

TO ALL KNOWN CREDITORS

23 December 2022

Ref: SJW/TV/ST/PCF  
Max Wilde  
Direct line: 0161 234 0521  
Email: arthouseadministration@uk.ey.com

Dear Sirs

**Arthouse Holding Limited & Arthouse Limited  
(Both in Administration) (together 'the Companies')**

I write further to my appointment as Joint Administrator of the Companies and attach a copy of my statement of proposals in accordance with paragraph 49 of Schedule B1 to the Insolvency Act 1986.

As you will note from the proposals, there is no prospect of any funds becoming available to unsecured creditors other than by virtue of the prescribed part (which the Joint Administrators estimate to be nil). As a consequence, I do not propose to seek a decision on approval of the proposals from creditors.

Creditors whose debts amount to at least 10% of total debts of the Companies individually may requisition a decision (either by a decision procedure or deemed consent procedure) on approval of the proposals if they deliver to me, within 8 business days of the date of delivery of these proposals, a request which fulfils the requirements of Rule 15.18 of the Insolvency (England and Wales) Rules 2016 (the Rules). In accordance with Rule 15.19 of the Rules, I may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until I have received the required sum.

In the event that a decision is not requested by creditors under paragraph 52(2)(c) of the Insolvency Act 1986, the proposals will be deemed to be accepted. The Joint Administrators' remuneration and Category 2 disbursements and unpaid pre-administration costs incurred with a view to the Companies entering administration will be agreed with the secured creditors and the preferential creditors in accordance with the provisions of Rule 18.18 and Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

As the Joint Administrators propose to ask for their remuneration to be fixed on a time-cost basis, they are required to provide creditors with an estimate of the remuneration to be charged and details of expenses incurred and likely to be incurred. The information is attached as an appendix to this letter.

If there are any matters concerning the Companies' affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

Should you have any queries relating to this letter or any other aspect of the administration, please do not hesitate to contact Max Wilde of this office on telephone number 0161 234 0521.

Yours faithfully  
for the Companies



J Lavery  
For S J Woodward  
Joint Administrator

Encs: Administrators' statement of proposals  
Fee estimate and details of expenses

S J Woodward is licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and T G Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Companies are being managed by the Joint Administrators, S J Woodward and T G Vance, who act as agents of the Companies only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Companies may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

**Arthouse Holding Limited ('AHL')**  
**Arthouse Limited ("AL")**  
**(Both in Administration)**  
**(together 'the Companies')**

Administrators' statement of proposals

Pursuant to paragraph 49 of schedule B1 to the  
Insolvency Act 1986

Date of delivery of proposals to creditors 29 December 2022

## Abbreviations

The following abbreviations are used in this report:

AHL	Arthouse Holding Limited
AL	Arthouse Limited
AMA	Accelerated Merger & Acquisition
CYB or 'the Bank'	Clydesdale Bank plc
DWF	DWF Law LLP
ERL	Esselle Retail Limited
EY	Ernst & Young LLP
HMRC	HM Revenue & Customs
M&A	Mergers and Acquisitions
NDA	Non-disclosure agreement
SIP	Statement of Insolvency Practice
the Act	Insolvency Act 1986
the Group	Arthouse Topco Limited and its subsidiaries
the Companies	AHL and AL
the Purchaser	Esselle Retail Limited
the Rules	Insolvency (England and Wales) Rules 2016
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
VAT	Value Added Tax

## Contents

1. Introduction, background and circumstances giving rise to the appointments .....	1
2. Purpose, conduct and end of administration .....	5
3. Statement of Affairs .....	8
4. Prescribed part .....	9
5. Administrators' remuneration and disbursements and payments to other professionals .....	10
6. Pre administration costs .....	11
Appendix A Statutory information .....	13
Appendix B Estimated financial position of AHL and AL as at 30 November 2022 .	15
Appendix C Administrators' receipts and payments account for the period from 20 December 2022 to 21 December 2022.....	21
Appendix D Statement of pre-administration costs .....	24
Appendix E Estimate of remuneration to be charged .....	25
Appendix F Detailed Explanation of Pre-Pack Transaction.....	32

# **1. Introduction, background and circumstances giving rise to the appointments**

## **1.1 Introduction**

On 20 December 2022 the Companies entered administration and Samuel Woodward and Timothy Vance were appointed to act as Joint Administrators. This document, including its appendices, constitutes the Joint Administrators' statement of proposals to creditors pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016.

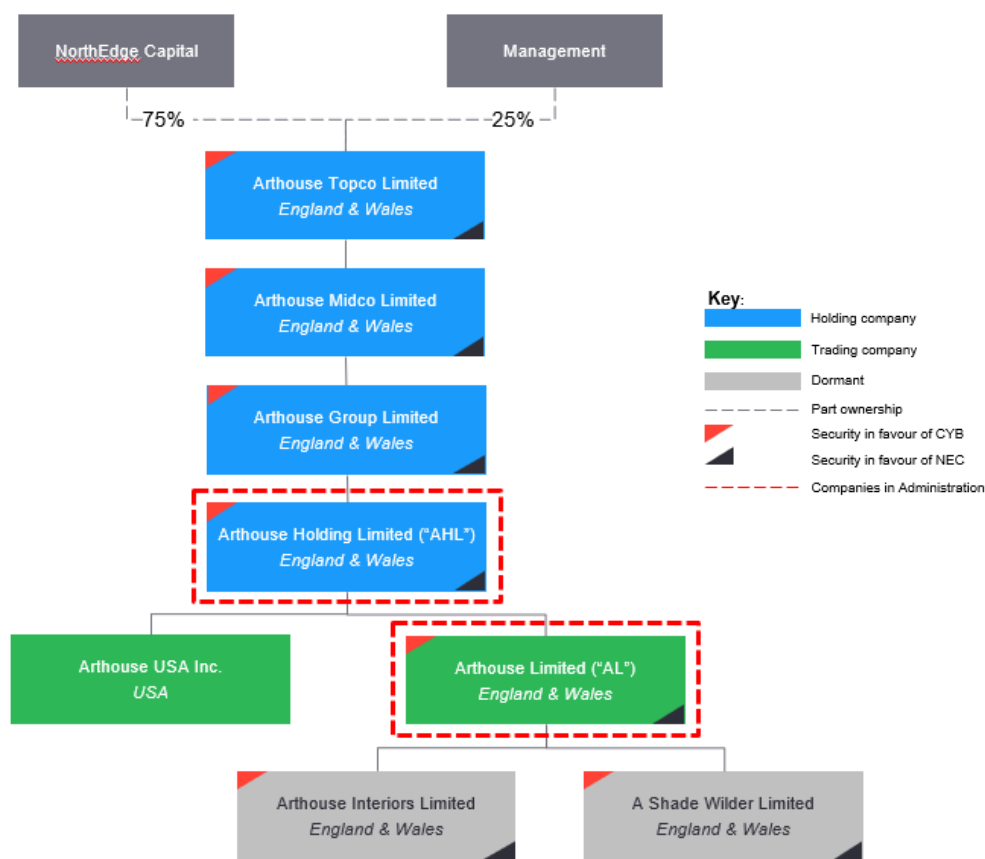
Certain statutory information relating to the Companies and the appointment of the Joint Administrators is provided at Appendix A.

## **1.2 Background**

The Companies were part of the Arthouse group of companies (together "the Group") of which Arthouse Topco Limited was the Group's ultimate parent company. The Group was an interior décor and wallpaper supplier, specialising in providing design focused, affordable home decoration products. The Group supplied major retailers and over 100 other stockists in the UK in addition to exporting to over 40 other countries worldwide.

The Group's head office was in Rossendale, Lancashire. AL employed 37 staff at the date of administration.

The Group structure at the date of appointment is summarised below. The only Group companies which have entered administration are AL and AHL as highlighted in the chart below. AL was the main trading entity in the Group.



NorthEdge Capital (“NEC”) acquired the Group in 2015 in a secondary management buyout and owns 75% of the Group’s shares. The remaining 25% are held by the Group’s management (“Management”).

Arthouse Limited was the Group’s main trading entity. Arthouse USA Inc is a US entity which did not hold stock or have any employees but was a sales office for US customers. The recent financial results of the Group can be summarised as follows:

Period ended	Type of accounts	Turnover £000	Gross profit £000	Gross profit %	Directors’ remuneration £000	Net profit/ (loss) after tax £000	Net Assets/ (Liabilities) £000
11m22	Management	12,557	5,731	45.6	n/a	(3,610)	(4,574)
FY21	Management	22,742	10,434	45.8	n/a	(3,050)	(963)
FY20*	Audited	23,621	9,414	39.9	851	(2,833)	2,087
FY19	Audited	19,207	7,220	37.6	882	(3,978)	(12,112)
FY18	Audited	18,196	7,157	39.3	668	(2,901)	(8,134)

\*the net asset improvement is attributable to a debt for equity swap  
FY year end is December

### 1.3 Circumstances Giving Rise to the Appointment of the Administrators

The Group achieved record turnover of c.£24m in the year ended 31 December 2020, with this strong trading continuing in to 2021. This was driven by a renewed design approach and investment in a multi-channel route to market, that meant the Group was well positioned to benefit from an increase in consumer spending in home improvements and DIY consumables in response to Covid-19 related lockdown restrictions.

In 2022, the Group was adversely impacted by UK market headwinds, including the impact of short-term supply chain disruption in the Group's growing home décor channel, inflationary pressures and the increased cost of living which led to reduced consumer spending in the affordable home improvements market segment.

Management sought cost-out initiatives and efficiencies to re-stabilise the business onto a profitable and sustainable operational platform. However, constrained by cash, Management engaged advisors in July 2022 to prepare the Group for an Accelerated Merger & Acquisition ("AMA") process to identify a purchaser to acquire either the Group's shares or its business and assets.

A total of 112 potential purchasers were approached during the AMA process, including a combination of potential trade buyers and financial investors. Of the 112 parties identified, 8 signed Non-Disclosure Agreements and were given access to the virtual data room. Following this, 3 offers were received for the solvent sale of the Group and 1 further offer (from one of the same interested parties) to acquire the Group's business and assets.

The first offer was received in August 2022 from Confidential Party 1 ("CP1"), however progress made was slower than expected and CP1 eventually withdrew from the sale process.

After continued discussion between a number of parties during September and October 2022, a competitor of the Group, Confidential Party 2 ("CP2") submitted an offer in November 2022 to acquire the entire share capital of AL as a going concern. Also in November, another interested party, Esselle Retail Limited ("ERL" or "the Purchaser"), submitted two offers, one being an offer to acquire the share capital of AL as a going concern, and the other was on a business and assets basis with the terms of the offer stating that the transaction would need to be effected via a pre-packaged sale in administration.

On 1 December 2022, Ernst & Young LLP ("EY") were engaged by the Group, to assist with project managing the sale to completion over a short period of time via a share sale to CP2.

The services provided by EY included corporate finance advice in relation to a proposed solvent sale of AL and liquidation and entity strike off advice in relation to certain holding companies within the Group.

During week commencing 5 December 2022, following slower than expected progress with the sale to CP2, EY re-engaged with ERL to seek to create an alternative option for a sale of the Group. This resulted in an offer from ERL, however, the basis for the offer was a purchase of the business and assets via a pre-packaged sale in administration, given the increasing stress on the business and limited liquidity available to the Group providing time constraints to conclude a transaction.

Both offers (CP2 and ERL) were pursued with sales contracts issued to both parties. After further diligence and an increasing pressure to complete quickly, as the cash in the business became tighter, CP2 advised that they could not progress their offer and ERL's offer became the priority sale in short order.



On 14 December 2022, the Group instructed EY to (i) assist the Group in relation to the proposed sale of some or all of the beneficial interest in the Companies; and (ii) take the necessary steps to assist the Directors in planning for a potential insolvency appointment of the Companies. This included the preparation of statutory documentation required for the proposed Administrators' appointments.

Notices of intention to appoint Administrators were filed at Court on 16 December 2022. This was to provide protection from creditor action through an interim moratorium whilst the proposed Joint Administrators continued to work to execute the pre-pack sale of the business and certain assets of the Companies to ERL.

On 20 December 2022, the Companies entered administration and Samuel Woodward and Timothy Vance were appointed to act as Joint Administrators. The sale of the Companies' business and certain assets to ERL as a going concern was effected immediately following the appointments.

The Joint Administrators and their advisors have incurred total pre-administration costs relating to AL of £171,742, of which £96,805 has been paid, and £74,937 remains unpaid. Further information regarding costs incurred are included in section 6 of these Proposals.

## **2. Purpose, conduct and end of administration**

### **2.1 Purpose of the administration**

The purpose of an administration is to achieve one of three objectives:

- a. To rescue the company as a going concern;
- b. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
- c. To realise property in order to make a distribution to one or more secured or preferential creditors.

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

Objective (a) was not considered to be achievable given the level of debt and liabilities within the Companies, which was the principal reason why a solvent sale of the business prior to administration was not achievable. The objective being pursued for both of the Companies is therefore objective (b).

The pre-pack sale of the Companies' business and assets enables objective (b) to be achieved as it will result in:

- ▶ An increased amount available for distribution to the secured (and possibly preferential creditors of AL) than if the Companies were wound up without first being in administration; and
- ▶ Employee liabilities, which would otherwise be preferential claims against AL, being transferred to the Purchaser.

The outcome achieved through the pre-pack sale was therefore the best available outcome for creditors as a whole in the circumstances.

### **2.2 Conduct of the administration**

#### **2.2.1 Pre-packaged sale of the business and assets**

On 20 December 2022 the Joint Administrators completed a sale of the business and assets of AL and certain assets of AHL to Esselle Retail Limited for a total consideration of £1,551,203. Of this amount, £10,000 related to the sale of AHL's shares in Arhouse USA Inc. and the remaining consideration related to the sale of AL's business and assets.

A detailed explanation of the transaction was sent to creditors on 21 December 2022 and is attached as Appendix F to these proposals.

#### **2.2.2 Significant assets not included in the sale agreement**

There are no significant assets which have not been included in the sale agreement.

#### **2.2.3 Asset realisations**

To date, the only asset realisations in the administrations are those from the pre-packaged sale of the Companies' business and assets.

## 2.2.4 Leasehold properties

AL had three leasehold properties on appointment. A licence to occupy (“LTO”) has been granted to the Purchaser in relation to St James Church in Rossendale, Lancashire from the date of sale until 31 May 2023.

Formal notice was given to vacate Flats 1 – 6, The Cloisters, 570 Bacup Road, Waterfoot, Rossendale at the end of November 2022, this property was vacated prior to the administration.

AL also rents a small storage unit which AL has no ongoing interest in and is in the process of being vacated.

## 2.3 Administrators’ receipts and payments

A summary of the Administrators’ receipts and payments for the period from 20 December 2022 to 21 December 2022 is attached at Appendix D.

## 2.4 Approval of the administrators’ proposals

The Joint Administrators are of the opinion that the Companies have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part (which the Joint Administrators estimate to be nil) and consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, they do not intend to seek a decision of the creditors on the approval of the proposals.

The Joint Administrators will be obliged to seek a decision of the creditors if requested to do so by creditors of each of the Companies whose debts amount to at least 10% of the total debts of the Companies individually. The request must be delivered within 8 business days of the date on which these proposals are delivered to creditors (or such longer period as the court may allow) and must include the information required by Rule 15.18 of the Insolvency (England and Wales) Rules 2016.

In accordance with Rule 15.19 of the Rules, the Joint Administrators may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until they have received the required sum.

## 2.5 Future conduct of the administrations

The Joint Administrators will continue to deal with the administrations of the Companies in line with the stated objectives, namely to achieve a better result for the Companies’ creditors as a whole than would be likely if the Companies were wound up (without first being in administration).

Further tasks will include, but may not be limited to, the following:

- ▶ Investigating the extent of any other assets held by the Companies and realise such assets, if applicable;
- ▶ Ensuring that any obligations of the Companies / Joint Administrators in the Asset and Purchase Agreement with the Purchaser are satisfied;
- ▶ Ensuring any employee related matters are dealt with;
- ▶ Dealing with property matters;
- ▶ Dealing with statutory reporting and compliance obligations, including reporting on the directors’ conduct;

- ▶ Distributing amounts due to the secured creditor;
- ▶ Dealing with secondary preferential creditor claims and, if possible, making a distribution to the secondary preferential creditors;
- ▶ Dealing with unsecured creditor enquiries;
- ▶ Review and conduct the tax affairs of the Companies (as appropriate);
- ▶ If the Joint Administrators deem it appropriate, to seek an extension and/or further extensions to the administrations from the Companies' creditors and/or the Court;
- ▶ Finalising the administrations, including the payment of all administration liabilities; and
- ▶ Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the administrations.

It is intended that the administrations will be funded by the realisations achieved from the Companies' assets.

## **2.6 Distributions to creditors**

On 20 December 2022, the Joint Administrators authorised a distribution to CYB, as the fixed charge secured creditor, in the sum of £1,245,546.19 with respect to fixed charge realisations.

It is proposed that distributions will be made in the Administration to the fixed charge holder and, if possible, secondary preferential creditors.

We do not anticipate that there will be sufficient floating charge realisations to generate a Prescribed Part that would be available for distribution to unsecured creditors.

## **2.7 The end of the administrations**

It is proposed that if at the end of the administrations the Companies have no property which might permit a distribution to creditors, the Joint Administrators will send notices to that effect to the Registrar of Companies. On registration of the notices the Joint Administrators' appointments will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Companies will be deemed to be dissolved three months after the registration of the notice.

### **3. Statement of Affairs**

The directors of the Companies have not yet submitted Statements of Affairs, given the limited time which has passed since the Joint Administrators' appointment.

A notice requiring the submission of a Statement of Affairs was issued to all current directors of the Companies on 21 December 2022 and the deadline for the directors to submit a Statement of Affairs is 11 days after the receipt of the notice (being a period which has not yet expired).

In the absence of a Statement of Affairs, we attach at Appendix B an estimate of the Companies' financial position as at 30 November 2022 (in the form of a balance sheet provided by the Companies' directors) together with a list of creditors including, as far as is currently known, their names, addresses, amounts owed and details of any security held.

We provide below, for information, an indication of the current position with regard to creditors' claims. The figures have been compiled by the Companies' management and have not been subject to independent review or statutory audit.

#### **3.1 Secured creditors**

CYB, principal secured lender to the Companies, had total indebtedness as at 20 December 2022 of c.£5m (prior to the distribution from the Companies' administrations).

NEC, the Companies' second ranking secured lender, had total indebtedness as at 30 November 2022 of c.£2.6m.

#### **3.2 Preferential creditors**

All of the employees of AL transferred to the Purchaser as a result of the sale, in accordance with TUPE. We understand that AHL did not have any employees at the date of administration.

We currently estimate secondary preferential creditors of c.£1.2m, in respect of claims relating to PAYE, National Insurance and VAT.

#### **3.3 Non-preferential creditors**

According to the Companies' management information, it is estimated that total non-preferential claims will be approximately £1.6m (excluding intercompany positions), refer to appendix B for details.

## 4. Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

The Joint Administrators estimate, to the best of their knowledge and belief, that the value of the Companies' net property and prescribed part will be nil.

Accordingly, we do not expect that there will be a distribution to the unsecured creditors of the Companies via a prescribed part distribution.

The Joint Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the prescribed part (as we estimate this to be nil).

## **5. Administrators' remuneration and disbursements and payments to other professionals**

### **5.1 Remuneration**

The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to the Joint Administrators.

In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek to have their remuneration fixed by the secured creditors and if the Joint Administrators have made or intend to make a distribution to preferential creditors, the preferential creditors in accordance with Rule 18.18(4) of the Rules.

In this instance, the Joint Administrators will seek to have their remuneration fixed by both the secured creditors and preferential creditors.

The Joint Administrators will ask for their remuneration to be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 23 December 2022 which is being circulated to creditors at the same time as these proposals. The fee estimate can be found in Appendix E.

### **5.2 Disbursements**

Disbursements are expenses met by and reimbursed to the Joint Administrators. They fall into two categories: Category 1 and Category 2. The fee estimate and statement of expenses dated 23 December 2022 includes details of the Category 1 and 2 disbursements which are expected to be incurred.

Category 1 disbursements are payments to independent third parties where there is expenditure directly referable to the administration. Category 1 disbursements can be drawn without prior approval.

Category 2 disbursements are expenses that are directly referable to the administration but not to a payment to an independent third party. They may include an element of shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as remuneration. In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek the approval of the secured creditors and preferential creditors to charge Category 2 disbursements in accordance with the statement of expenses included in the fee estimate dated 23 December 2022.

### **5.3 Payments to other professionals**

The Joint Administrators have engaged DWF to assist them by providing legal services. They were chosen on the basis of their experience in similar assignments and previous involvement in advising the Group during the sale process.

DWF were contracted to be paid on a time cost basis. No fees have been paid for post-administration costs to date.

## 6. Pre administration costs

The Administrators are seeking approval for payment of unpaid pre administration costs totalling £74,937 plus VAT which will be drawn from the estate of AL. The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 3.52, and not part of the proposals subject to approval under paragraph 53. This means that they must be approved separately from the proposals.

A breakdown of the total pre administration costs incurred and amounts paid pre administration (if any) is attached at Appendix D.

The breakdown attached at Appendix D sets out:

- ▶ The pre-appointment fees charged by the Joint Administrators.
- ▶ The expenses incurred by the Joint Administrators.
- ▶ The fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner (and if more than one, by each separately).
- ▶ The expenses incurred (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner (and if more than one, by each separately).

In the event that a creditors' meeting is not requisitioned, and a creditors' committee is not formed, the Joint Administrators will seek to have the unpaid pre administration costs approved by the secured creditors and if the Joint Administrators made or intend to make a distribution to preferential creditors, the preferential creditors.

### 6.1 Pre-appointment Joint Administrators' costs

The work commenced on 1 December 2022 and was carried out under an engagement agreement between Ernst & Young LLP and the Companies dated 1 December 2022 and an extension of scope agreement dated 14 December 2022.

The nature of the pre-Administration work conducted can be summarised as follows:

- ▶ liaising with the preferred bidder to agree a timetable to completion;
- ▶ engaging with other potentially interested parties and advising the Group on the merits of their inclusion within the process;
- ▶ assist the Group in managing the due diligence process including managing the virtual data room, summarising questions and providing answers provided by the Group;
- ▶ assist the Group in assessing the offers and potential transaction structures, alongside their existing legal advisors;
- ▶ assist in negotiating and structuring any final offer with the preferred bidder, including reviewing and providing comments on any sales agreement or related documentation produced by the Purchaser; and
- ▶ undertake planning for the period immediately post-Administration in order to deal with all matters effectively.

### 6.2 Third party expenses

In addition to the above, the following third party pre-Administration expenses have been incurred prior to our appointment:



DWF provided legal advice to the Companies and the Joint Administrators in connection with the appointment. DWF's unpaid pre-Administration costs total £59,194 (plus VAT).

The nature of the pre-Administration work conducted by DWF can be summarised as follows:

- ▶ Preparing and reviewing the appointment documents;
- ▶ undertaking discussions with the Purchaser, CYB and NEC as to the appointment mechanics and timings;
- ▶ preparation of the asset purchase agreement and other documents with the Purchaser;
- ▶ undertaking a security review;
- ▶ advising the Group in respect of their pre-appointment options.

SIA provided valuation services in respect of the brands and IP of the business. SIA's unpaid costs total £3,000 (plus VAT).

## Appendix A Statutory information

### Company Information

Company Name:	Arthouse Holding Limited
Registered Office Address:	St James Church, Bacup Road, Waterfoot, Rossendale, Lancashire, BB4 7JU, United Kingdom
Registered Number:	06304788
Trading Name(s):	n/a
Trading Address(es):	n/a

### Details of the Administrators and of their appointment

Administrators:	Samuel James Woodward and Timothy Graham Vance
Date of Appointment:	20 December 2022
By Whom Appointed:	The appointment was made by the Directors of AHL
Court Reference:	CR-2022-004800 in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

### Statement concerning the EU Regulation on Insolvency Proceedings

The proceedings are to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

### Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	666,667	666,667	666,667	666,667

### Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Clare Louise Bate	Director	12 December 2018	N/A	Nil
Rebecca Louise Shellard	Director	20 July 2020	N/A	Nil

**Company Information**

Company Name:	Arthouse Limited
Registered Office Address:	St James Church, Bacup Road, Waterfoot, Rossendale, Lancashire, BB4 7JU, United Kingdom
Registered Number:	03897091
Trading Name(s):	Arthouse
Trading Address(es):	St James Church, Bacup Road, Waterfoot, Rossendale, Lancashire, BB4 7JU, United Kingdom

**Details of the Administrators and of their appointment**

Administrators: Samuel James Woodward and Timothy Graham Vance

Date of Appointment: 20 December 2022

By Whom Appointed: The appointment was made by the Directors of AL

Court Reference: CR-2022-004799 in the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

**Statement concerning the EU Regulation on Insolvency Proceedings**

The proceedings are to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

**Share capital**

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	40,000	40,000	40,000	40,000

**Directors and secretary and their shareholdings**

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Clare Louise Bate	Director	2 January 2019	N/A	Nil
Rebecca Louise Shellard	Director	20 July 2020	N/A	Nil

## Appendix B Estimated financial position of AHL and AL as at 30 November 2022

An estimate of the financial position of AHL and AL as at 30 November 2022, being the latest financial information available, is provided below. This information is based on the values within the Companies' records. They are not estimated to realise values.

### Arthouse Holding Limited – Estimated financial position as at 30 November 2022

<b>ASSETS</b>	<b>£'000</b>
<b>Fixed Assets</b>	
Investments	14,688
<b>Current Assets</b>	
Stock	-
Accrued Income	-
Intercompany debtors	600
Cash	-
<b>Total assets</b>	<u>15,288</u>
 <b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Trade Creditors	-
Deferred Income	-
<b>Long Term Liabilities</b>	
Intercompany creditors	<u>(14,021)</u>
<b>Total liabilities</b>	<u>(14,021)</u>
<b>Net assets / (liabilities)</b>	<u><b>1,267</b></u>

Note: AHL is also a guarantor in respect of funding provided to the Group by CYB and NEC, although these liabilities are not included with the balance sheet above prepared by the company's directors.

## Arthouse Limited – Estimated financial position as at 30 November 2022

<b>ASSETS</b>	<b>£'000</b>
<b>Fixed Assets</b>	
Land, Buildings & Equipment	168
<b>Current Assets</b>	
Stock	957
Debtors and Prepayments	2,859
Intercompany debtor	23,100
Cash	154
<b>Total assets</b>	<u>27,238</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Trade creditors	(1,739)
Other creditors	(3,167)
<b>Long Term Liabilities</b>	
Intercompany creditor	(266)
Total liabilities	<u>(5,171)</u>
<b>Net assets / (liabilities)</b>	<u>22,067</u>

Note: AL is also a guarantor in respect of funding provided to the Group by CYB and NEC, although these liabilities are not included with the balance sheet above prepared by the company's directors.

## Arthouse Holding Limited - Estimated creditors as at 20 December 2022 based on company records

A current list of AHL's creditors including, as far as it is currently known, their names, addresses, amounts owed and details of any security held is provided below. This information is based on the company's books and records available to us and will be subject to change.

Name of Creditor	Address	Amount of Debt £	Security Held
Clydesdale Bank plc	30 St. Vincent Place, Glasgow, Scotland, G1 2HL	5,009,124.46	Fixed & floating
Northedge Capital LLP	13th Floor, Number One Spinningfields, 1 Hardman Square, Manchester, M3 3EB	2,589,433.00	Fixed & floating
Arthouse Group Limited	St James Church, Bacup Road Waterfoot, Rossendale, Lancashire, BB4 7JU	5,082,173.00	
Arthouse Limited	St James Church, Bacup Road Waterfoot, Rossendale, Lancashire, BB4 7JU	8,939,071.26	
<b>Total</b>		<b>21,619,801.72</b>	

## Arthouse Limited - Estimated creditors as at 20 December 2022 based on company records

A current list of AL's creditors including, as far as it is currently known, their names, addresses, amounts owed and details of any security held is provided below. This information is based on the company's books and records available to us and will be subject to change.

Name of Creditor	Address	Amount of Debt £	Security Held
Clydesdale Bank plc	30 St. Vincent Place, Glasgow, Scotland, G1 2HL	5,009,124.46	Fixed & floating
Northedge Capital LLP	13th Floor, Number One Spinningfields, 1 Hardman Square, Manchester,, , M3 3EB	2,590,113.07	Fixed & floating
AGR Dynamics	Thorncroft Manor, Thorncroft Drive, , , KT22 8JB	11,064.00	

ALVAREZ & MARSAL EUROPE LLP	PARK HOUSE, 16-18 FINSBURY CIRCUS, LONDON, EC2M 7EB	24,000.00	
Arnall Golden Gregory LLP	171, 17th Street NW, Suite 2100, Atlanta GA, 30363	417.00	
Arthouse Group Limited	St James Church, Bacup Road Waterfoot, Rossendale, Lancashire, BB4 7JU	265,500.00	
A.S Creation Tapeten AG	Sudstrabe 47, Gummersbach, 51645, ,	53,050.44	
AVA CAD/CAM Ltd	3 St. Georges Street, Macclesfield, , , SK11 6TG	7,844.40	
BCN GROUP	Unit 3, Bramley Grange, Thorner, Leeds, LS14 3DW	1,426.60	
BDO BAMN	Dr. Holtroplaan 23, Eindhoven, 5652 XR, ,	1,625.00	
BDO Expertise Sociale & RH	3 Avenue du 8 Mai 1945, 78280 Guyancourt, , , 78280	734.40	
BDO Stoy Hayward LLP	3 Hardman Street, , Manchester, , M3 3AT	6,000.00	
BLENDWORTH INTERNATIONAL LTD	DUKE STREET MILL, WHITEHALL STREET, ROCHDALE, , OL12 0LW	6,864.18	
BluJay Solutions Ltd	1st Floor, 4M Building, Malaga Avenue, Manchester Airport, Manchester, M90 3RR	1,351.86	
Boys Holdings PLC	Todd Carr Road, Waterfoot, Rossendale, Lancashire, BB4 9SJ	40,820.19	
BRITANNIA BUREAU LTD	1 LANGFORD RIVER BARN, LANGFORD HALL, WITHAM ROAD,, LANGFORD, MALDON, , CM9 4ST	1,526.95	
Cardinal	Leestone Road, Sharston Industrial Estate, Sharston, Manchester, M22 4RB	4,464.46	
Commerce Hub	25736 Network Place, Chicago, , ,	489.50	
Copyprint Services Ltd	1 Bolton South Business Park, Mather Street, KEarsley, Bolton, BL4 8EE	122.83	
Corona corporate solutions Ltd	1-2 Castle Lane, London, , , SW1E 6DR	227.45	
Dachser LTD	Chichester Street, Rochdale, , , OL16 2AU	211.03	
Decoprint NV	Dommekensstraat 2, Zele, Belgium, , 9240	32,908.39	
Defacto Solutions Ltd	Defacto House, Orix Corner, 631 Chesterfield Road, Sheffield, S8 0RX	15,639.90	
DHL SUPPLY CHAIN (MK)	C/O Accenture EDM, PO Box 6298, Milton Keynes, , MK10 1ZP	190,139.64	
DHL CHEP	DHL Supply Chain Limited, Accenture EDM, PO Box 6298, Milton Keynes, MK10 1ZP	1,585.39	

DWF LLP	Scott Place, 2 Hardman Street, Manchester, , M3 3AA	72,205.20	
Fuzhou Best Art and crafts., Ltd	Yangli Industrial Zone no 1, Hebinroad Gushantown, Jinan District, Fuzhou, Fujian, China	12,684.00	
GMG Color Ltd	3 St. James Court, 2nd Floor, Whitefriars, Northwich, Cheshire, NR3 1RJ	3,349.01	
Graydon UK Ltd	2nd Floor, Hygeia Building, 66 College Road, Harrow, Middlesex, HA1 1BE	207.90	
Graylaw International Freight	Graylaw Freight Terminal, Gillibrands Road, Skelmersdale, Lancs, WN8 9TA	2,744.65	
Guilin Senbird Trading Co.,Ltd	1st to 3rd floor, , building no 36 in Qingxiu courtyard, Jiashan Road No 143, Xiufeng District, Guilin, China	59,284.00	
H and A Warehouse Logistics LLC	326 Timber Drive, Berkley Heights, NJ, , 07922	12,881.83	
Hangzhou Kanluck Trading Co.,Ltd	Rm1701, Lei'en Mansion, 118 Donggang Rd, Linping, Hangzhou, China 311111	86,597.00	
Hartford Underwriters Insurance	PO Box 660916, Dallas, TX, 75266-0916, , 75266-0916	0.00	
HMRC		1,189,035.03	
Holker Network Solutions Ltd	Crown House, Bridgewater Close, Network 65 Business Park, Burnley, BB11 5TE	15,421.88	
J HOLDEN PLUMBING & HEATING LTD	93 QUEENSWAY, NEWCHURCH, ROSSENDALE, , BB4 9UB	240.00	
Jigsaw	The Old Mill, High Church Street, Nottingham, , NG7 7JA	1,448.28	
John K Philips Group Ltd	Stadium Industry Park, Peasley Cross Lane, St Helens, Merseyside, WA9 3AN	58,126.97	
John Mark Ltd	84 Bison Place, Moss Side Ind Estate, Leyland, , PR26 7QR	483.06	
Karen Wallis Artist	Crowmire Wood, Newby Bridge Road, Windermere, Cumbria, LA23 3LL	400.00	
Kershaw Print Limited	928 Burnley Road, Loveclough, Rossendale, , BB4 8QL	42.00	
Kuehne + Nagel Ltd	Treasury Department, Sunrise Parkway, Linford Wood, Milton Keynes, MK14 6BW	15,095.95	
L & J PRINT LTD	UNIT 2 HOPKINS CLOSE, GREENFIELD IND. ESTATE, CONGLETON, CHESHIRE, CW12 4TR	948.00	
Marburg Wallcoverings	Bertram - Schaefer, Str 11, Kirchhain, , 35274	43,023.18	
Omega Red Group Ltd	6 dabell Avenue, Nottingham, , , NG6 8WA	226.80	



On-Pack Recycling Label	Second Floor, 21 Dartmouth Street, London, , SW1H 9BP	2,160.00	
ORAC nv/sa	Oudenburgsesteenweg 90, 8400 Oostende, Belgium, ,	90,506.44	
Parcelhub Limited	Unit 6, Road No 2, Colwick Quays Business Park, Nottingham, , NG4 2JY	30,795.97	
Picture Master	Unit 10 Network Park, Duddeston Mill Road, , Birmigham, B8 1AU	226.50	
PocketWatch, Inc.	8500 Steller Dr Bldg. 7, , , ,	7,000.00	
Printed.com	Unit 2, Arcot Court, Nelson Road, Cramlington, Northumberland, NE23 1BB	144.12	
Rasch Polska - EURO	Prosta 19, Lozienica, 72-100 Goleniow, ,	75,603.94	
Recycle-Pak (Scotland) Ltd	Chorley Business & Tech Center, Euxton Lane, Chorley, Lancashire, PR7 6TE	4,993.86	
S Kempson	Cowpe Bottoms Farm, Cowpe, Waterfoot, Rossendale, BB4 7DQ	34.00	
SASBAH	Unit 5&6, Swan Wood Park, Gun Hill, Horam, East Sussex, , TN21 0JS	347.60	
SKYE DIRECT LTD	UNIT 15/16 HOWLEY PARK, BUSINESS VILLAGE, HAWLEY PARK ROAD, MORLEY LEEDS, LS27 0BZ	109.92	
Solutions for HR	10 St Marys Place, BuryBury, , , BL0 9DZ	1,470.00	
Sonder IP Limited	Calls Wharf, 2 The Calls, Leeds, , LS2 7JU	3,235.68	
STRATTON GROUP LTD	PRIORYFIELD HOUSE, 20 CANON STREET, TAUNTON, SOMERSET, TA1 1SW	10,996.03	
Taskforce Field Marketing	Taskforce House, 17 Dukes Ride, Crowthorne, Berkshire, RG45 6LZ	1,248.00	
Taubert GmbH&Co.KG	GmbH, Greimweg 10, 95691 Hohenberg an der Eger, Germany,	16,022.88	
TRUE COMMERCE	2 New Bailey, 6 Stanley Steet, Salford, Greater Manchester, M3 5GS	5,150.74	
Ugepa SA - GBP	Zone Industrielle, Route de Thennes, 80110 Moreuil, France,	817,569.05	
Ugepa SA - EURO	Zone Industrielle, Route de Thennes, 80110 Moreuil, France,	19,074.12	
UPS SCS (UK) LTD - A/C 101810	SHAW CROSS BUSINESS PARK - 95, CHURCHWELL VALE, SHAW CROSS BUSINESS PARK, DEWSBURY, WF12 7RD	3,076.05	
Wavenet Ltd (Was Solar)	One Central Boulevard, Blythe Valley, Shirley, Solihull, West Midlands, B90 8BG	272.59	
Wee Shred Limited	Unit 4, Croft Lane Industrial Estate, Croft Lane, Pilsworth, Bury, BL9 8QG	408.00	
<b>Total</b>		<b>10,932,141.37</b>	

## Appendix C Administrators' receipts and payments account for the period from 20 December 2022 to 21 December 2022

### Arthouse Holding Limited – receipts and payments account for the period from 20 December 2022 to 21 December 2022

Estimated to Realise as per Directors' Statement of Affairs £'000		£
	<b>Fixed charge realisations</b>	
n/a	Investments	10,000.00
		<u>10,000.00</u>
	<b>Fixed charge distributions to creditors</b>	
	Secured creditor (CYB)	-
		<u>-</u>
	<b>Floating charge realisations</b>	
n/a	Debtors & Prepayments	-
n/a	Cash	-
n/a	Other realisations	-
		<u>-</u>
	<b>Floating charge distribution to creditors</b>	
	Secured creditor (CYB)	-
		<u>-</u>
	<b>Balance in hand</b>	<u><u>10,000.00</u></u>
	<b>Represented by:</b>	
	Cash at bank	10,000.00
		<u><u>10,000.00</u></u>

#### Notes

1. Receipts and payments are stated net of VAT.
2. The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.
3. The cash at bank as at the date of the R&P was being held on behalf of the Joint Administrators by DWF.
4. The cash will be held in an interest-bearing account once received.

## Arthouse Limited – receipts and payments account for the period from 20 December 2022 to 21 December 2022

Estimated to Realise as per Directors' Statement of Affairs			£
£'000	<b>Fixed charge realisations</b>		
n/a	Intellectual Property		34,999.00
n/a	Goodwill		1.00
n/a	Book Debts		1,291,203.25
			<b>1,326,203.25</b>
	<b>Fixed charge distributions to creditors</b>		
	Secured creditor (CYB)		(1,245,546.00)
			<b>(1,245,546.00)</b>
	<b>Floating charge realisations</b>		
	Licence fees		13,977.31
n/a	Computer System		5,000.00
n/a	Fixtures and Fittings		5,000.00
n/a	Information Technology		1.00
n/a	Plant and Machinery		1.00
n/a	Customer Contracts		1.00
n/a	Supply Contracts		1.00
n/a	Marketing Information		1.00
n/a	Employee Records		1.00
n/a	Stock		204,994.00
n/a	Other realisations		-
	VAT payable		2,795.46
			<b>231,772.77</b>
	<b>Floating charge distribution to creditors</b>		
	Secured creditor (CYB)		-
			-
	<b>Balance in hand</b>		<b>312,430.02</b>
	<b>Represented by:</b>		
	Cash at bank - fixed charge account		80,657.25
	Cash at bank - floating charge account		228,977.31
	VAT		2,795.46
			<b>312,430.02</b>

## Notes

1. Receipts and payments are stated net of VAT unless specified.
2. The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.
3. The Joint Administrators are currently in the process of taking control of AL's bank accounts and expect c.£60k of cash receipts shortly.
4. The cash at bank as at the date of the R&P was being held on behalf of the Joint Administrators by DWF.
5. The cash will be held in interest-bearing accounts once received.
6. The distribution of £1,245,546.19 to CYB was made directly by DWF following receipt by them of the book debt realisation proceeds of sale.

## Appendix D Statement of pre-administration costs

### Statement of pre-administration costs (net of VAT)

	Administrator		Other IP		Details
	Remuneration	Expenses	Remuneration	Expenses	
	£	£	£	£	
Time costs	109,548	nil	nil	nil	Incurred by the Joint Administrators, as outlined in Section 6 of these proposals
Legal costs	59,194	nil	nil	nil	
Valuation costs	3,000	nil	nil	nil	
<b>Total costs incurred</b>	<b>171,742</b>	<b>nil</b>	<b>nil</b>	<b>nil</b>	
<b>Paid before the administration</b>					
Time costs	(96,805)	nil	nil	nil	Outstanding legal time costs
Legal costs	-	nil	nil	nil	
Valuation costs	-	nil	nil	nil	
<b>Unpaid pre-administration costs</b>	<b>74,937</b>	<b>nil</b>	<b>nil</b>	<b>nil</b>	

Unpaid pre-administration costs are costs which had not been paid at the date of administration are still outstanding and are subject to approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

Unpaid pre-administration costs are not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986. This means that they must be approved separately from the proposals. Further information on the way in which approval will be sought for unpaid pre-administration costs is set out in section 6 of this document.

## Appendix E Estimate of remuneration to be charged

The Joint Administrators of the Companies will shortly be seeking approval for their remuneration to be fixed on a time cost basis by the secured and preferential creditors. In accordance with Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016, they set out below their estimate of remuneration to be charged.

The estimate of remuneration in respect of the Companies is £260,844 plus VAT. An explanation of how this sum has been arrived at is set out below and a breakdown of the expected costs is attached on the following pages.

### Explanation of the work proposed to be undertaken

Category of work	Description of work to be completed
Accounting & Administration	<ul style="list-style-type: none"> <li>▶ Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting.</li> </ul>
Bank and Statutory Reporting	<ul style="list-style-type: none"> <li>▶ Reporting to the Companies secured creditors</li> <li>▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>▶ Correspondence with creditors.</li> <li>▶ Processing distributions to the secured creditors</li> </ul>
Employee Matters	<ul style="list-style-type: none"> <li>▶ Writing to employees regarding TUPE related matters.</li> <li>▶ Dealing with any employee enquiries.</li> </ul>
Immediate Tasks	<ul style="list-style-type: none"> <li>▶ Completion of work streams requiring immediate attention following the appointments, in order to execute the strategy outlined in the Proposals.</li> </ul>
Investigations	<ul style="list-style-type: none"> <li>▶ Investigations into the Companies' affairs in accordance with Statement of Insolvency Practice 2: "Investigations by Office Holders".</li> <li>▶ Making an online submission to the Director Conduct Reporting Service in accordance with the Company Directors Disqualification Act 1986.</li> </ul>
Legal Issues	<ul style="list-style-type: none"> <li>▶ Dealing with any ad hoc legal issues.</li> </ul>
Other Assets	<ul style="list-style-type: none"> <li>▶ Realising value from the Companies' residual assets.</li> <li>▶ Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Companies at the date of appointment.</li> </ul>
Other Matters	<ul style="list-style-type: none"> <li>▶ Arranging for the transfer of the Company's environmental permits to the purchaser</li> </ul>
Property	<ul style="list-style-type: none"> <li>▶ Strategy to realise value from the Companies' leasehold interests (if any).</li> <li>▶ Dealing with landlord enquiries regarding the property interests.</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>▶ Reporting to the Companies' secured creditors.</li> <li>▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report.</li> </ul>
Statutory Duties	<ul style="list-style-type: none"> <li>▶ Completion of statutory requirements of the administrations, including notifications to</li> </ul>

---

	creditors and members, advertising the appointment, letter to creditors pursuant to Statement of Insolvency Practice 16, and sending to creditors and filing at Companies House.
VAT & Taxation	<ul style="list-style-type: none"><li>▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.</li><li>▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the administrations.</li><li>▶ Preparing claims for VAT bad debt relief.</li></ul>

---

## Arthouse Holdings Limited – Estimate of the Joint Administrators' remuneration

	Staff Grade				Total Hours	Time costs (£)	Average hourly rate
	Partner	Manager	Executive	Analyst			
Administration & Planning	2.0	7.0	4.0	7.0	20.0	11,310	566
Creditors	-	-	1.0	1.0	2.0	800	400
Debtors	-	-	-	-	-	-	-
Employee matters	-	-	-	-	-	-	-
Immediate Tasks	-	-	-	-	-	-	-
Investigations	0.5	0.5	1.0	2.0	4.0	2,080	520
Job Acceptance & Strategy	1.0	1.0	-	-	2.0	1,940	970
Other Assets	1.0	2.0	-	-	3.0	2,600	-
Other Matters	-	1.0	-	3.0	4.0	1,590	398
Property	-	-	-	-	-	-	-
Reporting	1.0	7.0	2.0	10.0	20.0	9,980	499
Statutory Duties	4.0	7.0	3.0	10.0	24.0	14,310	596
VAT & Taxation	0.5	3.5	3.0	10.0	17.0	7,520	442
<b>Total Hours</b>	<b>10.0</b>	<b>29.0</b>	<b>14.0</b>	<b>43.0</b>	<b>96.0</b>		
<b>Time Costs (£)</b>	<b>12,800</b>	<b>19,140</b>	<b>6,860</b>	<b>13,330</b>		<b>52,130</b>	
<b>Average hourly rate</b>	<b>1,280</b>	<b>660</b>	<b>490</b>	<b>310</b>			

## Arthouse Limited – Estimate of the Joint Administrators' remuneration

	Staff Grade					Total Hours	Time costs (£)	Average hourly rate
	Partner	Director	Assistant Director	Manager	Executive			
Administration & Planning	6.0	1.0	7.0	7.0	14.0	28.0	34,885	554
Creditors	1.0	-	-	-	7.0	21.0	11,220	387
Debtors	-	-	-	-	-	-	-	-
Employee matters	1.0	7.0	-	7.0	7.0	-	16,260	739
Immediate Tasks	0.5	2.0	2.0	4.0	14.0	28.0	22,530	446
Investigations	0.5	-	2.0	3.0	7.0	14.0	12,120	457
Job Acceptance & Strategy	3.0	-	4.0	4.0	14.0	14.0	21,140	542
Other Assets	1.0	-	1.0	1.0	-	3.0	3,735	623
Other Matters	-	-	2.0	2.0	7.0	14.0	10,820	433
Property	1.0	-	7.0	7.0	14.0	14.0	23,155	538
Reporting	2.0	-	4.0	7.0	7.0	21.0	20,580	502
Statutory Duties	8.0	-	4.0	7.0	7.0	21.0	28,260	601
VAT & Taxation	1.0	-	-	7.0	14.0	28.0	21,440	429
<b>Total Hours</b>	<b>25.0</b>	<b>10.0</b>	<b>33.0</b>	<b>56.0</b>	<b>112.0</b>	<b>206.0</b>	<b>442.0</b>	
<b>Time Costs (£)</b>	<b>32,000</b>	<b>9,900</b>	<b>28,545</b>	<b>36,960</b>	<b>54,880</b>	<b>63,860</b>	<b>226,145</b>	
<b>Average hourly rate</b>	<b>1,280</b>	<b>990</b>	<b>865</b>	<b>660</b>	<b>490</b>	<b>310</b>		



## Details of expenses incurred and anticipated to be incurred

Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member. Expenses expected to be incurred total £70,271 plus VAT. A breakdown is provided on the following pages.

The expenses incurred and anticipated to be incurred from the Companies' estate can be summarised into the following categories: A breakdown is provided on the following pages.

Category of expense	Description of expense incurred or to be incurred
Rent – transferring premises	▶ Rent for the premises taken on by the Purchaser under licence to occupy agreements which will be reimbursed by the Purchaser.
Legal fees	▶ Legal advice regarding such matters required to maximise realisations from the Companies' estate. These fees are in addition to the pre-appointment expenses detailed at Appendix D to our Statement of Proposals enclosed with this letter.
Storage	▶ Costs to arrange collection and storage of the Companies' books and records, for minimum periods required under legislation.
Insurance	▶ Costs to insure the Companies' assets and operations during the administrations.
Statutory costs	▶ Cost of completing statutory requirements of the administrations, including advertising and filing costs.
Bank charges	▶ Charges associated with operation of the Companies' bank accounts during the administrations.
Corporation tax	▶ Corporation tax which may become payable following the preparation and submission of Corporation tax returns. It is currently too soon to provide an estimate in respect of these costs.

### Disbursements

Disbursements comprise of sums paid or to be paid to third parties, or payable to the Joint Administrators' firm in respect of out of pocket expenses and costs which include an element of shared or allocated costs.

#### Category 1 disbursements

Category 1 disbursements are defined as specific expenditure met by and reimbursed to the office holder's firm, relating to the administration of the insolvent's affairs and referable to payment to an independent third party.

Disbursement	Description of disbursement incurred or to be incurred
Specific penalty bond	▶ A form of insurance required by insolvency law

Category 2 disbursements

Category 2 disbursements are made by the office holder's firm that include elements of shared or overhead costs.

Disbursement	Description of disbursement incurred or to be incurred
Internal bulk copying, printing and postage	▶ Costs relating to printing and posting of the Joint Administrators' Statement of Proposals and other written communications to all relevant creditors and stakeholders.

**Arthouse Holding Limited – estimated expenses**

<u>Payments which are not disbursements</u>	£
Rent	-
Legal fees	1,000
Insurance	2,000
Statutory costs	250
Storage	250
Bank charges	50
	<b>3,550</b>
<b>Category 1 disbursements (see notes 2 and 3)</b>	
Specific penalty bond	24
	<b>24</b>
<b>Category 2 disbursements (see notes 2 and 3)</b>	
Internal bulk copying, printing and postage	25
	<b>25</b>
<b>Total</b>	<b>3,599</b>

**Arthouse Limited – estimated expenses**

<u>Payments which are not disbursements</u>	£
Rent	22,473
Legal fees	25,000
Insurance	3,000
Statutory costs	250
Storage	500
Bank charges	250
	<b>51,473</b>
<b>Category 1 disbursements (see notes 2 and 3)</b>	
Specific penalty bond	24
	<b>24</b>
<b>Category 2 disbursements (see notes 2 and 3)</b>	
Internal bulk copying, printing and postage	175
	<b>175</b>
<b>Total</b>	<b>51,672</b>

## Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
  - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
  - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2

## Exceeding estimates of remuneration and expenses

These estimates may be exceeded, in which case an explanation will be provided in the appropriate progress report. The Joint Administrators will only draw remuneration in excess of the estimate with the prior agreement of the approving body, in accordance with Rule 18.30 the Insolvency (England and Wales) Rules 2016.

## Estimate of return for creditors

We currently estimate the following returns for creditors:

### Secured creditors

As at 20 December 2022, the Companies' known secured lenders were Clydesdale Bank plc and Northedge Capital LLP.

#### Clydesdale Bank plc

CYB, the Companies' principal secured lender, had total indebtedness as at 20 December 2022 of c.£5m.

The Joint Administrators have authorised a distribution of £1,245,546 to CYB from book debt realisations. We do not expect to make further material distributions to CYB.

#### Northedge Capital LLP

NEC, the Companies second ranking secured lender, had total indebtedness as at 30 November 2022 of c.£2.6m.

It is anticipated that the Companies will have insufficient realisations to enable a distribution to NEC.

### Preferential creditors

All of AL's employees transferred to the Purchaser as a result of the sale in accordance with TUPE.

We currently estimate preferential creditors of c.£1.2m, in respect of claims relating to PAYE, NI and VAT.

It is currently anticipated that the Companies will make a distribution to AL's preferential creditors, however the quantum of the distribution is yet to be determined.

**Non-preferential creditors**

According to the Companies' management information, it is estimated that total non-preferential claims will be approximately £1.6m (excluding intercompany creditors), refer to appendix B for details.

It is anticipated that the Companies will have insufficient realisations to enable a distribution to non-preferential creditors of the Companies.

## **Appendix F      Detailed Explanation of Pre-Pack Transaction**

[Page intentionally left blank – please see next page]

TO ALL KNOWN CREDITORS

23 December 2022

Ref: SJW/TV/ST/PCF  
arhouseadministration@uk.ey.com

Dear Sirs

**Arthouse Holding Limited (“AHL”) & Arthouse Limited (“AL”) (Both in Administration) (together “the Companies”)**

**Trading name: Arthouse**

**Principal trading address: St James Church, Bacup Road, Waterfoot, Rossendale, Lancashire, BB4 7JU, United Kingdom**

On 20 December 2022 the Companies entered administration and Timothy Vance and I were appointed as Joint Administrators. The appointment was made by the directors of the Companies under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986. I attach formal notices of our appointment for your information.

As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the administrations.

**Sale of the business and certain assets of the Companies**

On 20 December 2022 we completed a sale of the Companies' business and certain assets to an unconnected party, Esselle Retail Limited (ERL or “the Purchaser”), for a total consideration of £1,551,203.

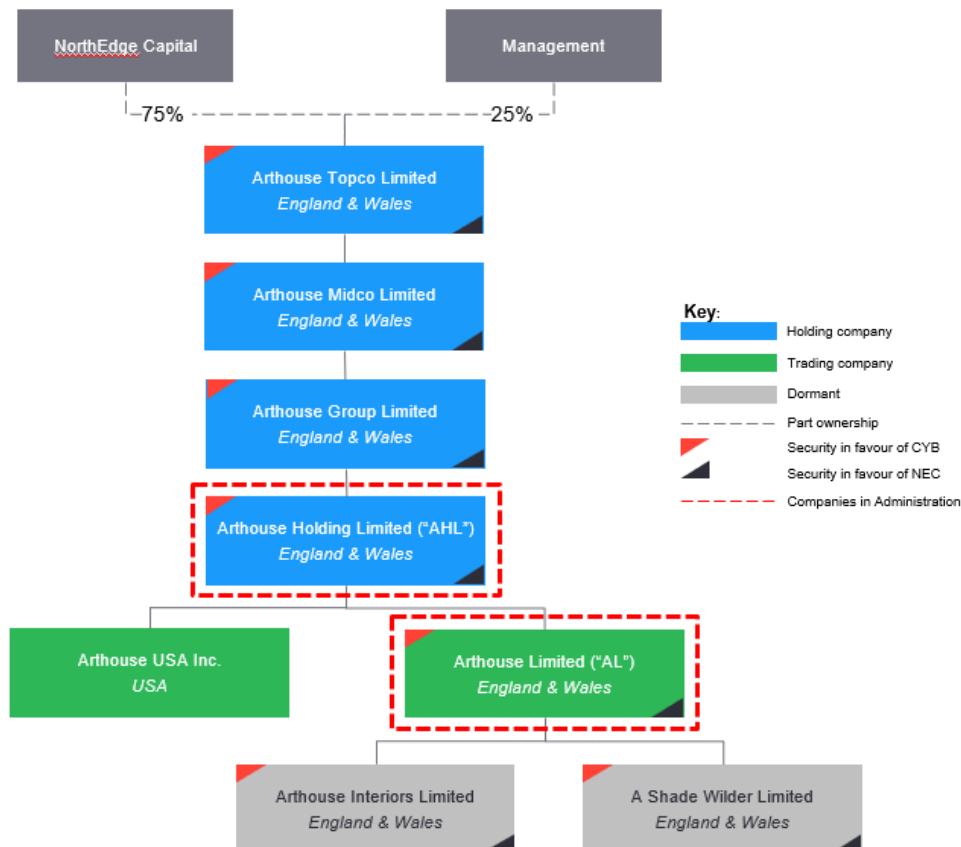
In accordance with Statement of Insolvency Practice 16, a detailed explanation of the transaction is set out below.

**Background**

The Companies were part of the Arthouse group of companies (together “the Group”) of which Arthouse Topco Limited was the Group's ultimate parent company. The Group was an interior décor and wallpaper supplier, specialising in providing design focused, affordable home decoration products. The Group supplied major retailers and over 100 other stockists in the UK in addition to exporting to over 40 other countries worldwide.

The Group's head office was in Rossendale, Lancashire. AL employed 37 staff at the date of administration.

The Group structure at the date of appointment is summarised below. The only Group companies which have entered administration are AL and AHL as highlighted in the chart below. AL was the main trading entity in the Group.



NorthEdge Capital (“NEC”) acquired the Group in 2015 in a secondary management buyout and owns 75% of the Group’s shares. The remaining 25% are held by the Group’s management (“Management”).

### Initial introduction to the Companies

We were introduced to the Companies by NorthEdge Capital (“NEC”) on 14 November 2022.

On 1 December 2022, EY were engaged by the Group to assist with project managing a solvent sale of the business to completion over a short period of time, following an approach by NEC for support. The scope was subsequently broadened to conduct a business and assets sale and plan for an insolvency appointment.

### Circumstances giving rise to the appointment of Administrators

The Group achieved record turnover of c.£24m in the year ended 31 December 2020, with a strong period of trading continuing at the beginning of 2021. This was driven primarily by a renewed design approach and investment in a multi-channel route to market. This meant the Group was well positioned to benefit from an increase in consumer spending in home improvements and DIY consumables in response to Covid-19 related lockdown restrictions.

However, the Group was adversely impacted by UK market headwinds in 2022, including the impact of short-term supply chain disruption in the Group’s growing home décor channel, inflationary pressures

and the increased cost of living which led to reduced consumer spending in the affordable home improvements market segment.

Management sought further cost-out initiatives and efficiencies to re-stabilise the business onto a profitable and sustainable operational platform. However, constrained by cash, Management engaged advisors in July 2022 to prepare the Group for an Accelerated Merger & Acquisition (“AMA”) process to identify a purchaser to acquire either the Group’s shares or its business and assets.

## **Sales Process**

A total of 112 potential purchasers were approached during the AMA process, including a combination of potential trade buyers and financial investors. Of the 112 parties identified, 8 signed Non-Disclosure Agreements and were given access to the Virtual Data Room. Following this, 3 offers were received for the solvent sale of the Group and 1 further offer (from one of the same interested parties) to acquire the Group’s business and assets.

The first offer was received in August 2022 from Confidential Party 1 (“CP1”), however progress made was slower than expected and CP1 eventually withdrew from the sale process.

After continued discussion between a number of parties during September and October 2022, a competitor of the Group, Confidential Party 2 (“CP2”) submitted an offer in November 2022 to acquire the entire share capital of AL as a going concern. Also in November, another interested party, ERL, submitted two offers, one being an offer to acquire the share capital of AL as a going concern, and the other was on a business and assets basis with the terms of the offer stating that the transaction would need to be effected via a pre-packaged sale in administration.

The Group decided to progress CP2’s offer with the aim of concluding a sale in short order. A further period of due diligence commenced and was completed in early December.

On 1 December 2022, Ernst & Young LLP (“EY”) were engaged by the Group to assist with project managing the sale to completion over a short period of time.

The services provided by EY included corporate finance advice in relation to a proposed solvent sale of AL and to assist with preparing certain holding companies within the Group for members’ voluntary liquidation. However, it since became clear that the directors would be unable to swear Declarations of Solvency in relation to these holding companies and therefore EY assisted the directors with preparing for creditors’ voluntary liquidations in relation to these holding companies.

During week commencing 5 December 2022, following slower than expected progress with the sale to CP2, EY re-engaged with the Purchaser to seek to create an alternative option for a sale of the Group. This resulted in an offer, however, this was on a business and assets basis via a pre-packaged sale in administration given the time constraints to conclude a transaction and limited liquidity available to the Group.

On 12 December 2022, it became apparent that a solvent sale of AL to CP2 would not be possible due to the timeframe available to complete a transaction and the funding constraints of the Group.

On 14 December 2022, the Group instructed EY to (i) assist the Group in relation to the proposed sale of some or all of the beneficial interest in the Companies; and (ii) take the necessary steps to assist the Directors in planning for a potential insolvency appointment of the Companies. This included the preparation of statutory documentation required for the proposed Administrators’ appointments.

Notices of intention to appoint Administrators were filed at Court on 16 December 2022. This was to provide protection from creditor action through an interim moratorium whilst the proposed Joint



Administrators continued to work to execute the pre-pack sale of the business and certain assets of the Companies to the Purchaser.

On 20 December 2022, the Companies entered administration and Samuel Woodward and Timothy Vance were appointed to act as Joint Administrators. The sale of the Companies' business and certain assets to the Purchaser as a going concern was effected immediately following the appointments.

### **Alternatives to ERL transaction**

The Joint Administrators have considered the outcome from alternative scenarios to accepting the ERL offer, specifically, realising the assets via a wind down strategy or trading on the business in order to realise stock.

It was decided that it was not appropriate to trade the Companies' business in administration due to:

- ▶ High trading, administration and potential ransom costs impacting the net outcome for creditors;
- ▶ Inability to fund the costs of trading given the limited liquidity position of the Companies; and
- ▶ It being highly likely to result in a lower return to creditors than other options including wind down.

It was also concluded that realising the Companies' assets via a wind-down strategy would likely result in a lower net outcome for the creditors than the proposed ERL offer. This was principally due to retention of title claims over stock, heavy discounting to the stock, potential customer counterclaims and significant administration costs to oversee the wind down strategy. A wind down of the Companies' business would also have led to redundancies and certain employee claims ranking as preferential creditors of AL.

Accordingly, immediately following appointment as Administrators on 20 December 2022, the business and certain assets of the Companies were sold to ERL.

### **Consultation with major creditors**

The secured creditors, Clydesdale Yorkshire Bank ("CYB") and NEC, were consulted throughout the process and consented to the transaction.

No direct consultations took place with other creditors given the outcome pursued already resulted in the best financial outcome for the secured and preferential creditors, whilst minimising job losses and therefore the employee's preferential and unsecured claims in the Administration.

The Companies had the following registered charge(s):

Company	Date of creation of charge	Date of registration of charge	Details of charge	Name of charge holder
AHL	14 Nov 22	21 Nov 22	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company. Contains negative pledge.	Clydesdale Bank plc
AHL	14 Jul 22	17 Jul 22	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company. Contains negative pledge.	Northedge Capital LLP
AHL	9 Feb 16	17 Feb 16	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company. Contains negative pledge.	Clydesdale Bank plc
AHL	17 Oct 15	21 Oct 15	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company. Contains negative pledge.	Northedge Capital LLP
AL	14 Nov 22	18 Nov 22	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company. Contains negative pledge.	Clydesdale Bank plc
AL	14 Jul 22	17 Jul 22	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company. Contains negative pledge.	Northedge Capital LLP
AL	14 Dec 16	23 Dec 16	Contains fixed and floating charge.	Clydesdale Bank plc
AL	9 Feb 16	17 Feb 16	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company. Contains negative pledge.	Clydesdale Bank plc
AL	17 Oct 15	21 Oct 15	Contains fixed and floating charge. Floating charge covers all the property or undertaking of the company.	Northedge Capital LLP

Contains negative pledge.

---

### **Statutory purpose of administration**

The purpose of an administration is to achieve one of three objectives:

- a. To rescue the company as a going concern;
- b. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
- c. To realise property in order to make a distribution to one or more secured or preferential creditors.

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

Objective (a) was not considered to be achievable given the level of debt and liabilities within the Companies, which was the principal reason why a solvent sale of the business prior to administration was not achievable. The objective being pursued for both Companies is therefore objective (b).

The pre-pack sale of the Companies' business and assets enables objective (b) to be achieved as it will result in:

- ▶ An increased amount available for distribution to the secured (and possibly preferential creditors of AL) than if the Companies were wound up without first being in administration; and
- ▶ Employee liabilities, which would otherwise be preferential claims against AL, being transferred to the Purchaser.

The outcome achieved through the pre-pack sale was therefore the best available outcome for creditors as a whole in the circumstances.

### **Marketing of the business and assets**

As noted above, the Companies had explored a wide-ranging marketing process since July 2022. During the marketing process 112 parties were approached, including both financial and trade buyers.

This list was compiled with the assistance of the Company's management and shareholders, NEC and the previous advisors.

We believe the marketing process to have been sufficiently thorough, over an appropriate period of time and that it was proportionate to the nature and size of the Companies' business.

The marketing has complied with the "Marketing Essentials" set out in SIP16 in all aspects other than the use of "Connectivity", with no online communication being used to market the business. It is our view that this medium would not have been appropriate, given that an extensive marketing process was able

to be conducted via direct communication. Additionally, it was decided not to widely market the business online for the following reasons:

- ▶ There was significant commercial risk if it became apparent that the Group was conducting a sales process which could include a business and asset (i.e. an insolvent) sale, thus the process needed to be confidential until parties signed an NDA;
- ▶ The sale process needed to be conducted quickly and was focussed on parties who were likely to be interested and be able to perform within short timescales; and
- ▶ We believe there would have been limited value in advertising the business to a general audience given the niche nature of the business and its precarious financial position.

### **Valuation of the business and assets**

The Joint Administrators did not obtain a formal valuation for all the assets prior to the proposed transaction but relied upon the extensive marketing process undertaken prior to the transaction to be satisfied that the market has been tested and that market value has been obtained.

In relation to AL's intellectual property we received commercial advice from SIA Group Asset Ingenuity Limited which confirmed that realisations from the Intellectual Property assets were unlikely to be more than £35,000. We realised £34,999 for these assets as part of the sale.

### **The transaction**

As previously stated, the sale was completed on 20 December 2022. Further details of the transaction are given below:

### **The purchaser and related parties**

The purchaser is Esselle Retail Limited and has no connection to the Companies.

We are not aware of any directors, former directors or associates of the Company who are involved in the financing or management of ERL. The Purchaser has advised that it will employ some of the Companies' directors.

### **The assets**

The assets sold comprise the following:

Description of asset	Arthouse Holding Limited	Arthouse Limited
Investments	10,000.00	-
Intellectual Property	-	34,999.00
Computer Equipment	-	5,000.00
Fixtures & Fittings	-	5,000.00
Goodwill	-	1.00
Information Technology	-	1.00
Plant & Machinery	-	1.00

Customer Contracts	-	1.00
Supply Contracts	-	1.00
Marketing Information	-	1.00
Employee Records	-	1.00
Book Debts	-	1,291,203.25
Stock	-	204,994.00
<b>Total</b>	<b>10,000.00</b>	<b>1,541,203.25</b>

### **Sale consideration**

As previously stated, the sale consideration was £1,551,203.25 which was paid upon completion.

The sale proceeds have been apportioned as follows:

<b>Category of asset</b>	<b>Allocated to fixed charge realisations</b>	<b>Allocated to floating charge realisations</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Investments	10,000.00	-	10,000.00
Intellectual Property	34,999.00	-	34,999.00
Computer Equipment	-	5,000.00	5,000.00
Fixtures & Fittings	-	5,000.00	5,000.00
Goodwill	1.00	-	1.00
Information Technology	-	1.00	1.00
Plant & Machinery	-	1.00	1.00
Customer Contracts	-	1.00	1.00
Supply Contracts	-	1.00	1.00
Marketing Information	-	1.00	1.00
Employee Records	-	1.00	1.00
Book Debts	1,291,203.25	-	1,291,203.25
Stock	-	204,994.00	204,994.00
<b>Total</b>	<b>1,336,203.25</b>	<b>215,000.00</b>	<b>1,551,203.25</b>

The consideration has been allocated between the fixed and floating charges in accordance with the existing registered charges. The only realisation in AHL is for Investments. The remaining realisations above relate to AL.

### **Administrators' proposals and remuneration**

In accordance with paragraph 49(5) of schedule B1 to the Insolvency Act 1986, we shall be preparing proposals within eight weeks of our appointment. The proposals will be made available to all creditors and will give an indication of the likely dividend prospects. At this time, we will also set out our proposals for remuneration and separately we will seek approval for the basis. The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016 (the Rules). Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides>, or is available in hard copy upon written request to the Joint Administrators.

### **Creditors' claims**

Please note that debts incurred by the Companies before our appointment will rank as unsecured claims against the Companies. Any sums due to the Companies arising after our appointment must be paid in full and without set-off against any debts incurred by the Companies prior to our appointment.

The directors are required to submit a statement of affairs to us, and you will appreciate that the full financial position is not yet known by us.

Certain debts due from the Companies may be preferential in accordance with section 386 of the Insolvency Act 1986. If you consider that you have a claim in this category, please advise me immediately. If you hold any security for your claim or you consider that you have title to any assets in the Companies' possession, please forward details to me as soon as possible.

You may be entitled to VAT bad debt relief on debts arising from supplies more than six months old. This procedure does not involve the Administrators and claims should be made directly to HM Revenue and Customs.

### **Opting out**

Under the provisions of Rule 1.39, creditors have the right to elect to opt out of receiving further documents relating to the administration.

If you do elect to opt out you will still receive the following documents:

- Any which the Insolvency Act requires to be delivered without expressly excluding opted-out creditors;
- Notice relating to a change in the administrators, or their contact details;
- Notice of dividend or proposed dividend; or
- A notice which the court orders to be sent to all creditors, or all creditors the particular category to which you belong.

Any election to opt-out will not affect your entitlement to receive dividends, if any are paid.

Unless the Rules provide to the contrary, opting-out will not affect your rights to vote in a decision procedure or participate in a deemed consent procedure, although you would not receive notice of such procedures.

Any opted-out creditors will be treated as opted out in respect of any consecutive insolvency procedure which might follow the administration.

You may opt-out by delivering an authenticated (eg signed) and dated notice to me stating that you are electing to be an opted-out creditor in relation to this administration. You may at any time revoke this election by delivering to me an authenticated and dated notice stating that you no longer wish to be an opted-out creditor.

### **Other matters**

If there are any matters concerning the Companies' affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to me in writing as soon as possible.

If you require any further information or explanation, please do not hesitate to contact at [arhouseadministration@uk.ey.com](mailto:arhouseadministration@uk.ey.com)

Yours faithfully  
for the Companies



S J Woodward  
Joint Administrator

Enc    Notice of Administrator's Appointment

S J Woodward is licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and T G Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Companies are being managed by the Joint Administrators, S J Woodward and T G Vance, who act as agents of the Companies only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Companies may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

## **Notice of Administrators' Appointment – paragraph 46(3) of Schedule B1 to the Insolvency Act 1986**

### **Arthouse Holding Limited (In Administration) ('the Company')**


Name of Court	IN THE HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
Court reference number	004800 of 2022
Company registered number:	06304788
Nature of business	Holding company
Registered office of company	Ernst & Young LLP, 2 St Peters Square, Manchester, M2 3EY, United Kingdom
Principal trading address (if different from above)	St James Church, Bacup Road, Waterfoot, Rossendale, Lancashire, BB4 7JU
Any other name under which the company was registered in the previous 12 months	None
Any other name(s) or style(s) under which the company carried on business or incurred debts	None
Date of appointment of administrators	20 December 2022
Names and addresses of administrators	Samuel James Woodward of Ernst & Young LLP, 2 St Peters Square, Manchester, M2 3EY  Timothy Graham Vance of Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Joint Administrators IP Nos	12030 / 26710
Telephone number	0161 234 0521
Name of alternative person to contact with enquiries about the case	Max Wilde



**Notice to all creditors**

On 20 December 2022 the Company entered administration and S J Woodward and T G Vance were appointed to act as Joint Administrators. The appointment was made by the Company's Directors under the provisions of Paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

Signed

 \_\_\_\_\_

Date 21 December 2022

S J Woodward is licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and T G Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and T G Vance, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).

## **Notice of Administrators' Appointment – paragraph 46(3) of Schedule B1 to the Insolvency Act 1986**

### **Arthouse Limited (In Administration) ('the Company')**

Name of Court	IN THEHIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES INSOLVENCY AND COMPANIES LIST (ChD)
Court reference number	004799 of 2022
Company registered number:	03897091
Nature of business	Manufacture of wallpaper, Floor and wall covering
Registered office of company	Ernst & Young LLP, 2 St Peters Square, Manchester, M2 3EY, United Kingdom
Principal trading address (if different from above)	St James Church, Bacup Road, Waterfoot, Rossendale, Lancashire, BB4 7JU
Any other name under which the company was registered in the previous 12 months	None
Any other name(s) or style(s) under which the company carried on business or incurred debts	None
Date of appointment of administrators	20 December 2022
Names and addresses of administrators	Samuel James Woodward of Ernst & Young LLP, 2 St Peters Square, Manchester, M2 3EY  Timothy Graham Vance of Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Joint Administrators IP Nos	12030/ 26710
Telephone number	0161 234 0521
Name of alternative person to contact with enquiries about the case	Max Wilde

**Notice to all creditors**

On 20 December 2022 the Company entered administration and S J Woodward and T G Vance were appointed to act as Joint Administrators. The appointment was made by the Company's Directors under the provisions of Paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

Signed



Date 21 December 2022

S J Woodward is licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and T G Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, S J Woodward and T G Vance, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at [www.ey.com/uk/officeholderprivacy](http://www.ey.com/uk/officeholderprivacy).