

**Moda Furnishings Limited  
(in Administration) ('the Company')**

Administrators' statement of proposals

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

Date of delivery of proposals to creditors 28 July 2023

## Abbreviations

The following abbreviations are used in this report:

the Act	The Insolvency Act 1986
Addleshaws	Addleshaw Goddard LLP
the Company	Moda Furnishings Limited
C&M	Crowell & Moring UK LLP
Date of Appointment	14 July 2023
DLA	DLA Piper LLP
Endless	Endless LLP
EY	Ernst & Young LLP
FYXX	Financial Year Ending 31 October XX
Giomani	Giomani Designs Limited
the Group	Moda Furnishings Limited, Project Archer Bidco Limited and Project Archer Topco Limited
HMRC	His Majesty's Revenue & Customs
the Joint Administrators	Samuel Woodward and Timothy Vance
LTO	Licence to Occupy
Management	Management of Moda Furnishings Limited
the Proposals	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
the Purchaser	Giomani Designs Limited
the Rules	The Insolvency (England and Wales) Rules 2016
SIP16	SIP 16 Statement of Insolvency Practice Number 16
STB	Secure Trust Bank Plc
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
VAT	Value Added Tax
V12	V12 Retail Finance

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

## Introduction

On 14 July 2023 the Company entered administration and Sam Woodward and Tim 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 Company and the appointment of the Joint Administrators is provided at Appendix A.

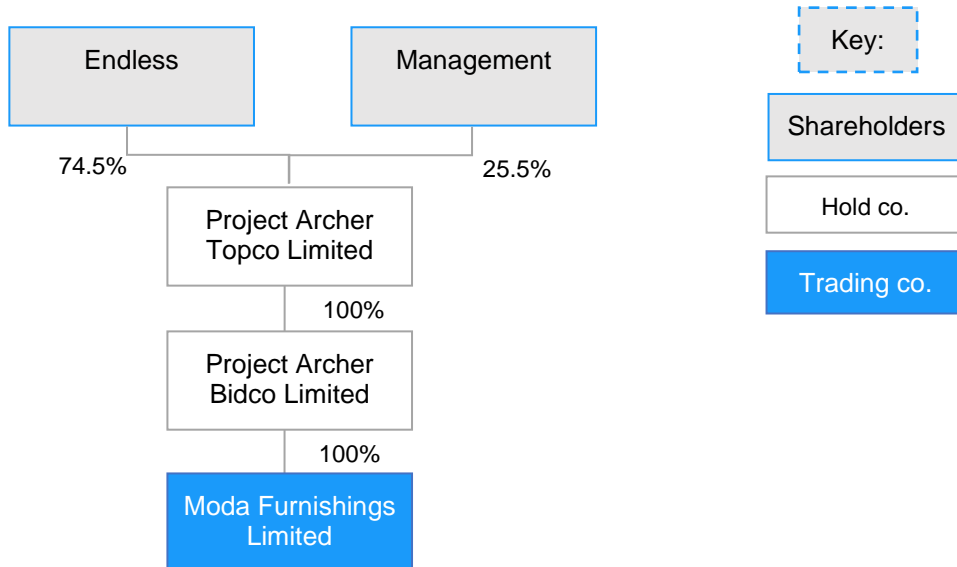
## Background

The Company traded as a retailer of outdoor furniture. It is predominantly e-commerce led but also operated six showrooms located across the UK (Caterham, Chelmsford, Cheltenham, Leeds (temporary pop-up store), Manchester, Milton Keynes).

The Group is majority owned (c.75%) by Endless following a transaction concluded in September 2019. The remaining c.25% of shares are held by Management. STB is the Company's senior secured lender.

The group structure at the Date of Appointment is summarised below. The only company which entered administration was Moda Furnishings Limited. The Company was the trading entity in the Group.

### Group structure:



The recent financial results of the Company can be summarised as follows:

Period end	Type	Turnover £000	Gross profit £000	Directors' remuneration £000	Net profit after tax £000	Net assets/ (liabilities) £000
FY19A	Audited	15,047	9,155	87	1,832	5,519
FY20A	Audited	23,775	13,434	316	4,579	10,099
FY21A	Audited	33,550	19,151	639	4,714	7,077
FY22A	Draft	21,441	9,320	703	(5,560)	1,517
FY23A	Mgmt a/c	9,725	4,497	Not available	(5,218)	Not available
YTD (8.5m)						

### Circumstances giving rise to the appointment of the Joint Administrators

The Company traded strongly during FY20 and FY21 (financial year ending 31 October), with high demand for its product range following the onset of Covid and the resultant increased time and money spent by consumers on their households. Revenue increased from £23.8m in FY20, to £33.6m in FY21. During this time the Company heavily invested in stock to ensure it could fulfil orders, but experienced increased shipping costs during Covid and delays in stock arriving from the Far East.

Trading suffered during FY22, driven largely by macroeconomic factors materially dampening consumer demand. As a result, the Company was left with a high stock balance with high shipping costs attached.

The Company undertook a re-forecasting exercise during Summer 2022 once it became apparent that trading was below expectations. This identified a forecast funding requirement over Winter 22/23 and Winter 23/24.

In FY22 revenue was £21.4m, considerably lower than FY21; however, Management considered that sales had stabilised and that the FY23 peak season would be broadly in line with FY22. An agreement was subsequently reached with both STB and Endless to support the business through Winter 22/23.

In November 2022, as a condition of the financial stakeholders' support, EY were approached to review the Company's forecasts and consider potential insolvency strategies, including estimated outcome statements for FY23 should sales not meet forecast.

From November 2022, the Company's trading continued to be impacted by weak consumer confidence with sales reducing further through FY23. As such, the forecast Winter 23/24 cash shortfall was accelerated.

In April 2023, the Company was informed that its current financial stakeholders were unable to offer long term support to the business. Management therefore resolved to appoint M&A specialists from EY to commence a sales process.

During the sales process 91 parties were contacted with details of the opportunity on a no-names basis. Of these parties, 29 expressed an initial interest and entered into non-disclosure agreements and thereafter received an Information Memorandum and access to a virtual data room.

A process letter was provided to all 29 interested parties which stipulated a deadline for indicative non-binding offers of 7 June 2023.

Giomani submitted an offer of £1.5m for the business and assets of the Company, excluding debtors. All employees would TUPE under this offer and a LTO was requested for all sites. We subsequently negotiated the headline price up to £1.65m.

Other offers were received and options considered, which are discussed in more detail within the Joint Administrators SIP16 letter, dated 20 July 2022, which is provided below at Appendix E.

Following extensive negotiations with multiple parties, it was agreed with the financial stakeholders that a sale to Giomani was the preferred option and would return the highest and most certain return to the secured lender. Furthermore, the Giomani offer preserved the jobs of the employees and the leases at each of the showrooms and therefore prevented the crystallisation of further creditor claims (namely employees and landlords).

As such, on 13 July 2023, a notice of intention to appoint administrators was filed at Court. This was necessary to notify the qualifying floating charge holders and allow time to seek their consent.

Subsequently, on 14 July 2023, the Company entered administration and Sam Woodward and Tim Vance were appointed to act as Joint Administrators. The sale of the Company's business and certain assets to Giomani was effected immediately following the appointment

## 2. Purpose, conduct and end of administration

### **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.

Given the extensive marketing process undertaken and that no viable going concern offers were received, it was considered that objective (a) could not be achieved. Accordingly, the objective being pursued is (b) as the pre-pack sale of the Company's business and certain assets delivers:

- ▶ an increased amount available for distribution to the secured lender than would be likely if the Company were wound up; and
- ▶ the avoidance of employee and property lease liabilities, which would have crystallised in a wind down scenario.

The outcome achieved through the pre-pack sale was therefore the best available outcome for creditors.

### **Conduct of the administration**

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

On 14 July 2023 the Joint Administrators completed a sale of the Company's business and certain assets to Giomani Designs Limited for a total consideration of £1.65m.

A detailed explanation of the transaction was sent to creditors on 20 July 2023 and is attached as Appendix E. The Proposals were not issued with the SIP16 statement because the statement of affairs was still being prepared by Management.

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

The sale agreement excluded all debtors from the sale.

The debtor balance includes amounts due from V12, the Company's interest free finance provider, relating to unfulfilled orders at the Date of Appointment. As a part of the sales agreement, in consideration of STB releasing its fixed charge over stock, it was agreed that the Purchaser would endeavour to fulfil these orders to facilitate recovery of any outstanding V12 debtor balances. The Purchaser will charge a commission for facilitating collection of these debtor balances.

### ***Other asset realisations***

To date, the asset realisations other than the pre-packaged sale of the Company's business and assets are:

- ▶ the collection of a pre-appointment debtor of c.£26k received into the STB account; and
- ▶ the collection of cash held at the Date of Appointment totalling £7k.

### ***Assets remaining to be realised***

#### *Debtors*

As noted above, the Purchaser has agreed to fulfil V12 orders, therefore we expect further realisations in this regard in due course.

#### *HMRC claim position*

We understand that the Company submitted a claim of c.£1.1m to HMRC to offset FY22 losses against FY21 tax paid, which remains outstanding on appointment. However, the estimated HMRC liability as at the Date of Appointment according to Company records was c.£1.7m, which would be offset against any refund position.

We are currently working with Management and EY tax teams to fully understand the net HMRC position, and will update on whether there are any anticipated realisations following this work in our next statutory correspondence to creditors.

#### *Other debtors*

The statement of affairs includes other debtors; however, at the date of the Proposals the Joint Administrators do not anticipate any material realisations from these asset categories.

### ***Leasehold properties***

The Company had seven leasehold properties on appointment. An LTO covering all of the sites has been granted to the Purchaser.

### ***Administrators' receipts and payments***

A summary of the Joint Administrators' receipts and payments for the period from 14 July 2023 to 28 July 2023 is attached at Appendix C.

### ***Approval of the Joint Administrators' Proposals***

The Joint Administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to non-preferential creditors other than by virtue of the Prescribed Part (should there be sufficient floating charge realisations to do so) 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 the Company whose debts amount to at least 10% of the total debts of the Company. 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 Rules.

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.



### **Future conduct of the administration**

The Joint Administrators will continue to deal with the administration of the Company in line with the stated objectives, namely 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).

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

- ▶ working with the Purchaser to fulfil the V12 orders in order to realise the V12 debtor balance;
- ▶ investigating the extent of any other assets held by the Company and realise such assets, if applicable;
- ▶ ensuring that any obligations of the Company / Joint Administrators in the sale and purchase agreement with the Purchaser are satisfied;
- ▶ ensuring any employee related matters are dealt with;
- ▶ dealing with property matters, including the Purchaser's obligations under the LTO;
- ▶ dealing with statutory reporting and compliance obligations, including reporting on the directors' conduct;
- ▶ distributing amounts due to the secured creditor;
- ▶ dealing with non-preferential creditor enquiries;
- ▶ reviewing the Company's tax affairs and dealing with corporation tax, VAT and other tax matters which includes filing statutory returns;
- ▶ finalising the administration, 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 administration.

It is intended that the administration will be funded by the realisations achieved from the sale of the business and assets referred to in previous sections, and other Company's assets.

### **Distributions to creditors**

It is proposed that distributions will be made in the administration to the fixed charge holder.

We do not currently anticipate that there will be sufficient floating charge realisations to generate a prescribed part that would be available for distribution to non-preferential creditors; however, should additional funds become available to allow a distribution, we will report to creditors in due course.

### **The end of the administration**

It is proposed that if at the end of the administration the Company has no property which might permit a distribution to its creditors, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Act the Company will be deemed to be dissolved three months after the registration of the notice.

### 3. Statement of Affairs

The directors, Jonathan Brierley and Vallan McCarthy, have submitted their Statement of Affairs as at 14 July 2023. A summary is attached at Appendix B, including a full list of creditors.

We note in the Statement of Affairs, the Directors have included the stock and trade debtors as fixed charge assets, however, have not allocated fixed charge debt against these assets, instead treating STB's debt as floating charge. We note that STB registered a fixed charge over the stock at Companies House on 28 April 23, as such we consider their debt to be secured by the fixed charge, however we are currently in the process of seeking independent legal advice to confirm the validity of the charge.

Furthermore, we note the floating charge assets have been valued by the Directors higher than the valuations received by the Joint Administrators. It should be noted that the values are shown before the applicable costs of realisation or deduction of outstanding finance.

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

#### **Secured creditors**

At the Date of Appointment, STB, the Company's principal secured lender, has total indebtedness of £2.8m, which is subject to accruing interest and charges.

Endless, the Company's secondary ranking secured lender, has total secured indebtedness at the Date of Appointment of £8.5m, which is also subject to accruing interest and charges.

#### **Preferential creditors**

We consider that all of the employees transferred to the purchaser under TUPE as a result of the sale to Giomani. Consequently, we do not anticipate that there will be any employee related preferential creditor claims against the Company.

We currently estimate a secondary preferential creditor claims of c.£1.7m from HMRC, in respect of PAYE, Employees National Insurance and VAT, before offsetting any claim for tax losses.

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

According to the Statement of Affairs, it is estimated that total non-preferential claims will be approximately £5.6m. Please refer to Appendix B for details.

## 4. Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for non-preferential 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 secured creditors' floating charge was created after 15 September 2003. Consequently, section 176A of the Insolvency Act 1986 will apply to this Administration.

However, the Joint Administrators estimate, to the best of their current knowledge and belief, that the value of the Company's net property will be £nil and therefore the value of the Prescribed Part will be £nil.

Accordingly, we currently do not expect there will be a distribution to the non-preferential creditors of the Company via a Prescribed Part distribution. However, should additional funds become available to allow a distribution, we will report to creditors in due course.

The Joint Administrators do not intend to make an application to the court under section 176A(5) of the Act 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

### Remuneration

The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of 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.

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 in accordance with Rule 18.18(4) of the Rules.

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 28 July 2023 which is being circulated to creditors at the same time as these Proposals.

### Disbursements

Disbursements are expenses met by and reimbursed to the Joint Administrators. They fall into two categories:

- ▶ 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 to charge Category 2 disbursements in accordance with the statement of expenses included in the fee estimate dated 28 July 2023.

The fee estimate and statement of expenses dated 28 July 2023 includes details of the Category 1 and 2 disbursements that are expected to be incurred.

### Payments to other professionals

The Joint Administrators have engaged Addleshaws to assist them by providing legal services. They were chosen on the basis of their experience in similar assignments. Addleshaws will be paid on a time costs basis. No fees have been paid for post-administration costs to date.

The Joint Administrators have also engaged C&M to assist in advising on the validity of specific security. They were chosen on the basis of their experience in similar assignments. C&M will be paid on a time costs basis. No fees have been paid for post-administration costs to date.

## 6. Pre administration costs

The Joint Administrators are seeking approval for payment of unpaid pre administration costs totalling £151k (plus VAT), of which £72k relates to the Joint Administrators' pre-appointment fees and £79k relates to pre-appointment legal fees. 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), categorised by remuneration and expenses, is attached at Appendix D. Further information is summarised below.

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.

### **Pre-appointment costs incurred by EY**

On 9 May 2023, EY M&A were engaged by the Group, Endless and STB to commence a sales process. This scope of work included agreement for EY to monitor the cash position. On 26 June 2023, an extension of scope was agreed between EY, the Company, Endless and STB, where in addition to continuation of existing scope items EY were asked to conduct planning for a potential insolvency. Fees of £290k have been invoiced and paid in relation to these engagements.

On 13 and 14 July, immediately before an insolvency appointment, the proposed Joint Administrators undertook insolvency preparations, incurring additional pre administration fees totalling £72k (plus VAT). Work undertaken in this period can be summarised as follows, it was required to be completed pre-appointment to ensure the transaction could be facilitated and a smooth transition for the pre-pack sale:

- ▶ negotiating and structuring the final offer with Giomani, including reviewing and providing comments on the sale agreement, LTO etc;
- ▶ facilitating discussions with the Purchaser to ensure a smooth transition for employees, customers, creditors etc; and
- ▶ undertaking planning for the period immediately post administration in order to deal with all matters effectively.

### **Other pre-appointment costs incurred**

Addleshaws provided legal advice to the Joint Administrators in connection with the pre-pack transaction and insolvency appointment. Addleshaw's unpaid pre administration costs total £67k (plus VAT).

DLA provided legal advice to the Joint Administrators, drafting the appointment documents in preparation for an administration appointment. DLA's unpaid pre administration costs total £12k (plus VAT).

## Appendix A Statutory information

### Company Information

Company Name:	Moda Furnishings Limited
Registered Office Address:	Riverpark Trading Estate, Riverpark Road, Manchester, England, M40 2XP
Registered Number:	08658516
Trading Name(s):	Moda
Trading Address(es):	Riverpark Trading Estate, Riverpark Road, Manchester, England, M40 2XP

### Details of the Administrators and of their appointment

Administrators:	Sam Woodward and Tim Vance
IP numbers:	12030 and 26710
Date of Appointment:	14 July 2023
By Whom Appointed:	The appointment was made by the directors of the Company
Court Reference:	CR-2023-MAN-000891

The affairs, business and property of the Company is being managed by the Joint Administrators, Sam Woodward and Tim Vance, who act as agents of the Company only and without personal liability.

Any of the functions to be performed or powers exercisable by the Joint Administrators may be carried out/exercised by either of them acting alone or by both 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	100	100	100	100

### Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Current shareholding
Jonathan Brierley	Director	24 September 2019	N/A – Shareholding in Project Archer Topco Limited
Vallan McCarthy	Director	1 November 2016	N/A – Shareholding in Project Archer Topco Limited

## **Appendix B Directors' statement of affairs**

Please see the following page for the Directors' statement of affairs.

## Statement of affairs

Name of Company  
Moda Furnishings Ltd

Company number  
8658516

In the  
High Court of Justice,  
Business and Property Courts In  
Manchester,  
Insolvency and Companies List (ChD)

Court case number  
CR-2023-MAN  
000891

(a) Insert name and address of registered office of the company  
Statement as to the affairs of (a)

(b) Insert date on the (b) 14th July 2023 the date that the company entered administration.

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### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as (b) , the date that the company entered administration.

Full name Jonathan Brierley

Signed



Dated

28/07/2023



## A – Summary of Assets

### Assets subject to fixed charge:

	Book Value (£)	Estimated to Realise (£)
Stock	4,594,270.45	1,200,000.00
Brand	0.00	0.00
Trade debtors	50,137.64	45,970.64
	<b>4,644,408.09</b>	<b>1,245,970.64</b>
Less: Fixed charge debt	0.00	0.00
Surplus/shortfall available	<b>4,644,408.09</b>	<b>1,245,970.64</b>

### Assets subject to floating charge:

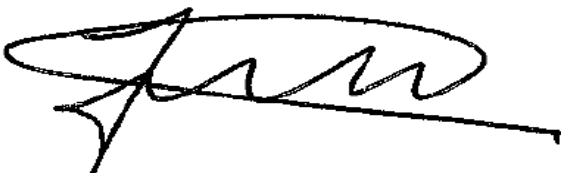
Cash	7,416.07	7,416.07
Fixed Assets - Property improvements	37,634.56	0.00
Fixed Assets - Plant & machinery	194,148.33	100,000.00
Fixed Assets - Office equipment	88,969.89	10,000.00
Fixed Assets - Furniture & fixtures	1,208,168.01	70,000.00
Fixed Assets - Vehicles	120,620.87	70,000.00
Fixed Assets - Software development	665,333.89	0.00
Pleo	567.60	567.60
	<b>2,322,859.22</b>	<b>257,983.67</b>

### Uncharged assets:

Interco balance	4,303,739.00	0.00
Rental Property Deposit	3,500.00	0.00
Prepayments	927,813.97	0.00
Sundry Debtors	225,157.93	0.00
Goods in Transit & Deposits	1,026,399.13	0.00
	<b>6,486,610.03</b>	<b>0.00</b>

Estimated total assets available for preferential creditors

<b>13,453,877.34</b>	<b>1,503,954.31</b>
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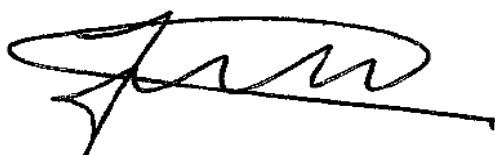
Signature

28/07/2023

Date

## A1 – Summary of Liabilities

	Book Value (£)	Estimated to realise (£)
<b>Estimated total assets available for preferential creditors (carried forward)</b>	<b>13,453,877.34</b>	<b>1,503,954.31</b>
<b><u>Liabilities</u></b>		
<b>Preferential creditors:-</b>		
Employees	0.00	0.00
HMRC	(1,725,010.80)	(1,725,010.80)
	<u>(1,725,010.80)</u>	<u>(1,725,010.80)</u>
<b>Estimated deficiency/surplus as regards preferential creditors</b>	<b>11,728,866.54</b>	<b>(221,056.49)</b>
Estimated prescribed part of net property where applicable (to carry forward)	(800,000.00)	0.00
<b>Estimated total assets available for floating charge holders</b>	<b>10,928,866.54</b>	<b>0.00</b>
Shortfall from fixed charge	0.00	0.00
Debts secured by floating charges	(11,248,537.44)	(11,248,537.44)
<b>Estimated deficiency/surplus of assets after floating charges</b>	<b>(319,670.90)</b>	<b>(11,248,537.44)</b>
Estimated prescribed part of net property where applicable (brought down)	800,000.00	0.00
<b>Total assets available to unsecured creditors</b>	<b>800,000.00</b>	<b>0.00</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(5,596,925.63)	(5,596,925.63)
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>	<b>(4,796,925.63)</b>	<b>(5,596,925.63)</b>
Shortfall to floating charge holders (brought down)	(319,670.90)	(11,248,537.44)
<b>Estimated deficiency/surplus as regards creditors</b>	<b>(5,116,596.53)</b>	<b>(16,845,463.07)</b>
Issued and called up capital	(100.00)	(100.00)
<b>Estimated total deficiency/surplus as regards members</b>	<b>(5,116,696.53)</b>	<b>(16,845,563.07)</b>



28/07/2023

Signature

Date

# COMPANY CREDITORS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession. Claims by employees, former employees and consumers should be given as a single figure, with details provided on the respective schedules

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Employees		0.00			
Accruals		761,895.21			
Trade creditors		2,020,322.68			
Customers Claiming		1,540,705.01			
Intercompany Balances		0.00			
HMRC	VAT	1191383.88			
HMRC	PAYE & NIC	280906.74			
HMRC	P11D	1833.31			
HMRC	TTP	250886.87			
Endless	Interest	1,052,963.01			
Credit cards		221,039.72			



Signature

28/07/2023

Date

# Employees and Former Employees

**Note:** You must include details of all monies owed to employees and former employees in this schedule and disclose the total amount in the Company Creditors sheet, described simply as “employees and former employees”

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £



Signature

28/07/2023

Date

# COMPANY CREDITOR ACCRUALS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession. Claims by employees, former employees and consumers should be given as a single figure, with details provided on the respective schedules

Name of creditor or claimant	Address (with postcode)	Amount of Accrual £	Details of any security held by creditor	Date security given	Value of security £	Net Amount of Accruals £
Castelan accidental damage cover		13,800.00				11,500.00
MCN Adserving / Mediacom		8,252.87				6,877.39
Mediacom Facebook Management		593.94				494.95
Kelkoo		2,100.00				1,750.00
Affiliate Fee / mediacom		3,522.58				2,935.48
Campaign Spend / Bing		2,400.00				2,000.00
Tech Fee / Mediacom		2,400.00				2,000.00
Feed Management / Mediacom		12,096.00				10,080.00
Facebook		1,800.00				1,500.00
Mediacom other		2,165.65				1,804.71
Google		120,000.00				100,000.00
Mediacom Agency Tenancy Fee / Future Publishing Ltd		4,200.00				3,500.00
Mediacom Sky TV Ads		316,900.80				264,084.00
Performance & Affiliate / Mediacom		20,880.00				17,400.00
AWIN Monthly Fee		678.60				565.50
Content Delivery Network / Fastly		360.00				300.00
fetchify		59.40				49.50
v12		13.46				11.21
klevu		552.54				460.45
similarweb		89.10				74.25
Cheltenham / Bath Properties		10,064.40				8,387.00

Leeds rent		15,851.62				13,209.68
Trafford / CBRE		20,846.68				17,372.24
CAT Rent		822.58				685.48
Chelmsford / Threadneedle Pensions		31,119.56				25,932.97
Leeds Rates		7,833.67				6,528.06
Jul Insurance		40.75				33.96
Jul Insurance		31.90				26.58
Jul Insurance		32.94				27.45
Capricorn		819.01				682.51
Riverpark / Realty Estates		1,020.00				850.00
Caterham / SSE		300.00				250.00
Cheltenham / SSE		810.00				675.00
Trafford / Total Gas		450.00				375.00
Chelmsford / SSE		960.00				800.00
Leeds		4,710.00				3,925.00
Riverpark / British Gas		120.00				100.00
Caterham / Total Gas		689.54				574.62
Milton Keynes / SSE		16.80				14.00
Leeds Waste Charges		621.29				517.74
Waste to 14th		120.00				100.00
Waste to 14th		28.80				24.00
Waste to 14th		30.00				25.00
Waste to 14th		600.00				500.00
Waste to 14th		36.00				30.00
Cheltenham / Source for Business		407.45				339.54
Trafford / Not yet invoiced		1,200.00				1,000.00
Chelmsford / Not yet invoiced		1,440.00				1,200.00
Fuel Cards / Allstar		3,600.00				3,000.00
van hire		708.00				590.00
Panther		6,000.00				5,000.00
Agency Drivers / Recruitment Funding Solution (& others)		24,000.00				20,000.00
BT		450.00				375.00

Cloud10		600.00				500.00
3 months licence fee / Sym-sys Ltd		19,070.41				15,892.01
Various		1,200.00				1,000.00
Val's Mobile Phone / Vodafone		192.00				160.00
Warehouse Scanner / EE (Invoices not received)		1,113.29				927.74
Audit Fee FY23 / BDO		42,525.00				35,437.50
Tax Return Fee FY23 / EY		9,052.24				7,543.53
iXBRL Tagging FY21 / KPMG		840.00				700.00
iXBRL Tagging FY22 / EY		839.95				699.96
iXBRL Tagging FY23 / EY		629.96				524.97
Accounts Preparation FY22 / BDO		1,618.55				1,348.79
Accounts Preparation FY23 / BDO		3,600.07				3,000.06
CFO consultant		6,300.00				5,250.00
Interim FC / Page		2,352.00				1,960.00
natwest charges		240.00				200.00
STB factoring		1,625.81				1,354.84
Packing compliance / Comply direct		1,200.00				1,000.00
Stock Monitoring Fee / Drum		20,250.00				16,875.00



Signature

28/07/2023

Date

# COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Project Archer Bidco Ltd	Riverpark Road, Manchester, M40 2XP	1	100	
TOTALS		1	100	



Signature

28/07/2023

Date



# Consumers claiming amounts paid in advance for the supply of goods and services

**Note:** You must include details of all monies owed to consumers claiming amounts paid in advance for the supply of goods and services in this schedule and disclose the total amount in the Company Creditors sheet, described simply as “consumers claiming amounts paid in advance for the supply of goods and services”

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Non-V12 orders inc VAT	Various	1,540,705.01			

1,540,705.01



Signature

28/07/2023

Date

# COMPANY CREDITORS

**Note:** You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amount supply of goods or services *and* creditors claiming retention of title over property in the company's possession. Claims by employees, former employees and cons single figure, with details provided on the respective schedules

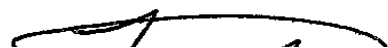
Name of creditor or claimant	Address (with postcode)	Amount of debt £
Trade creditors - A & B containers Limited	8 Elevator Road, Trafford Park, , Manchester, M17 1BR	2,700.00
Trade creditors - Addleshaw Goddard LLP	3 Sovereign Square, Sovereign Street, , Leeds, LS1 4ER	6,578.40
Trade creditors - A & G Cleaning Services	30 Torrington Close, , , Chelmsford, CM1 6HX	744.00
Trade creditors - Agency A ltd (Future Social)	Bush Farm, Epping Green, Hertford, Hertfordshire, SG13 8NB	4,681.20
Trade creditors - Akoova Ltd	22 Upper Ground, , , London, SE1 9PD	7,753.80
Trade creditors - Allstar Business Solutions	Windmill Hill, Whitehill Way, , Swindon, SN5 6PS	6,558.15
Trade creditors - Altus Group	Oakland House, Talbot Road, , Manchester, M16 0PQ	1,218.04
Trade creditors - Ansa Elevators	21 Broadgate, Broadway Business Park, Chadderton, Oldham, OL9 9XA	45.00
Trade creditors - APC Manchester Limited	3-4 Church Mews Churchill Way, Macclesfield, , Manchester, SK11 6AY	12,642.38
Trade creditors - Aquacool Limited	2 Scholar Green Road, Trafford Park, , Manchester, M32 0TR	36.00
Trade creditors - ASF Cleaning Services	173 Coulsdon Road, , , Caterham, CR3 5NU	48.00
Trade creditors - Asiatic Carpets Ltd	Oriental Carpet Centre, 105 Eade Road, , London, N4 1TJ	2,672.64
Trade creditors - Aviva Life & Pensions UK Limited	Aviva, Wellington Row, , York, YO90 1WR	1,887.75
Trade creditors - BDO	3 Hardman Street, , , Manchester, M3 3AT	3,181.50
Trade creditors - Biffa Waste Services Ltd	Coronation Road, Cressex, High Wycombe, Bucks, HP12 3TZ	442.34
Trade creditors - British Gas	Payment Area 60, Camberley, , Surrey, GU95 1 AW	19.46
Trade creditors - Bupa	Bupa Place, 102 The Quays, , Salford, M50 3SP	385.67
Trade creditors - Capricorn Security Group	Wilson's Park, Monsall Road, , Manchester, m40 8WN	1,842.78
Trade creditors - Careermakers Recruitment Ltd	The Flint Glass Works, Manchester, , , M4 6JW	20,718.18
Trade creditors - Cardinal	Leestone Road, Sharston Industrail Estate, , Manchester, M22 4RB	27,775.46

Trade creditors - Cardinal - USD	Leestone Road, Sharston Industrial Estate, , Manchester, M22 4RB	23,364.78
Trade creditors - Castelan Group	ALPHA HOUSE, SUNNYSIDE ROAD NORTH, , WESTON-SUPER-MARE, BS23 3QY	21,262.13
Trade creditors - Caterham Site (Hill Property Enterprise Ltd)	6 Ryelands Close, Caterham, , Surrey, CR3 5HY	4,500.00
Trade creditors - CBRE Ltd	Asset Services, Pacific House, 70 Wellington Street, Glasgow, G2 6UA	13,844.61
Trade creditors - Cheltenham Borough Council	PO Box 10, Municipal Office, , Cheltenham, GL52 2ND	22,266.00
Trade creditors - Chelmsford City Council	Civic Centre, Duke streer, , Chelmsford, CM1 1JE	35,523.00
Trade creditors - Chubb Fire & Security Ltd	Chubb Fire & Security Ltd, Littleton Road, , Ashford, TW15 1TZ	708.82
Trade creditors - Cloud10 IT & Cloud Services	IT4Business Solutions Ltd, G5 Chorlton Mill, 3 Cambridge Street, Manchester, M1 5BY	18,774.07
Trade creditors - Colliers International	50 George Street, , , London, W1U 7GA	23,582.06
Trade creditors - Comply Direct Ltd (Beyondly)	The Old Saw Mill, Broughton Hall, , Skipton, BD23 3AE	2,047.80
Trade creditors - Conditioned Air Technology	Conditioned Air House, Edward Street, , Hyde, SK14 2BQ	246.00
Trade creditors - Crafty Clicks (Fetchify)	St. Andrews House, St. Marys Walk, , Maidenhead, SL6 1QZ	132.00
Trade creditors - Creditsafe Business Solutions Limited	Bryn House Caerphilly Business Park, Van Road, , Caerphilly, CF83 3GR	900.00
Trade creditors - Datasite	Datasite UK Ltd, 15 Bonhill Street, , London, EC2A 4DN	1,935.98
Trade creditors - Density Inc (USD)	548 Market St, PMB 88791, San Francisco CA 94104-5401, ,	1,557.34
Trade creditors - Di Bi Co., Ltd		0 2,575.90
Trade creditors - D&I Window Cleaning	4 Laker Court, Oldbrook, , Milton keynes, MK6 2TO	84.00
Trade creditors - DXG Media Ltd	Unit 7 Tameside Court, Fifth Ave, Dukinfield, Cheshire, SK16 4PW	1,383.60
Trade creditors - Embassy Gas Services	457 Oldham Road, Failsworth, , Manchester, M35 0AA	340.20
Trade creditors - Ernst & Young LLP (EY)	1 More London Place, , , London, SE1 2AF	25,670.40
Trade creditors - Eschbach Tan Dinh		0 776.98
Trade creditors - Esendex	20 Wollaton Street, , , Nottingham, NG1 5FW	129.37
Trade creditors - Eurofar International BV	Beelaerts van Bloklandstraat 14, 5042 PM Tilburg, , ,	454.79
Trade creditors - Fastly	Fastly, Inc., PO Box 78266, , San Francisco, 94107	5,403.67
Trade creditors - FibreServe	International House, 61 Mossley Street, Mnacheater, , M2 3HZ	29.79
Trade creditors - Firehawk Ltd	Unit 6-14, Peel Street, Failsworth, Manchester, M35 0UF	358.80
Trade creditors - Fletcher King	19-20 Great Pulteney Street, , , London, W1F 9NF	15,318.65
Trade creditors - Fluid Digital Limited	8 St Mary's Place, Bury, , Manchester, BL9 0DZ	12,600.00
Trade creditors - Fresh Start Waste Services Ltd	Scott House, 114 Higher Green Lane, Astley, Manchester, M29 7JB	4,220.60

Trade creditors - Fresh Start Employment Ltd (Agency)	Suite 12, Turner Business Centre, , Manchester, M24 1RU	41,077.08
Trade creditors - Global Payments	51 De Montfort St, Leicester, , Leicestershire, LE1 7BB	8,202.14
Trade creditors - Global Business Express	1/25, Ground floor, near Punjab national park, Tilak nagar, new delhi - 110018, , ,	865.19
Trade creditors - Grace (China) USD	Unknown, , , ,	3,640.53
Trade creditors - GREG ROBINSON		1,002.00
Trade creditors - Haines Watts Newcastle Limited	17 Queens Lane, , Newcastle upon Tyne, NE1 1RN	1,140.00
Trade creditors - Handsfree Group	6 Lumsdale Road, Cobra Court, Trafford Park, Manchester, Manchester, M32 0UT	57.60
Trade creditors - HH Design - USD	NO. 7 NANHU ROAD, NANHU INDUSTRY PARK, HUANGGAN, China,	56,008.56
Trade creditors - Holroyd Skip Hire	Little End Farm, Moorside, , Oldham, OL4 2NB	636.00
Trade creditors - Homeserve Furniture Repairs LTD	Freepost RLYC-LXAL-GEEH, , Walsall, WS2 7BN	3,999.60
Trade creditors - HongHeng - USD	NO. 7 NANHU ROAD, NANHU INDUSTRY PARK, HUANGGAN, China,	211,023.88
Trade creditors - Hong Viet (HV) - USD	THUY LAP VILLAGE, QUANG LOI COMMUNE, QUANG DIEN DISTRICT, VIETNAM,	38,478.77
Trade creditors - HooYu	Fora, 180 Borough High Street, , London, SE1 1LB	8,640.00
Trade creditors - I.B. Training Services Ltd	11A Corfe Close, Flixton, , Manchester, M41 6WZ	330.00
Trade creditors - JGM Agency	The Loft, St Mary's Chambers, Haslingden Road, Rawtenstall, BB4 6QX	204.00
Trade creditors - KingArt (Guangdong Yanting Furniture Co., Ltd)	Longsheng town, Kaiping district, Jiangmen City, China,	3,451.63
Trade creditors - W.S Services Ltd t/a Konig UK	Unit 1 Parade Court, Central Boulevard, Prologis Park, Coventry, Warwickshire, CV6 4QL	1,510.56
Trade creditors - Labour 24/7	Labour 24/7 Ltd, 130 Manchester Road,, Kearsley,, , Bolton, BL4 8QR	1,797.78
Trade creditors - Liv Interior - Eur	eppendorfer weg 77, , , 20259 hamburg,	866.27
Trade creditors - Lumisky (Batimex) - EUR	112 RUE AMPERE, ZI LA PLAINE DU CAIRE, 13830 ROQUEFORT LA BEDOULE, france,	1,257.24
Trade creditors - Lyreco	Deer Park Court, Donnington Wood, , Telford, TF2 7NB	1,377.86
Trade creditors - Manchester City Council	PO Box 3, , , Manchester, M15 5BA	81,710.00
Trade creditors - Manchester Tyre Services	Unit 2, 108 Wilson Street, , Manchester, M11 2AZ	2,064.00
Trade creditors - Mediacom North (EssenceMediacom North Limited)	1 Hardman Street, , , Manchester, M3 3HF	263,888.30
Trade creditors - Midshire Business Systems - Sharp	1 Bredbury Court, Ashton Road, Bredbury, Stockport, Manchester, SK6 2QB	1,070.34
Trade creditors - Milton Keynes Council	PO Box 5327, Civic Offices, 1 Saxon Gate East, Milton Keynes, MK9 3WB	28,935.00
Trade creditors - Montagu Evans	4th Floor Exchange Tower, 19 Canning Street, , Edinburgh, EH3 8EG	10,800.00

Trade creditors - Navcar Ltd	Riverside, Agecroft Road, , Manchester, M27 8SJ	312.00
Trade creditors - Northwest Valeting (Gareth Lord)	Unknown, , , ,	544.00
Trade creditors - Novuna Business Finance	Novuna House, Thorpe Road, , Staines-upon-Thames, TW183HP	1,309.91
Trade creditors - OnTap Watercoolers Ltd	1 Compton House, Furnace Lane, Finedon Sidings Industrial Estate, Wellingborough, NN9 5NY	93.60
Trade creditors - Osmen - USD	RM 1212 BEVERLEY COMMERCIAL CENTRE, 87-105 CHATHAM ROAD (SOUTH), TSIMSHATSUI, Kowloon, Hong Kong	44,950.62
Trade creditors - Panther Warehousing Ltd	Lodge Way, Lodge Park Ind Est, , Northampton, NN5 7US	28,962.10
Trade creditors - Pennies Donation	Pennies Foundation, 1st Floor, 64 London Wall, , London, EC2M 5TP	5.00
Trade creditors - Pimberly Software Development Ltd	St. James's Tower, Charlotte Street, , Manchester, M1 4DZ	28,800.00
Trade creditors - Plum Communications Ltd	Earl Business Centre, Dowry Street, , Oldham, OL8 2PF	48.00
Trade creditors - Plus Packaging Ltd	Unit 9-11, The Viscount Centre, Gaskill Road, , Liverpool, L24 9GS	1,320.24
Trade creditors - Pozitive Energy	The Octagon, 27 Middleborough, , Colchester, CO1 1TG	853.50
Trade creditors - PPL PRS Ltd	Mercury Place, 11 St George Street, , Leicester, LE1 1QG	1,068.15
Trade creditors - Propel	Unit 5 Langstone Business Park, Langstone Park, , Newport, NP18 2LH	185.80
Trade creditors - Proinsight Research Ltd	Studio 410 Metal Box Factory, 30 Great Guilford Street, , London, SE1 0HS	3,600.00
Trade creditors - RAC Motoring Services	RAC House, Brockhurst Crescent, , Walsall, WS5 4AW	241.50
Trade creditors - Recruitment Funding Solutions Ltd	Unit A, Telford Court, , Cheshire, CH1 6LT	27,426.97
Trade creditors - Record UK	9 Watt Place, Hamilton Intl Technology Park, Blantyre, Glasgow, G72 0AH	235.20
Trade creditors - Regal Crown Logistics Ltd	Unit 3 Kelvin Close, Birchwood, Warrington, Cheshire, WA3 7PB	112,975.94
Trade creditors - Regal Crown Logistics Ltd - USD	Unit 3, Kelvin Close, Birchwood, , Warrington, WA3 7PB	114,296.16
Trade creditors - ResponseTap Ltd (Infinity)	Suite 7.2/7.3, Building 8, Exchange Quay, Salford Quays, Manchester, M5 3EJ	2,523.96
Trade creditors - Riverpark Trading Estate Limited	25 rochdale road, , , Manchester, M4 4HT	267,148.11
Trade creditors - ROSCO TRADING SERVICE CO LTD	Unknown, , , ,	4,254.08
Trade creditors - Sage UK	North Park, , , Newcastle upon Tyne, NE13 9AA	220.20
Trade creditors - SA Hill & ES Hill (Bath Properties Ltd, Rent Acc)	Bath Properties, 1 The Courtyard, Copse Farm, Swindon, SN3 4UQ	13,400.00
Trade creditors - SA Hill & ES Hill (Bath Properties Ltd, Service Charge Acc)	Bath Properties, 1 The Courtyard, Copse Farm, Swindon, SN3 4UQ	754.53
Trade creditors - Salesforce UK Limited	Floor 26 Salesforce Tower, 110 Bishopsgate, , ,	6,468.59

Trade creditors - Salford Van Hire	Sherbourne Street, , , Manchestedr, M3 1EJ	3,672.00
Trade creditors - Screwfix Direct Ltd	Trade House, Mead Avenue, , Yeovil, BA22 8RT	85.32
Trade creditors - Shortbite Ltd (DigitalBridge)	7 Christie Way, Christie Fields, , Manchester, M21 7QY	21,216.60
Trade creditors - Shredco UK	Summerhouse, 26 Bowling Green Road, Stainland, Halifax, West Yorkshire, HX4 9PF	68.40
Trade creditors - SSE Business Energy	Unknown, , , ,	2,774.12
Trade creditors - Sym-Sys Ltd (Go Instore)	1 Phipp Street, Shoreditch, , London, EC2A 4PS	11,222.82
Trade creditors - Tandridge DC (Caterham)	Council Offices, Station Road East, Oxted, Surrey, RH8 0BT	6,155.00
Trade creditors - Taylors Solicitors	Rawlings House, Exchange Street, , Blackburn, BB17 7JN	1,459.80
Trade creditors - Teletrac Navman	K1 - First Floor, Kents Hills Business Park, , Milton Keynes, MK7 6BZ	1,485.00
Trade creditors - Total Gas	Bridge Gate, 55-57 High Street, Redhill, Surrey, RH1 1RX	816.50
Trade creditors - Trafford Council	Trafford Town Hall, Talbot Road, , Manchester, M32 0TH	5,607.00
Trade creditors - TreeLocate (Europe) Ltd	Staton Road, , , Belford, NE70 7DT	879.30
Trade creditors - Trinity Diesel	Trinity house, Kent Street, Salford, Manchester, M7 1UN	6,600.55
Trade creditors - Trustpilot	Pilestraede 58, 1112 Copenhagen K, , ,	4,997.50
Trade creditors - Truckcraft Bodies Ltd	Globe Lane Industrial Estate, Old Hall Street, , Dukinfield, SK16 4RG	373.90
Trade creditors - Ufurnish.com	Kemp House 152-160, City Road, , London, EC1V 2NX	39.00
Trade creditors - Valitor/Markadis Limited	Lakeside House, 1 Furzeground Way, Stockley Park, Heathrow, UB11 1BD	85.57
Trade creditors - Vista Insurance Brokers	National House, 6th Floor, 36 St Ann Street, Manchester, Manchester, M2 7LE	123,161.90
Trade creditors - Waterplus	Two Smithfield, Leonard Coates Way, , Stoke on Trent, ST1 4FD	34,134.62
Trade creditors - WGSN	2nd Floor, 20 Air Street, , London, W1B5AN	11,235.00
Trade creditors - Working Wear Ltd	Unit 2 Eddison Business Centre, Stephenson Street, Failsworth, Manchester, M35 9AY	178.20
Trade creditors - Zachary Daniels		6,120.00
Credit Cards	NatWest OneCard	6,472.87
Credit Cards	AmEx	214,566.85
HMRC	VAT	1,191,383.88
HMRC	PAYE & NIC	280,906.74
HMRC	P11D	1,833.31
HMRC	TTP	250,886.87
ENDLESS	RCF INTEREST	1,052,963.01



A handwritten signature in black ink, appearing to be 'JAW', written over a solid black horizontal line.

Signature

28/07/2023

Date

## Appendix C Administrators' receipts and payments account for the period from 14 July 2023 to 28 July 2023

Estimated to Realise  
as per Directors'  
Statement of Affairs

£	<b>Fixed charge realisations</b>	£
1,200,000	Stock	1,555,378.00
-	Intangible assets	5.00
45,970.64	Trade debtors	26,262.53
		<b>1,581,647.53</b>

<b>Floating charge realisations</b>		
	Licence fee	108,485.79
70,000	Commercial motor vehicles	46,415.00
70,000	Furniture & fixtures	33,200.00
10,000	Office equipment	9,400.00
100,000	Plant & Machinery	5,600.00
-	Property improvements	-
-	Software	1.00
-	Transferred records	1.00
	Cash at date of appointment	7,045.03
	Bank interest	746.59
		<b>210,894.41</b>

### Payments

Contribution to employee costs	(50,000.00)
	<b>(50,000.00)</b>

### Balance in hand

**1,742,539.94**

### Represented by:

Cash at bank – fixed charge account	1,730,929.54
Cash at bank – floating charge account	7,045.03
Cash held by secured lender	26,262.53
VAT payable	(21,697.16)
	<b>1,742,539.94</b>

### 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 Addleshaw Goddard.
4. The cash is currently and will continue to be held in interest-bearing accounts once received.



## Appendix D Statement of pre-administration costs

### Statement of pre-administration costs

	Administrator		Details
	Remuneration £	Expenses £	
Time costs	71,779.50	Nil	Incurred by the Joint Administrators, as outlined in Section 6 of the Proposals
Legal costs – Addleshaw Goddard	Nil	67,256.45	Time costs and disbursements incurred by Addleshaw Goddard LLP relating to advice provided to the Joint Administrators pre-appointment
Legal costs – DLA Piper	Nil	11,953.50	Time costs and disbursements incurred by DLA Piper LLP relating to advice provided to the Joint Administrators pre-appointment
<b>Total costs incurred</b>	<b>71,779.50</b>	<b>79,209.95</b>	
<b>Paid before the administration</b>			
Time costs	Nil	Nil	
Legal costs – Addleshaw Goddard	Nil	Nil	
Legal costs – DLA Piper	Nil	Nil	
<b>Unpaid pre-administration costs</b>	<b>71,779.50</b>	<b>79,209.95</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.

Pre-Administration costs are stated net of VAT.

As previously stated, the Directors instructed EY to commence an accelerated sale process in April 2023. In accordance with our engagement agreement dated 9 May 2023 and our extension of scope dated 26 June 2023, our fees for this work totalled £290k and have been paid in full prior to the date of appointment.

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

Please see the following page for the letter to creditors in accordance with SIP16.

TO ALL KNOWN CREDITORS

20 July 2023

Ref: TRS/SW/AH/Moda Furnishings  
Contact name: Ayse Hassan  
Email: mflcommunications@uk.ey.com

Dear Sirs

## **Moda Furnishings Limited (in Administration) (the “Company”)**

**Trading name: Moda**

**Principal trading address: Riverpark Trading Estate, Riverpark Road, Manchester, M40 2XP**

On 14 July 2023 (the “Date of Appointment”) the Company entered administration and Tim G Vance and I were appointed as joint administrators (the “Joint Administrators”). The appointment was made by the directors of the Company (the “Directors”) under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986. I attach formal notice 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 administration.

### **Sale of the business**

On the Date of Appointment we completed a sale of the Company’s business and certain assets to Giomani Designs Limited (“Giomani”) for a total consideration of £1.65m.

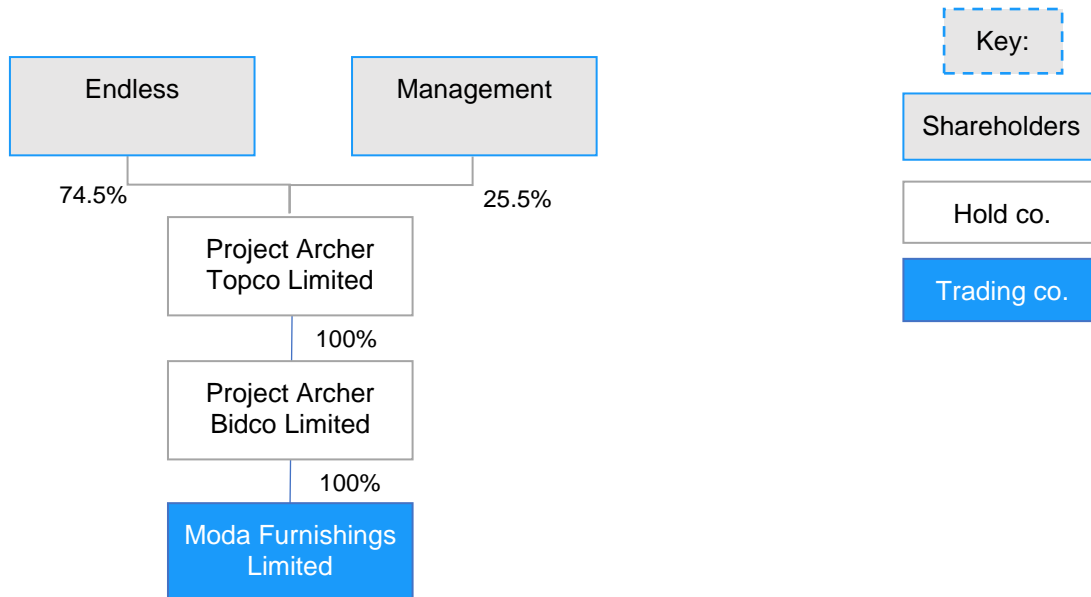
In accordance with Statement of Insolvency Practice 16 (“SIP16”), a detailed explanation of the transaction is set out below.

### **Background, initial introduction to the Company and circumstances giving rise to the appointment of the Joint Administrators**

The Company traded as a retailer of outdoor furniture, predominantly e-commerce led but also operating six showrooms located across the UK (Caterham, Chelmsford, Cheltenham, Leeds (temporary pop-up store), Manchester, Milton Keynes).

The group, consisting of Moda Furnishings Limited as the trading company and Project Archer Bidco Limited and Project Archer Topco Limited, as holding companies, is majority owned (c.75%) by Endless LLP (“Endless”) following a transaction concluded in September 2019. The remaining c.25% of shares are held by the Directors. Secure Trust Bank Plc (“STB”) is the Company’s senior lender. The group structure is on the following page.

Group structure:



The business is highly seasonal, with March to July typically being the peak trading months. Sales are notably lower during the remainder of the year and winter in particular.

The Company traded strongly during FY20 and FY21 (financial year ending 31 October), with high demand for its product range following the onset of Covid and the resultant increased time and money spent by consumers on their households. Revenue increased from £23.8m in FY20, to £33.6m in FY21. During this time the Company heavily invested in stock to ensure it could fulfil orders, but experienced increased shipping costs during Covid and delays in stock arriving from the Far East.

Trading heavily suffered during FY22, driven largely by macroeconomic factors materially dampening consumer demand. As a result, the Company was left with a high stock balance with high shipping costs attached.

The Company undertook a re-forecasting exercise during Summer 2022 once it became apparent that trading was below expectations. This identified a forecast funding requirement over Winter 22/23 and Winter 23/24.

FY22 revenue was £21.4m, considerably lower than FY21; however, the Company’s management (“Management”) considered that sales had stabilised and that the FY23 peak season would be broadly in line with FY22. An agreement was subsequently reached with both STB and Endless to support the business through Winter 22/23.

In November 2022, as a condition of the financial stakeholders support, EY were approached by Endless and STB to review the Company’s forecasts and consider potential insolvency strategies, including estimated outcome statements for FY23 should sales not meet forecast.

Since November 2022, the Company’s trading continued to be impacted by weak consumer confidence with sales reducing further in FY23. As such, the forecast Winter 2023 cash shortfall was accelerated.

In April 2023, the Company was informed that its current financial stakeholders were unable to offer long term support to the business. Management therefore resolved to appoint M&A specialists from EY to commence a sales process.

## **Sale process**

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

EY's M&A team commenced an accelerated sale process in April 2023. During the process 91 parties were contacted with details of the opportunity on a no-names basis. This pool of 91 parties comprised a mix of worldwide trade buyers, financial buyers and specialist retail investors.

This list was compiled with the assistance of Management, shareholders and using EY's extensive network.

Of these parties, 29 expressed an initial interest and entered into non-disclosure agreements and thereafter received an Information Memorandum and access to a virtual data room.

Calls were held with all parties who remained interested in the opportunity following receipt of the Information Memorandum. A process letter was provided to all 29 interested parties which stipulated a deadline for indicative non-binding offers of 7 June 2023.

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 Company's business.

The marketing has complied with the 'Marketing Essentials' set out in the SIP 16 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 to obtainable value if it became apparent that the Company 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.

### **Offers Received**

The following initial offers were received:

- ▶ **Giomani** – £1.5m consideration for the business and assets of the Company, excluding debtors. All employees to TUPE and a licence to occupy requested for all sites (inc. showrooms). We subsequently negotiated the headline price up to £1.65m.
- ▶ **Confidential Party 1** – consideration of 20p/£ against stock at cost, for the business and assets of the Company, including all property, and contracts of employment to transfer to the purchaser. Plus:

additional consideration (amount to be determined however not expected to be significant) for Brand & Intellectual Property (“IP”). Vehicles, debtors, and fixtures and fittings were all excluded.

- ▶ **Confidential Party 2** – £500k for the stock and Brand & IP of the business, plus £35k for vehicles. Five showrooms were included and associated TUPE; however, all other staff would be made redundant. This offer came in late and was considered too low to be worthwhile progressing.
- ▶ **Confidential Party 3** – solvent offer of £1.0m consideration for the shares of the business; however, having held follow-up calls, it was swiftly determined that this party was not a credible buyer. As such, discussions were not pursued further.

In addition to the offers above, a number of other options have been considered and progressed, including:

- ▶ a potential merger with Confidential Party 4, which was ultimately not supported by the wider financial stakeholders;
- ▶ the business to be rightsized to facilitate further consideration of continued support from existing shareholders;
- ▶ a trading administration scenario, leveraging information provided by retail specialists; and
- ▶ an immediate wind down of the business with the support of specialist auctioneers.

### **Consideration of offers and other options**

The Joint Administrators considered the outcomes from all scenarios outlined above, specifically comparison of the offers received, compared to realising value in a trading administration or wind down.

Of the offers received, Giomani was viewed to be the preferred bidder as this offer provided the greatest financial benefit to the creditors of the Company as a whole, as well as the preservation of all the jobs and showrooms. This offer was then also considered in comparison to a trading administration strategy and a wind down.

It was decided that it was not appropriate to trade the Company’s 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 Company; and
- ▶ it being highly likely to result in a lower return to creditors compared to other options (including wind down).

It was also concluded that realising the Company’s assets via a wind down strategy would likely result in a lower net outcome for the creditors than the proposed Giomani offer, with a higher execution risk associated. This was principally due to heavy discounting to the stock being required to realise value through an auction. A wind down of the Company’s business would also have led to redundancies and the crystallisation of certain employee claims.

Accordingly, shortly following our appointment on 14 July 2023, the Joint Administrators completed a sale of the business and certain assets of the Company to Giomani.

The primary cause of the insolvency was a fall in consumer confidence which has universally impacted the consumer market (in particular e-commerce and discretionary items), combined with the high freight rates that were incurred in FY21 and FY22. A combination of these factors impacted the performance of the business in both FY22 and FY23 resulting in significant trading losses.

Certain assets were excluded from the sale, including all debtors. These assets, and their realisations are discussed in more detail in the Joint Administrators' proposals. The proposals will be available to creditors within the next ten days.

All scenarios considered were considered unlikely to realise sufficient property to generate any likely return to the wider creditor body outside of the secured creditor. In light of the relative certainty of outcome, the non-crystallisation of additional claims and the highest estimated return to the secured creditor, a sale via a pre-pack was considered to be the best outcome.

We are not aware of any directors, former directors or associates of the Company who are involved in the financing or management of the purchaser, Giomani.

Giomani is not considered a connected party and therefore no evaluator report or creditor approval has been sought prior to undertaking the transaction.

### **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.

The objective being pursued is (b). The pre-pack sale of the Company's business enables this objective to be achieved as given the extensive marketing process undertaken and no viable solvent offers received, it is considered unlikely that objective (a) would be achieved. As a result, the outcome achieved through the pre-pack sale was the best available outcome for creditors as a whole in all the circumstances, hence achieving objective (b).

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

Due to the extensive marketing process undertaken, and the lack of material value attributed to the Company's Brand & IP, or other digital assets, by any party, it was considered that an independent valuation of these assets would not be needed, and incurring costs in this regard would not be best use of creditor funds. Furthermore, an independent valuation has not been performed on stock for similar reasons, also recognising that it is subject to a fixed charge.

STB registered a fixed charge over the stock at Companies House on 28 April 23 and implemented a third party to manage the Company's warehouse to control the stock. We therefore have treated stock realisations as caught by the fixed charge, however we are currently in the process of seeking independent legal advice to confirm the validity of the charge.

Hilco Valuation Services (“Hilco”), who are RICS accredited, were instructed to value the Company’s fixed assets (excluding stock). Hilco confirmed its independence and that they carry adequate professional indemnity insurance.

Hilco conducted a SIP16 compliant desktop valuation of the Company’s fixed assets, predominately vehicles (certain of which are subject to HP), fixtures and fittings and office equipment. The outcome of this independent valuation is summarised below and apportionment of sales consideration has been allocated on this basis.

The assets were valued on an in-situ and ex-situ basis. As the alternative to a pre-pack sale would have been a wind down of the business, we have used an ex-situ basis to value the assets.

The assets to be sold comprise the following:

Description of the asset	Book value as at 14 July 2023 (£’000s)	In-situ valuation (£’000s)	Ex-situ valuation (£’000s)
Motor vehicles (gross value exc. outstanding finance)	256.4	277.0	230.5
Furniture and fixtures (owned)	1,245.8	136.0	33.2
Office equipment (owned)	89.0	49.5	9.4
Plant and machinery (owned)	58.4	19.0	5.6
Software (owned)	665.3	290.0	-
<b>Total</b>	<b>2,314.8</b>	<b>771.5</b>	<b>278.7</b>

### Consultation with major creditors

The secured creditors were consulted throughout the process and consented to the transaction / appointment.

No direct consultations took place with other creditors given all of the potential outcomes resulted in no return for preferential or unsecured creditors.

The Company has the following registered charges:

Date of creation of charge	Date of registration of charge	Details of charge	Name of charge holder
28 April 2023	28 April 2023	Contains fixed and floating charges	Secure Trust Bank PLC
18 September 2020	18 September 2020	Trademark Moda Furnishings, contains fixed and floating charges	Secure Trust Bank PLC
24 September 2020	24 September 2020	Trademark property, contains fixed and floating charges	Endless LLP



### **The transaction**

As previously stated, the sale was completed on 14 July 2023. Further details of the transaction are given below:

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

The purchaser is Giomani Designs Limited and has no connection to the Company.

We are not aware of any directors, former directors or associates of the Company who are involved in the financing or management of Giomani. Giomani has advised that it will employ the Company's directors.

We are not aware of any guarantees given by the directors of the Company for amounts due from the Company to a prior financier, or that a prior financier is financing the new business.

#### ***The assets sold***

The assets sold are summarised below.

Description of the asset	Ex-situ valuation (£)	Less finance outstanding (£)	Net value (£)	Purchase consideration (£)
Business name	Not valued	-	-	1
Business rights	Not valued	-	-	1
Goodwill	Not valued	-	-	1
Databases	Not valued	-	-	1
Intellectual property	Not valued	-	-	1
Transferred records	Not valued	-	-	1
Stock	Not valued	-	-	1,555,379
Vehicles	230,500	(184,085)	46,415	46,415
Plant and other assets	48,200	-	48,200	48,200
Software (owned)	-	-	-	-

#### ***Sale consideration***

The sale consideration was £1.65m, of which all has been paid. The consideration has been allocated between the fixed and floating charges in accordance with the existing registered charges. The sale proceeds are also apportioned as follows.

Category of asset	Allocated to fixed charge realisations	Allocated to floating charge realisations	Total
	£'000	£'000	£'000
Business name	1	-	1
Business rights	1	-	1
Goodwill	1	-	1
Databases	1	-	1
Intellectual property	1	-	1
Transferred records	1	-	1
Stock	1,555,379	-	1,555,379
Vehicles	-	46,415	46,415
Plant and other assets	-	48,200	48,200
Software (owned)	-	-	-
<b>Total</b>	<b>1,555,385</b>	<b>94,615</b>	<b>1,650,000</b>

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

All debtors were excluded from the sale. These assets, and their realisations are discussed in more detail in the Joint Administrators' proposals.

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

In accordance with paragraph 49(5) of schedule B1 to the Insolvency Act 1986, the Joint Administrators will prepare our proposals. The proposals are not being issued with this statement because the statement of affairs is still being prepared by Management. We expect the proposals will be made available to all creditors within the next 10 days.

We will also set out our proposals for remuneration and 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 Company before our appointment will rank as unsecured claims against the Company. Any sums due to the Company arising after our appointment must be paid in full and without set-off against any debts incurred by the Company 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. Please send me a detailed statement of any sums due to you from the Company.

Certain debts due from the Company 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 Company's 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 Company's 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 my team at [MFLcommunications@uk.ey.com](mailto:MFLcommunications@uk.ey.com).

Yours faithfully  
for the Company



Sam Woodward  
Joint Administrator

Enc Notice of Administrator's Appointment

Samuel James Woodward is licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and Timothy 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 is being managed by the Joint Administrators, Samuel James Woodward and Timothy 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

### Moda Furnishings LTD (“the Company”) - In Administration

Name of Court	In the High Court of Justice Business and Property Courts in Manchester Insolvency and Companies List (ChD)
Court reference number	CR2023 MAN 000891
Company registered number:	08658516
Nature of business	Retail of furniture, lighting, and similar (not musical instruments or scores) in specialised store
Registered office of Company	Ernst & Young LLP, 2 St. Peters Square Manchester M2 3EY  Formerly: Riverpark Trading Estate Riverpark Road, Manchester M40 2XP
Principal trading address (if different from above)	N/A
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	N/A
Date of appointment of administrators	14 July 2023
Names and addresses of administrators	Samuel James Woodward Ernst & Young LLP, 2 St. Peters Square Manchester M2 3EY  Timothy Vance Ernst & Young LLP, 1 Bridgewater Place Water Lane Leeds LS11 5QR
Joint administrators' IP No's	12030 / 26710

Contact: MFLcommunications@uk.ey.com  
Name of alternative person to contact with enquiries about the case Ayse Hassan

**Notice to all creditors**

On 14 July 2023 the Company entered administration and Samuel James Woodward and Timothy Vance were appointed 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 20 July 2023

Samuel James Woodward is licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and Timothy 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 is being managed by the Joint Administrators, Samuel James Woodward and Timothy Vance, who act as agents of the Company only and without personal liability.

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