as at 17 August 2023

	Book Value £	Estimated to Realise £
ASSETS		
Office Furniture & Computer Equipment	350.00	500.00
Motor Vehicles	10,500.00	9,500.00
Goodwill	50,000.00	30,000.00
Director's Loan Account	179,074.00	Uncertain
		40,000.00
LIABILITIES		
PREFERENTIAL CREDITORS:-		
		NIL
		40,000.00
2nd PREFERENTIAL CREDITORS:-		
HM Revenue & Customs (VAT/PAYE/CIS)		203,144.00
		203,144.00
		(163,144.00)
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
		NIL
		(163,144.00)
Estimated prescribed part of net property where applicable (to carry forward)		NIL
		(163,144.00)
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003		
		NIL
		(163,144.00)
Estimated prescribed part of net property where applicable (brought down)		NIL
		(163,144.00)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
HM Revenue & Customs (CT)		40,000.00
Banks/Finance Companies		122,694.00
		162,694.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(325,838.00)
		(325,838.00)
Issued and called up capital		
Ordinary Shareholders		2.00
		2.00
TOTAL SURPLUS/(DEFICIENCY)		(325,840.00)

Parker Andrews Limited
Decorwise Limited
Company Registered Number: 10738095
B - Company Creditors

Key	Name	Address	£
CH00	HM Revenue and Customs - VAT	Euston Tower, 286 Euston Road, London, NW1 3UL	100,574.00
CH01	HM Revenue & Customs - CIS	HMRC Accounts Office, Bradford, BD98 1YY	102,570.00
CH02	HM Revenue and Customs - CT	Euston Tower, 286 Euston Road, London, NW1 3UL	40,000.00
CN00	National Westminster Bank Plc	Insolvency Team, PO Box 16337, 7 Brindley Place, Birmingham, B2 2YAL	52,000.00
CW00	White Oak UK (CBILS) Limited	2nd Floor, HQ, 58 Nicholas Street, Chester, CH1 2NP	70,694.00
5 Entries Totalling			365,838.00

Signature _____

Parker Andrews Limited
Decorwise Limited
Company Registered Number: 10738095
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HK00	Mrs Yvette Kloss	Yew Tree House, Lewes Road, Forest Row, East Sussex, RH18 5AA	Ordinary	1.00	1	1.00	1.00
HK01	Mr Adam Kloss	Yew Tree House, Lewes Road, Forest Row, East Sussex, RH18 5AA	Ordinary	1.00	1	1.00	1.00
2 Ordinary Entries Totalling					2		

Signature _____

Appendix VI: Receipts and Payments Account

Decorwise Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 17/08/2023 To 23/08/2023 £	From 17/08/2023 To 23/08/2023 £
	ASSET REALISATIONS		
Uncertain	Director's Loan Account	NIL	NIL
30,000.00	Goodwill	NIL	NIL
9,500.00	Motor Vehicles	NIL	NIL
500.00	Office Furniture & Computer Equipmen	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(203,144.00)	HM Revenue & Customs (VAT/PAYE/	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(122,694.00)	Banks/Finance Companies	NIL	NIL
(40,000.00)	HM Revenue & Customs (CT)	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(325,840.00)		NIL	NIL
	REPRESENTED BY		
			NIL

Note:

The above figures do not include VAT. Where the entity was not VAT registered, VAT payable is shown as a separate entry in VAT Irrecoverable.



Nicholas Cusack
Joint Administrator

Appendix VII: Estimated Outcome Statement

Decorwise Limited - in Administration

Estimated Outcome Statement as at 23 August 2023

	Notes	Book Value	Administration	Creditors' Voluntary Liquidation
Unencumbered Assets				
Goodwill	1	50,000.00	30,000.00	NIL
Motor Vehicles	1	10,500.00	9,500.00	8,500.00
Office Furniture & Computer Equipment	1	350.00	500.00	155.00
Director Loan Account	2	179,074.00	Uncertain	Uncertain
Total assets		239,924.00	40,000.00	8,655.00
Costs				
Pre-Appointment fees			(10,000.00)	(7,500.00)
Pre-Appointment expenses			NIL	(200.00)
Solicitors' fees			(3,503.32)	NIL
Solicitors' expenses			(64.20)	NIL
Joint Administrators' post appointment fees (Estimated)			(43,325.35)	NIL
Joint Administrators' post appointment expenses (Estimated)			(689.80)	NIL
Liquidator's fees (Estimated)			NIL	(35,000.00)
Liquidator's expenses (Estimated)			NIL	(750.00)
Agents' fees			(7,960.00)	(3,000.00)
Total costs			(65,542.67)	(46,450.00)
Total assets less costs			(25,542.67)	(37,795.00)
Creditors				
Estimated available to Preferential Creditors			(25,542.67)	(37,795.00)
Preferential Creditors				
Employees / Redundancy Payments Service	3		NIL	(8,960.20)
Estimated available to Secondary Preferential Creditors			(25,542.67)	(46,755.20)
Secondary Preferential Creditors				
HM Revenue & Customs (VAT/PAYE/CIS)			(203,144.00)	(203,144.00)
Estimated available to Unsecured Creditors			(228,686.67)	(249,899.20)
Unsecured Creditors				
Banks/Finance Companies			(122,694.00)	(122,694.00)
HM Revenue & Customs (CT)			(40,000.00)	(40,000.00)
Employees / Redundancy Payments Service	3		NIL	(10,636.50)
Total unsecured creditors			(162,694.00)	(173,330.50)
Estimated surplus/(deficit)			(391,380.67)	(423,229.70)

Return to creditors summary

Estimated dividend to:

		p in the £	p in the £
Preferential Creditors		N/A	Nil
Secondary Preferential Creditors	4	Uncertain	Nil
Unsecured Creditors		Nil	Nil

Notes

1. The book value has been taken from the in-situ valuations provided by SIA Group Asset Ingenuity Limited. The estimated to realise value for the Administration represents the sale proceeds received from the sale completed to Kloss Group Limited, whereas the estimated to realise values in the Creditors' Voluntary Liquidation have been taken from the ex-situ valuation provided by SIA Group Asset Ingenuity Limited.
2. The book value has been taken from the draft accounts received from the Company's accountant for the year ended 31 March 2023. The estimated to realise value is uncertain at present as the Joint Administrators are in the process of completing a full reconciliation of the position and liaising with the director regarding proposals for repayment.
3. The employee claims have been estimated for the purpose of a Creditors' Voluntary Liquidation based on payroll information provided by the director. There will be no employee claims in the Administration as the employees were transferred as part of the sale and purchase agreement.
4. The quantum of dividend available to secondary preferential creditors will be dependent on recoveries made from the director's loan account. This has been estimated to realise as "uncertain" above, but it is anticipated that recoveries will be made in this regard based on the director's financial position and a dividend to secondary preferential creditors is therefore anticipated. If required, the Joint Administrators' will also restrict their remuneration to ensure that a dividend is paid to secondary preferential creditors in order to meet a statutory purpose.

Appendix VIII: The Joint Administrators' Fees Estimate

Please note that this estimate reflects the work undertaken and time anticipated to be incurred for the full period of the Administration and thus it includes the time already incurred, details of which are provided in Appendix IX.

The Fees Estimate has been compiled on the following assumptions:

- the Joint Administrators' initial investigations will not identify any matters that require further investigations or pursuit;
- no exceptional work will be required to realise the remaining assets;
- there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by the Joint Administrators' Proposals; and
- there will be no need to extend the Administration.

On these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate	Estimate of total
Administration (including statutory reporting)		35	304.65	£10,662.75
Statutory/advertising	Filing and advertising to meet statutory requirements			
Document maintenance/file review/checklist	Filing of documents Periodic file reviews, including ethical, anti-money laundering and anti-bribery matters Maintenance of statutory and case progression task lists/diaries Updating checklists			
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments			
Planning / review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case			
Books and records / storage	Dealing with records in storage Sending case files to storage			
Investigations		20	340.63	£6,812.60
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Review of specific transactions and liaising with directors regarding certain transactions Liaising with the committee/creditors or major creditors about further action to be taken			
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Preparation and submission of supplementary report (if required) Assisting the Insolvency Service with its investigations			

General Description	Includes	Estimate of no. of hours	Estimated blended hourly rate	Estimate of total
Realisation of Assets		30	380.00	£11,400.00
Sale of Business as a Going Concern	Liaising with agents and solicitors Collection of sales consideration Liaising with landlord and purchaser regarding lease position			
Director's Loan Account	Reviewing relevant documentation and reconciling loan account position Liaising with director regarding proposals for repayment of outstanding balance owed to the Company			
Creditors (claims and distribution)		40	361.25	£14,450.00
Creditor reports	SIP16 disclosure following pre-pack sale of assets Preparing proposal, six monthly progress reports and final report			
Creditors' decisions	Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, advertisement of meeting and draft minutes of meeting Issuing notice of result of decision on Proposals			
Creditor communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post Corresponding with the PPF and the Pensions Regulator			
Dealing with proofs of debt ('POD')	Receipting and filing POD when not related to a dividend			
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of POD Receipt of POD Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication			
Distribution procedures	Paying a distribution to secondary preferential creditors Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of notice of intended dividend Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Preparation of cheques/BACS to pay dividend Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends When paying the secondary preferential creditor the adjudication of HMRC's secondary preferential claim, may involve bringing the Company's preferential tax affairs up to date			
Creditors' Committee	No estimate has been provided, as it has been assumed that no Committee will be established	-	-	-
Total		125	346.60	£43,325.35

Administration (including Statutory Reporting)

The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

Investigations

At present, the Joint Administrators' investigations are ongoing and it is not yet clear whether any matters will be identified with the potential to generate additional recoveries for the insolvent estate. At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in carrying out a detailed exploration and pursuit of any questionable matters. The Fees and Expenses Estimates reflect the anticipated work in carrying out basic investigations in order to identify any potential causes of action. If any are identified and the Joint Administrators consider that additional work is required in order to generate a net financial benefit for creditors, they may revert to the relevant creditors to seek approval for fees in excess of the estimate.

Realisation of assets

The receipts and payments account at Appendix VII sets out the realisations achieved to date and the Estimated Outcome Statement at Appendix VI sets out the total anticipated realisations and the financial benefit that this work is expected to generate for creditors. In brief, the following main tasks are yet to be completed:

- Director's loan: establishing the sums due and pursuing settlement.

Creditors (claims and distributions)

Irrespective of whether sufficient realisations are achieved to pay a dividend to preferential or secondary preferential or unsecured creditors, time will be spent in dealing with creditors' queries and issuing statutory reports to creditors.

Appendix IX: Breakdown of the Joint Administrators' Time Costs

Time Entry - SIP9 Time & Cost Summary

D0071 - Decorwise Limited
All Post Appointment Project Codes
From: 17/08/2023 To: 23/08/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	0.60	1.70	3.40	0.00	5.70	1,736.50	304.65
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	0.90	10.30	0.00	0.00	11.20	4,046.00	361.25
Investigations	0.00	2.90	0.30	0.00	3.20	1,090.00	340.63
Realisation of Assets	0.40	0.60	0.20	0.00	1.20	456.00	380.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	1.90	15.50	3.90	0.00	21.30	7,328.50	344.06
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Appendix X: Charge-out Rates and Expenses Policy

PARKER ANDREWS

TIME COSTS AND EXPENSES CHARGING POLICY – FEBRUARY 2023

Our approach is that we should work on a results-based service. Therefore, we do not charge up front for initial meetings and we are realistic when it comes to asking for funds to be paid on account to us, as we appreciate that most of our clients are facing financial difficulties. In many cases we can act without receiving funds in advance of being formally appointed. This may not always be the case where significant work is required prior to being appointed.

We will always agree with clients either a fixed fee, or a basis for charging (such as our hourly rates below) before commencing work. Where we agree to charge on our hourly rates, we will give you an estimate of what we think our fee will be in advance. We record our time in units of 6 minutes, similar to solicitors and other professionals. Our time recording system insists on our staff providing narrative to detail what work was carried out.

In most formal insolvency appointments, the basis of our fees from the date of our appointment will be agreed by creditors.

Our charge out rates are reviewed annually. Support staff are charged at their individual staff grades shown below, for specific work conducted on individual cases. Our hourly rates are subject to VAT at the applicable rate. Fees and Expenses charged in relation to Voluntary Arrangements are not usually subject to VAT.

Grade	1 March 2019 to 31 December 2020 £	Grade	1 January 2021 to 31 January 2023 £	1 February 2023 to date £
Insolvency Practitioner	375	Insolvency Practitioner / Director (Appointment taking)	425	490
Insolvency Practitioner (Non-appointment taking)	350	Insolvency Practitioner / Director (Non-appointment taking)	375	460
Associates/Consultants	325	Associates	350	400
Senior Manager	300	Senior Manager	325	380
Investigation Manager	-	Manager	295	350
Manager	275	Assistant Manager	260	325
Assistant Manager	240	Senior Administrator	230	250
Case Supervisor	-	Administrator	200	225
Senior Administrator	215	Assistant / Support	125	175
Administrator	175			
Assistant	115			
Trainee Administrator	-			

Expenses charged in insolvency cases are classified as either Category 1 or Category 2.

Expenses are amounts properly payable by the office holder from the estate which are not otherwise categorised as the office holder's remuneration or as a distribution to a creditor or creditors. These may include, but are not limited to, legal and agents' fees, trading expenses and tax liabilities.

Category 1 expenses are payments to persons providing a service to which the expense relates who are not associates and where the specific expenditure is directly referable to the appointment in question. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums. Legislation provides that liquidators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.

Category 2 expenses are other expenses which are payable to associates or which have an element of shared cost. Payments may only be made in relation to Category 2 expenses after the creditors have approved the bases of their calculation.

Typically, the only expense incurred on this basis is Mileage at rates given by HM Revenue & Customs, which is currently set at 45p per mile.

For charge out rates prior to the above dates, please contact the office.

Appendix XI: The Joint Administrators' Expenses Estimate

Please note that this estimate reflects the expenses anticipated to be incurred for the full period of the Administration and thus it includes expenses already incurred, details of which are provided elsewhere in this document.

Category 1 Expenses	Basis	Estimate of total
Advertising		£99.80
Bond premium		£340.00
Printing and postage costs of external provider		£250.00
Total		£689.80

Appendix XII: Summary of the Joint Administrators' Proposals

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- The Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (ii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- The Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - (i) in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Nicholas Cusack and David Perkins will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 10; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Nicholas Cusack and David Perkins may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator; or
 - (iv) in the unlikely event that the Joint Administrators think that the purpose of the Administration has been sufficiently achieved and that control of the Company should be returned to the Company directors, they shall file the relevant form to bring the Administration to an end in accordance with Paragraph 80 of Schedule B1 of the Act.

Appendix XIII: Decision Process Documents

NOTICE OF DECISION PROCEDURE BY VIRTUAL MEETING

Company Name: Decorwise Limited (In Administration) ("the Company")

Company Number: 10738095 In the In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) Reference No. 004579 of 2023

This Notice is given under Rules 3.39 and 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Nicholas Cusack, of Parker Andrews Limited, 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY (telephone number 01603 284284) who was appointed by the Company.

Creditors are invited to attend a virtual meeting for the purposes of considering the following (for the full wording of proposed decisions, see the proxy form):

1. The establishing of a Creditors' Committee, if sufficient nominations are received by 25 May 2023 and those nominated are willing to be members of a Committee
2. The basis of the Joint Administrators' fees
3. The approval of the pre-Administration costs
4. The timing of the Joint Administrators' discharge

The meeting will be held as follows:

Time: 2.00pm

Date: 15 September 2023

Please contact the Joint Administrator (details below) to receive instructions on how to access the virtual meeting, which will be held via a telephone conferencing platform.

The meeting may be suspended or adjourned by the chair of the meeting (and must be adjourned if it is so resolved at the meeting).

Also provided is a proxy form to enable creditors to appoint a proxy-holder to attend on their behalf (note: any creditor who is not an individual must appoint a proxy-holder, if they wish to attend or be represented at the meeting).

All proxy forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Administrator by one of the methods set out below:

By post to: Parker Andrews Limited, 5th Floor, The Union Building, 51-59 Rose Lane, Norwich, Norfolk, NR1 1BY

By fax to: 08450 943906

By email to: Natalie.Clark@parkerandrews.co.uk

Please note that, if you are sending forms by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the times set out below. Unless the contrary is shown, an email is treated as delivered at 9am on the next business day after it was sent.

All proofs of debt must be delivered by: 4.00pm on 14 September 2023

All proxy forms must be delivered to the convener or chair before they may be used at the meeting fixed for 2.00pm on 15 September 2023

If the Joint Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time set out above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting: 10% in value of the creditors
 10% in number of the creditors
 10 creditors

Creditors who have taken all steps necessary to attend the virtual meeting under the arrangements made by the convener, but that do not enable them to attend the whole or part of the meeting, may complain under Rule 15.38 of the Rules. A complaint must be made as soon as reasonably practicable and in any event no later than 4pm on the business day following the day on which the person was, or appeared to be, excluded; or where an indication is sought under Rule 15.37, the day on which the complainant received the indication.


A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Invitation to Form a Committee

Creditors are invited to nominate creditors (which may include themselves) by completing the relevant section on the proxy form and returning it to the Joint Administrator.

All nominations must be delivered by: 4.00pm on 14 September 2023

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules. For further information on the role of Creditors' Committees, go to: <http://thecompliancealliance.co.uk/cglc.pdf>

Signed:  _____ Dated: 23 August 2023
Nicholas Cusack
Joint Administrator
Convener

The Insolvency Act 1986

Proxy (administration)

In the matter of Decorwise Limited

and

Notes to help completion of the form

Please give full name and address for communication

in the matter of the Insolvency Act 1986

Name of creditor _____

Address _____

Please insert name of person or "chair of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the names of the alternatives as well

Name of proxy-holder

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be the principal's proxy-holder at [the meeting of creditors/members/contributories of the above Company to be held on 15 September 2023 or at any adjournment of that meeting].

or

[all meetings in the above Insolvency proceeding relating to the above company]

The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting instructions for resolutions:

SEE ATTACHED SHEET

This form must be signed

Signature _____ **Dated** _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other

authority for signature: _____

Are you the sole member/shareholder of the creditor?

Yes / No

This proxy may be completed with the name of the person or the chair of the meeting who is to be the proxy-holder.

Proxy (administration) (continued)

Decorwise Limited (In Administration)

Name of creditor _____

Voting instructions for resolutions:

<p>That a Creditors' Committee be established if sufficient nominations are received by 14 September 2023 and those nominated are willing to be members of a Committee.</p> <p>1. I nominate the following creditor to be a member of a Creditors' Committee <u>and they have confirmed that they are willing to act:</u></p> <p>_____</p>	<p>*For / Against</p>
<p>2. That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of Joint Administrators ceases to have effect, as defined by the Act, unless the court specifies a time.</p>	<p>*For / Against</p>
<p>3. That the Joint Administrators' fees be fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken.</p>	<p>*For / Against</p>
<p>4. That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved.</p>	<p>*For / Against</p>

*** Please delete as applicable to indicate your voting instructions**

PROOF OF DEBT - GENERAL FORM

Decorwise Limited - in Administration ("the Company")

Date of Administration: 17 August 2023

DETAILS OF CLAIM		
1.	Name of Creditor (if a company, its registered name)	
2.	Address of Creditor (i.e. principal place of business)	
3.	If the Creditor is a registered company: <ul style="list-style-type: none"> For UK companies: its registered number For other companies: the country or territory in which it is incorporated and the number if any under which it is registered The number, if any, under which it is registered as an overseas company under Part 34 of the Companies Act 	
4.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	£
5.	If the total amount above includes outstanding uncapitalised interest, please state	YES (£) / NO
6.	Particulars of how and when debt incurred	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Details of any reservation of title in relation to goods to which the debt relates	
9.	Details of any document by reference to which the debt can be substantiated. [The administrator may call for any document or evidence to substantiate the claim at his discretion.]	
10.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986	Category Amount(s) claimed as preferential £
11.	If you wish any dividend payment that may be made to be paid in to your bank account please provide BACS details. Please be aware that if you change accounts it will be your responsibility to provide new information	Account No.: Account Name: Sort code:
AUTHENTICATION		
Signature of Creditor or person authorised to act on his behalf		
Name in BLOCK LETTERS		
Date		
If signed by someone other than the Creditor, state your postal address and authority for signing on behalf of the Creditor		
Are you the sole member of the Creditor?		YES / NO