

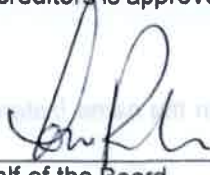
Board of Directors Approval of Explanatory Information

Instant Signs (Bristol) Limited ("the Company")

Company Registration Number: 07821104

The Board of Directors ("the Board") of the above-named Company confirm that the attached explanatory information to be delivered to the creditors is approved and reflects the information to the best of the Board's knowledge and belief.

Signed:



For and on behalf of the Board

Name:

Mr Thomas Charles Rowles

Position held:

Director

Dated:

27 March 2024

Approved	Mr Thomas Charles Rowles
----------	--------------------------

**Explanatory information for the creditors of
Instant Signs (Bristol) Limited ("the Company")
Company Registration Number: 07821104**

This explanatory information is designed to supplement the Statement of Affairs prepared by the Directors and to provide creditors with sufficient information so that they can make an informed decision in respect of the appointment of a Liquidator.

STATUTORY INFORMATION

The Company was incorporated on 24 October 2011 in the name Instant Signs (Bristol) Limited and the Company Registration Number is 07821104.

The Company has not had any other names since incorporation.

The Company's business was the manufacturing of signs.

The registered office has been located as follows:

From	To	Registered Office Address
02.03.2015	Date	Unit 1, Barnack Trading Centre, Novers Hill, Bedminster, Bristol, BS3 5QE
24.10.2011	02.03.2015	6 Blue Water Drive, Elborough Village, Weston-Super-Mare, North Somerset, BS24 8PF

The authorised share capital is ordinary shares of £1 each, of which all have been issued and fully paid as follows:

Name of member	Ordinary	Percentage
Mr Thomas Charles Rowles	Ordinary: 50	50%
Mrs Nicola Jane Rowles	Ordinary: 50	50%

Aside from the formation agents, the officers of the Company have been as follows:


Name	Position	Appointed	Resigned
Mr Thomas Charles Rowles	Director	24.10.2011	N/A
Mrs Nicola Jane Rowles	Director	08.11.2011	N/A
Barbara Kahan	Director	24.10.2011	24.10.2011

OTHER INFORMATION

Bankers: HSBC Bank Plc

Security held: None

Accountants: Sunflower Accounts

Signed:  Mr Thomas Charles Rowles

HISTORY

In 2002 we took over the running of the Company as a partnership from a family member, the Company was struggling when we took it over. It took us a long time to get the Company out of debt. In 2011 we decided to incorporate into a Limited Company.

Around this time we managed to get a very good contract with STA Travel, this helped to make the Company profitable, we worked with them for many years supplying all of their signage over around 55 stores in the UK. Unfortunately in 2020 STA Travel ceased trading due to the effects of COVID-19.

After the loss of this client we discussed closing the business but we managed to pick up a couple of COVID related jobs which kept us going over this time. We then landed a contract with Amazon. Amazon were opening their Amazon Fresh stores, they were impressed by the product we had produced and we went on to do around 25 jobs for them before the relationship broke down and Amazon stopped opening the stores.

In 2021 – 22 we were building a relationship with another major contract worth around half a million pounds, we had given quotes for these jobs in the early stages. Unfortunately as the jobs began to materialise the costs involved in the production had sky rocketed due to the war in Ukraine. We had already given the customer a price to carry out the job and this couldn't be changed, this left us making very little to no profit on the work.

Due to the changes in the market since 2020 we had incurred debt over past few years to keep the Company going, coupled with the inflation in 2023 and still now in 2024 the business could not survive, we spoke with our accountant who advised us to speak with Hawkins Insolvency.

The company ceased trading on 02 February 2024.

TRADING RESULTS

The most recent accounts prepared for the company show:

ABBREVIATED PROFIT & LOSS ACCOUNT	Unaudited Financial Statements	Unaudited Financial Statements
	Y/E 30.11.21	Y/E 30.11.22
Turnover	528,608	543,881
Other income	44	4,846
Cost of raw materials and consumables	(116,556)	(190,651)
Staff costs	(224,641)	(220,689)
Depreciation and other amounts written off assets	(16,505)	(17,948)
Other charges	(64,244)	(68,043)

Signed:

Mr Thomas Charles Rowles

Tax	(34,149)	(12,544)
Profit for the year	<u>72,557</u>	<u>38,852</u>

ABBREVIATED BALANCE SHEET

	Y/E 30.11.2022	Y/E 30.11.2021
Fixed Assets	<u>60,967</u>	<u>75,946</u>
Current Assets	<u>124,130</u>	<u>182,087</u>
Creditors: amounts falling due within one year	<u>(103,393)</u>	<u>(153,397)</u>
Net Current assets/(liabilities)	<u>20,737</u>	<u>28,690</u>
Total Assets Less Current Liabilities	<u>81,704</u>	<u>104,636</u>
Creditors: amounts falling due after more than one year	(49,884)	(63,986)
Accruals and deferred income	-	(28,931)
Net Assets/(liabilities)	<u>31,820</u>	<u>11,719</u>
Capital and Reserves	<u>31,820</u>	<u>11,719</u>

INSOLVENCY

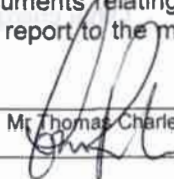
The Directors attribute the failure of the company to:

- Cashflow issues
- Rising costs

The Directors were advised by the Company's accountant to seek advice from an Insolvency Practitioner. Hawkins Insolvency Limited were instructed by Thomas Rowles on 06 February 2024 to assist in preparing a Statement of Affairs, convening a meeting of the company's members, and seeking a decision from the creditors on the appointment of a Liquidator.

£5,000 plus VAT and expenses has been paid by the Company to Hawkins Insolvency Limited in respect of the instructions given to prepare a Statement of Affairs and seek a decision from the creditors on the appointment of a Liquidator.

Prior to the provision of this explanatory information, Hawkins Insolvency Limited has: obtained information about the Company's affairs from the Directors; extracted information about creditors from the Company's accounting records and entered it in our case management system to enable documents relating to the meeting of creditors to be issued; assisted the Directors in the preparation of their report to the meeting;

Signed:	 Mr Thomas Charles Rowles
---------	---

written to interested parties such as the company's accountants; and assisted the Directors in the preparation of the Statement of Affairs.

This work is required to comply with statutory requirements and required practice when placing the Company into liquidation. The fixed fee basis has been selected to give the Company and creditors some certainty over the likely pre-appointment costs and it derives from both the time costs of similar work that Hawkins Insolvency Limited have done in the past in dealing with previous cases of this nature and complexity, and informal comparisons with the sort of fee charged for similar work by other Insolvency Practitioners. This represents a fair and reasonable reflection of the work which has been undertaken and reflects the complexity of the case.

STATEMENT OF AFFAIRS

Hawkins Insolvency Limited assisted the Directors in preparing an Estimated Statement of Affairs, preparing it from information provided by the Directors. It is important to note though that responsibility for the accuracy of the content of the Statement of Affairs rests with the Directors, who completed a statement of truth when signing the document. Where possible Hawkins Insolvency Limited has obtained supporting evidence in respect of each liability disclosed in the Statement of Affairs, but it will be for the Liquidator to verify that those included in the Statement of Affairs are in fact creditors and to agree the claims of creditors.

A copy of the Estimated Statement of Affairs was delivered to creditors with this explanatory information on 2nd April 2024.

INSOLVENCY PRACTITIONERS' COMMENTS ON THE STATEMENT OF AFFAIRS

Samantha Hawkins of Hawkins Insolvency Limited would comment on the Statement of Affairs as follows:

Assets

Unless otherwise stated, Hawkins Insolvency Limited has not verified the existence or value of the assets of the Company.

Motor Vehicles

The Company had a van which has been sold for £11,198.10 and the funds of the sale have been deposited into the estate account held by Hawkins Insolvency Limited.

Overdrawn director loan accounts


I have been made aware that there are overdrawn director loan accounts estimated at totalling £100,000. This will be fully investigated in the liquidation, but I do not have sufficient information at this time to provide an estimated to realise figure.

Equipment

The directors of the Company have instructed Gavel Auctioneers & Valuers, RICS registered valuer to value, uplift and sell the equipment the Company owns. This has been valued at £5,500 and will be sold at auction.

Book Debts

It is understood that £16,038.60 is owed to the Company by way of outstanding book debts. £450 of this has already been received into the estate account held by Hawkins Insolvency Limited.

Signed:  Mr Thomas Charles Rowles

Cash in clients' account

The sum of £11,648.10 is held in a clients' account controlled by Hawkins Insolvency Limited. These funds represent the funds deposited for the sale of the van and the book debt that has been paid as detailed above.

Liabilities

Secured Liabilities

There are provisions of the insolvency legislation that require Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Liquidator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property

up to a maximum of £600,000.

As there are no charges registered over the assets of the company, the prescribed part provisions will not apply.

Preferential Liabilities

The Company had employed 3 staff and it is understood that monies will be owed to them in respect of outstanding holiday pay and wages. The outstanding holiday pay and wages of employees are, subject to statutory limits, preferential claims in the Liquidation.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. It is estimated that £9,247.92 is owed to HM Revenue & Customs in respect of secondary preferential debts, as follows:

Liability	Period	Amount
		£
VAT		9,247.92
		<u>9,247.92</u>

Unsecured Liabilities

Trade & Expense Creditors - The company has 9 known 'trade & expense' creditors owed a total of approximately £11,116.34.

Banks Institutions – a total of £42,424.97 is owed to the bank by way of an overdraft and outstanding balance on a bounce back loan.

Employees - It is anticipated that monies will be owed to employees in respect of redundancy pay, pay in lieu of notice and arrears of wages.

Signed:  Mr Thomas Charles Rowies

HM Revenue & Customs – It is estimated that £20,340.20 is owed to HM Revenue & Customs in respect of debts that are not preferential, as follows:

Liability	Period	Amount £
Corporation Tax		<u>20,340.20</u>
		20,340.20

Comments on Material Transactions in the previous 12 months

The Directors have indicated that, during the 12 months prior to the winding up resolution no material transactions, other than in the ordinary course of business, have taken place involving the company.

Deficiency Account

A deficiency account is attached for the period from 30 November 2022 to 27 March 2024




Signed:  Mr Thomas Charles Rowles

ESTIMATED DEFICIENCY ACCOUNT

for the period from 30.11.2022 to 27 March 2024

	£	£
Profit and Loss Account Balance at 30.11.2022 (Unaudited Financial Statements)		72,557
Exceptional losses incurred or amounts written off since the date of the last accounts: -		72,557
Redundancy	(53,632)	(53,632)
Printing Equipment	(55,967)	(55,967)
		<u>(37,042)</u>
ESTIMATED TRADING PROFIT/ (LOSS) FOR THE PERIOD 30 November 2022 to 27 March 2024		(67,862)
DEFICIENCY AS PER ESTIMATED STATEMENT OF AFFAIRS		<u><u>(104,904.92)</u></u>

Signed:  Mr Thomas Charles Rowles