

**PRO FORMA SIP 16 DISCLOSURE TO ACCOMPANY THE INITIAL  
NOTIFICATION OF APPOINTMENT SENT TO THE CREDITORS**

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## **BACKGROUND TO THE ADMINISTRATION**

Green Sleep Ltd (Company Number 10982141) (“the Company”) was incorporated on 26 September 2017 by Ian Jillings and Stuart Rogan (“the Directors”), at all times the Company specialised in mattress refurbishment and recycling. The business initially operated from a 4,000 square foot building within the premises of HML Recycling Ltd in Accrington, Lancashire. Early operations were financed through personal investment by the Directors, with Stuart Rogan providing a forklift truck and the Directors jointly funding the purchase of a second-hand baling machine. No external funding was needed for either the incorporation or early trading of the Company. The business began on a modest scale and began to grow organically during the first 12 months.

In 2018, the Company moved to a larger 13,000 square foot unit and invested in a new horizontal baling machine to increase processing capacity. However, in 2019 a significant challenge arose when Stuart Rogan was found to be assisting a competitor, resulting in his resignation as a director. The Company continued under the sole management of Ian Jillings (“the Director”), who began overseeing all aspects of operations from that point onwards.

The onset of the Covid-19 pandemic, and subsequent government trading restrictions, in 2020 severely disrupted trade, with operations ceasing temporarily while overhead costs such as rent, insurance, and business rates continued. This period of financial difficulties was compounded by serious health issues for the Director. Nevertheless, the Director was confident of the Company recovering and in December 2021 the business relocated again, this time to a 35,000 square foot facility to support growth ambitions. In 2022, further health difficulties arose when the Director was hospitalised, limiting his capacity to manage the business.

In 2023, the Company faced aggressive competitive pressures after a rival, supported by the largest company in Europe, acquired a nearby competitor. The rival sought to undercut the Company by slashing prices, enticing staff to defect, and pressuring key customers to move their business.

By 2024, demand in the industry began to weaken, with one of the Company’s major product lines drying up in the second half of the year, creating operational and space management issues. The situation worsened in early 2025 when the Company’s two largest customers were lost almost simultaneously: one through a tender process undercut by the competitor, and the other due to a contractual disagreement. At the same time, a recently acquired 7.5 tonne vehicle purchased for £10,000 required £9,300 of repairs and remained out of service for 14 weeks, severely affecting the Company’s ability to collect mattresses and significantly reducing weekly turnover.

Finally, ongoing issues with the Company’s accountant further complicated matter. The Director consistently experienced disagreements on various financial matters and have strong reason to believe that the Company’s accounts were mishandled. In particular, they suspect the Company was significantly overcharged in VAT. Unfortunately, verifying this would have required appointing an independent accountant to investigate the matter, something that was not pursued in time. Regrettably, by the time these issues came to light, it was too late to take corrective action.

To sustain operations during periods of financial strain, the Company obtained loans and financing facilities. One key creditor, a utility provider, imposed a repayment plan of approximately £7,500 per month over 12 months, with threats of immediate disconnection of utilities in the event of default. In addition, the Director personally injected £20,000 from his pension savings to support working capital. Despite these efforts, the simultaneous loss of key customers, aggressive competition, reduced industry demand, ongoing disputes with the Company's accountant over VAT, and vehicle downtime placed the business under insurmountable pressure.

The Company did not acquire any business or business assets from an Insolvency Practitioner in the 24 months preceding administration, and all expansions and investments were made directly by the Company itself. The combination of adverse trading conditions, heightened competition, ill health of the Director, and the immediate withdrawal of its two largest revenue sources in early 2025 ultimately led to the Company's collapse, as cashflow demands could not be met and creditor pressure intensified.

A summary of the Company's recent trading performance is shown below.

#### **ABBREVIATED PROFIT & LOSS ACCOUNT**

	<b>Y/E 30 September 2023</b>	<b>Y/E 30 September 2022</b>
<b>Turnover</b>	510,604	449,791
Other income	4,043	21,687
Cost of raw materials and consumables	(10,197)	(19,426)
Staff costs	(271,508)	(211,407)
Depreciation and other amounts written off assets	(1,081)	(1,194)
Other charges	(253,666)	(202,631)
<b>Net Profit/(Loss)</b>	<b>(21,805)</b>	<b>36,820</b>

#### **ABBREVIATED BALANCE SHEET**

	<b>Y/E 30 September 2023</b>	<b>Y/E 30 September 2022</b>
<b>Fixed Assets</b>	3,803	4,884
<b>Current Assets</b>	105,647	91,739
Prepayments and accrued income	34,214	38,288
<b>Creditors</b> – amounts falling due within one year	(121,188)	(85,556)
Net current assets	18,6733	44,471
Total assets less current liabilities	22,476	49,355
<b>Creditors</b> – amounts falling due after more than one year	(30,919)	(35,993)
<b>Net Assets/(Liabilities)</b>	<b>(8,443)</b>	<b>13,362</b>

## Capital and Reserves

(8,443)

13,362

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

It became apparent that there was no prospect of the Company being in a position to settle the outstanding debts, and the Director decided to seek advice from a licensed Insolvency Practitioner. Parker Walsh was first contacted by Ian Jillings on 3 July 2025 to discuss the financial situation of the Company and the options available. Parker Walsh was instructed by Ian Jillings on 14 July 2025 to assist with placing the Company into Administration. The Director placed the Company into Administration on 26 September 2025.

### **ROLE OF THE INSOLVENCY PRACTITIONER**

I was introduced to the Director of the Company by Director First Insolvency Ltd on 3 July 2025. I first spoke with the Director of the Company on 8 July 2025 via a Microsoft Teams meeting to discuss the financial affairs of the Company. Prior to the commencement of the Administration, I advised the Director as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take.

No advice was given to the individual regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics. The Director signed an engagement letter on 14 July 2025, formally instructing Parker Walsh Corporate Recovery Limited ("Parker Walsh") to assist with placing the Company into Administration.

Ultimately the Company was placed into Administration on 26 September 2025, and I was appointed as Administrator. As Administrator, I am an officer of the Court and have taken over the management of the Company from the Board of Directors. The purpose of the Administration is to achieve one of the hierarchies of statutory objectives, namely to:

- (a) rescue the Company as a going concern; or
- (b) 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) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as the Director advised that no purchaser could be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that continued trading in a Voluntary Arrangement was not appropriate. The Director stated that funding would need to be obtained to support the immediate cashflow problems, and without that, the Company had no choice but to cease trading.

Objective (b) may not be achieved as the estimated outcome regarding Administration and Liquidation is marginally similar and therefore it is not certain if an Administration would lead to a better outcome. It is unlikely that a dividend would be declared to the unsecured creditors. However, the Company's employees retained employment as they were transferred to the purchaser, Rematt Ltd (Company Number: 11919014) ("Rematt"), under the Transfer of

Undertakings (Protection of Employment) Regulations (“TUPE”) as part of the Sale Purchase Agreement (“SPA”), executed on 26 September 2025.

Objective (c) will therefore be sought. The Administrator aims to realise the sale consideration with respect to the Sale & Purchase Agreement/SPA to facilitate a distribution to the secondary preferential creditor, being HM Revenue and Customs (“HMRC”). The process focuses on maximising the value of these assets, with the potential completion of ongoing contracts offering an opportunity for a more favourable outcome for stakeholders. Further details will be provided in my proposals.

In order to help me achieve the objective, I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective (c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

## **PRE-APPOINTMENT CONSIDERATIONS**

The Director considered both informal and formal options to address the Company’s financial difficulties. Informal action, such as attempting to negotiate with creditors outside a formal insolvency process, was not appropriate because a key utility provider was threatening enforcement action that would have resulted in the immediate termination of supply. This would have left the Company unable to continue trading and would also have forced the connected company, Rematt, to close until a new supplier could be secured. In light of this, the Director considered that a formal procedure, including the protection of a moratorium, was required to prevent enforcement action. A Company Voluntary Arrangement (“CVA”) was considered but was deemed inappropriate as the Company did not have sufficient cashflow or investor support to continue trading during the arrangement period. The Director’s intention was for Rematt to purchase the Company’s assets and transfer all employees under TUPE, and therefore Administration was considered the most appropriate process. A Creditors’ Voluntary Liquidation (“CVL”) was also considered but was not favoured, as Administration offered the potential to preserve employment and achieve the paragraph 3(1)(c) purpose of realising property in order to make a distribution to one or more secured or preferential creditor.

No consultations were undertaken with creditors prior to the decision as there was neither a secured creditor nor a majority creditor. This decision was also due to the urgency created by the threat of enforcement from the utility provider, the desire to preserve the Company’s value and provide a better return to creditors by not increasing liabilities, as would be the case if the Company ceased trading giving rise to extraordinary liabilities.

When considering the possible outcomes, it was identified that Administration would enable a sale of the business and assets to a connected party, Rematt, preserving jobs and protecting value, while also providing a moratorium against creditor action. This was expected to result in a higher return to creditors compared with a Liquidation. In contrast, Liquidation, whether by CVL or Compulsory Liquidation, would have resulted in the immediate cessation of trade, the redundancy of all employees, and a break-up sale of assets, generating a much lower realisation. A CVA was not feasible given the lack of funding to allow the Company to continue operating during an arrangement period.

## **CONSIDERATION OF OTHER INSOLVENCY PROCEDURES**

It was also not appropriate to continue trading the business during Administration with a view to offering it for sale as a going concern. The Company had no available funding or access to external finance, and with immediate cashflow difficulties and the threat of creditor action, ceasing to trade was considered the only viable option. Furthermore, no requests for funding were made to potential funders, as the financial position was such that the working capital requirements could not have been readily addressed, and it was considered unlikely that any funder would have been prepared to provide support.

The pre-pack sale of the business enables me to achieve the objective set out above as the realisations made will enable me to make a distribution to the secondary preferential creditor, while the transfer of the employees to the purchaser means that the Company has no other preferential creditors, except HMRC, as detailed above. I can also confirm that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that it did not unnecessarily harm the interests of the creditors of the Company as a whole.

## **VALUATION OF THE BUSINESS AND ASSETS**

The valuation of the business and its underlying assets was undertaken on 25 June 2025, prior to my engagement, by Damian Short PgDip Val and MRICS, who is an experienced and registered valuer and Neil Duckworth, of Middleton Barton Asset Valuation Limited (“MBV”), with overall responsibility falling to Neil Duckworth MA MRICS (“the Valuer”). The Valuer possesses specific expertise in the valuation of intangible assets within the recycling sector.

MBV have confirmed their independence, having had no prior involvement with the Company and no conflict of interest in the preparation of their report. Furthermore, MBV have confirmed that they carry adequate professional indemnity insurance. Their maximum liability under the instruction, whether in contract, tort, negligence or otherwise, is capped at £25,000.

### **Tangible Assets**

Market value as defined in the RICS Valuation – Global Standard (effective from 31 January 2025), Valuation Practice Statement (VPS) 4.4:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

1. Market Value (In Situ): (VPS 4.4) with the added assumption the assets are valued as a whole for continued use in their working place.
2. Market Value (Ex Situ): (VPS 4.4) with the added assumption the assets are valued for removal from the premises at the expense of the purchaser.

A schedule of assets owned by the Company is attached in Appendix A. The Company’s tangible assets included office furniture, computer equipment, plant and machinery used for waste compression, warehouse plant, and ancillary items. These assets appeared to be in a reasonable state of repair, consistent with their age and usage. The market for used office furniture and

computer equipment is generally weak due to their limited economic lifespan and an oversupply of similar quality items in the second-hand market. However, the market for the unencumbered plant and machinery is currently reasonably buoyant, and MBV did not anticipate any difficulties in disposing of these assets on the open market. The Company also owned an Iveco 7.5 tonne box van, which was understood to be beyond economical repair and has been valued accordingly as scrap.

## Intangible Assets

Market value is defined as the following with respect to the intangible assets:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The Company’s intangible assets comprised of goodwill and intellectual property, being a promotional website and domain (<https://www.greensleep.co.uk/>), social media accounts, customer data, and technical know-how. There were no registered or pending trademarks, and no contracts or agreements in place that guaranteed future income. The value of these intangible assets is heavily dependent on the business continuing as a going concern; if sold in isolation, particularly through an insolvency process, their value would likely be minimal due to potential damage to the business’ reputation and the cost of addressing existing waste liabilities. In such a scenario, any offers received by third parties would likely be speculative and nominal. The valuation assumed a sale to existing management, considered a ‘Special Purchaser’, who held key knowledge of the business.

The valuations obtained for the Company’s business and its assets are summarised in the table below. These were split between tangible and intangible categories, and the valuation report is attached for reference. The valuation of tangible assets totalled £9,900 on an in-situ basis and £6,700 on an ex-situ basis. Intangible assets were valued at £1,000.

	<i>Value only applicable to intangible assets</i>	<i>Value only applicable to tangible assets</i>	
	<b>Market Value (£)</b>	<b>Market Value (In-Situ) (£)</b>	<b>Market Value (Ex-Situ) (£)</b>
<b>Tangible Assets:</b>			
Office Equipment	-	1,200	600
Plant & Machinery	-	8,500	6,100
Motor Vehicle	-	200	Nil
<b>Tangible Assets Total</b>	<b>-</b>	<b>9,900</b>	<b>6,700</b>
<b>Intangible Assets:</b>			
Waste Products	-	Nil	Nil
Goodwill & Intellectual Property	1,000	-	-
<b>Total Intangible Assets</b>	<b>1,000</b>	<b>Nil</b>	<b>Nil</b>
<b>Encumbered Assets:</b>			
Haydock Finance	-	29,000	25,000
Estimated Settlement	-	(62,638)	(62,638)

Estimated Available Equity	-	Nil	Nil
Aldermore Bank Plc	-	25,000	22,000
Estimated Settlement	-	(30,163)	(30,163)
Estimated Available Equity	-	Nil	Nil
<b>Encumbered Assets Total (Equity Only)</b>	-	<b>Nil</b>	<b>Nil</b>
<b>Overall Total</b>	<b>1,000</b>	<b>9,900</b>	<b>6,700</b>

The basis of valuation adopted was Market Value (In-Situ) for the tangible assets, which reflects the estimated amount for which the assets would exchange between a willing buyer and seller in an arm's length transaction, assuming the plant and equipment remain in place. This approach assumes the assets would be sold together, in their current location, without accounting for sale fees or commissions. A Market Value (Ex-Situ) was also provided, treating the assets as individual items for removal. The ex-situ value is also a gross value and assumes all assets would be available for sale at one time.

Intangible assets, including goodwill, were valued based on information provided by the Director, which was assumed to be accurate, complete, and provided in good faith. Where information was not provided, it was assumed to be either not relevant or not available for the purpose of the valuation.

The sale consideration of £10,000 reflects a total slightly below the in-situ valuation but above the ex-situ valuation. This is considered reasonable, as the assets were appropriately marketed and no higher offers were received. There were no assets excluded from the sale, nor were any sold under different categories from those under which they were originally valued.

It was believed that the sale and purchase made by the SPA shall not be treated as a supply of goods or services for VAT purposes by virtue of the provisions of Article 5 of the VAT (Special Provisions) Order 1995.

## **MARKETING OF THE BUSINESS AND ASSETS**

MBV conducted independent marketing exercises between 3 July 2025 and midday on 11 July 2025. Given the scope and nature of the marketing undertaken by MBV, I am satisfied that their process met the requirements set out in the Statement of Insolvency Practice 16 ("SIP 16") and that it was not necessary for me to conduct any additional marketing myself.

The marketing undertaken by MBV included:

- A broadcast email campaign (mailshot) sent to 6,284 contacts on MBV's internal database of parties known to acquire distressed businesses and assets;
- A listing on MBV's public website, ensuring online visibility of the opportunity; and
- Direct approaches to relevant competitors and active market participants.

This approach ensured that the marketing was broadcast rather than narrowcast, reaching a wide and relevant audience. It was independent, properly publicised the opportunity rather than merely publishing static details, and involved online communication as well as targeted outreach, in line with SIP 16 requirements.

Advertising the opportunity in trade and broadsheet press was considered but ruled out, as such marketing would have required several weeks of lead time. This was not viable due to the Company's lack of funding to continue trading, and the significant risk that any remaining goodwill could quickly erode in the event of delay. MBV, based on their market knowledge and experience, assessed that the marketing period was reasonable and proportionate in the circumstances.

Despite these efforts, no general enquiries were received during the marketing period. A connected company, Rematt, was the only party to express an interest in acquiring the business and its assets. Following negotiations, and after rejecting an earlier lower offer, a final offer of £10,000, payable over six months in equal instalments, was accepted. The consideration was secured by way of a Debenture over Rematt's business and assets and was further supported by a personal guarantee from Ian Jillings.

MBV advised that, based on their experience and the response to the campaign, further marketing would be unlikely to generate any additional interest or achieve a higher price. They also noted that any delay in completing a transaction could lead to further loss of value, particularly in respect of the Company's limited intangible assets.

Given the extent, quality, and independence of the marketing carried out by MBV, and considering the commercial risks of further delay, I am confident that no additional marketing was required. The process was in line with SIP 16 standards and delivered the best achievable outcome for creditors in the circumstances.

## **DETAILS OF THE PRE-PACK SALE**

The pre-pack sale of the Company's business and assets was completed on 26 September 2025. The purchaser was Rematt, a connected company.

A connected person is defined by paragraph 60A(3) of Schedule B1. In summary, an individual is a connected person if they are a relevant person in respect of the Company in Administration. A relevant person is: a director or shadow director of the Company in Administration; an associate of such a director or shadow director (other than where the association is solely by virtue of being an employee of that person); or an associate of the Company in Administration (other than where the association is solely by virtue of being an employee of the Company). A person is an associate of an individual if that person is their husband, wife, or civil partner, together with a relative of those individuals. A company is connected with the Company in Administration if: any relevant person of one is, or has been, a relevant person of the other; or if the same person, and/or their associates, controls both companies.

Rematt is a connected party to the Company by virtue of a common directorship. Specifically, the Director, Ian Jillings, is a director and shareholder of both the Company and Rematt.

The transaction involved the sale of the Company's business and assets as a going concern, including office furniture, computer equipment, plant and machinery, a motor vehicle, intellectual property, and goodwill. The agreed sale consideration was £10,000, to be paid in six equal monthly instalments. To date, the first instalment of £1,666.67 has been received. The consideration was compared to an independent valuation obtained from MBV. The agreed sale price was higher than the ex-situ valuation and lower than the in-situ valuation, which assumed continued use of the assets in their current trading environment. This pricing was considered appropriate in light of the

marketing efforts undertaken and the complete lack of third-party interest, despite the marketing campaign being broadcast widely in accordance with SIP 16.

The marketing campaign included a mailshot to over 6,000 potential purchasers on MBV's database, listing on MBV's website, and direct approaches to competitors and market participants. The campaign generated no interest from third parties, and Rematt, as a connected party with sector experience, was the only party to express interest. MBV confirmed that extending the marketing period would have been unlikely to result in higher or additional offers and could have led to a deterioration in asset value, particularly in relation to goodwill. The sale also ensured a TUPE transfer of the Company's staff to Rematt, preserving employment and avoiding potential extraordinary liabilities including redundancy pay and pay in lieu of notice.

There were no material conditions in the sale contract that could affect the consideration. The Company had not granted any fixed or floating charges to creditors, so there was no requirement to apportion the consideration between secured creditors. The £10,000 consideration is payable in six monthly instalments, and this deferred element is secured by a Debenture registered against Rematt's business and assets, executed on 26 September 2025. In addition, Ian Jillings provided a personal guarantee to secure the full amount of the deferred consideration. There are no buy-back options or other conditions affecting the sale. The TUPE transfer of employees was the only other element of the agreement and contributed to value preservation by ensuring operational continuity.

This was not a group transaction, so no allocation of consideration across multiple companies was required. The sale price achieved was, in my view and that of MBV's, the best obtainable in the circumstances. The offer was for the entirety of the business and its assets, provided certainty through security and personal guarantees, and was the only offer received despite appropriate and wide-reaching marketing. The transaction therefore represents the most beneficial outcome for creditors in the circumstances.

## **EVALUATOR'S REPORT**

A pre-pack sale to a connected person can only take place if they obtain a qualifying report on the proposed transaction from an independent person known as an evaluator. I can confirm that I have received a report in this case and enclose a copy for your information.

JS Business Solutions Limited ("JS") were instructed by the Director to conduct a Qualifying Evaluator's Report under the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021. JS completed their report on 13 August 2025 which is enclosed at Appendix B.

I am satisfied that the report was made by a suitably qualified and experienced independent person who holds appropriate professional indemnity insurance and who is not excluded by the insolvency legislation from acting as an evaluator. I have reviewed the report and am satisfied that it contains the information required by the insolvency legislation, such that it is a qualifying report.

As you can see from the report, the evaluator concluded that the consideration for the pre-pack sale and the grounds for the pre-pack sale are reasonable in the circumstances. Consequently, I proceeded with the pre-pack sale of the assets of the Company on the terms considered and reported on by the evaluator and set out above.

## **VIABILITY STATEMENT**

Purchasers who are connected persons are also encouraged to, but are not required to, prepare a viability statement indicating how their business will survive for at least 12 months from the date of the purchase, and detailing what they will do differently from the Company in Administration in order that the business will not fail. In this instance, while I indicated to that the purchaser that prepare a viability statement, my understanding is that one has not been prepared. As the deferred sale consideration is secured by way of personal guarantee, I am satisfied that the proceeds can be readily secured without having received a viability statement.

## **CONCLUSION**

I confirm that the sale price achieved, and also the outcome, was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that the pre-pack sale achieves the statutory purpose of the Administration that I am seeking to achieve in respect of the Company.

## APPENDIX A

### **Asset Schedule – Unencumbered Assets**

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#### **OFFICE FURNITURE & EQUIPMENT**

2 Piece Beech Effect Meeting Room Table and 8 Black Swivel Chairs  
1 x Whiteboard  
1 x Beech Effect Cupboard  
1 x Flat Screen TV  
1 x Small Beech Effect Table  
2 x Beech Effect Desks  
4 x Swivel Chairs  
3 x Desktop Computers c/w 5 x Flat Panel Displays, Keyboards & Mice  
1 x Telephone System & Handsets  
1 x Small Networking Cabinet & Contents  
CCTV System & Cameras  
1 x Beech Effect Desk  
2 x Electric Radiators  
2 x Beech Effect Bookcases  
1 x Desktop Printer  
1 x Vacuum Cleaner

#### **PLANT & MACHINERY**

1 x Jefferson 200L 3HP Receiver Mounted Air Compressor  
2 x Hydraulic Pallet Trucks  
1 x (2005) JCB 30D Telehandler (s/n 632)  
1 x (2005) Jungheinrich Type EFG220 Electric Counter Balance Forklift Truck (s/n FN331298)  
1 x Jungheinrich Type EFG220 Electric Counter Balance Forklift Truck (not working – cannibalised for spares)  
1 x Pakawaste Type MX600 Bailing Machine (s/n 6749PWT1217)  
1 x Pakawaste Type MX600 Bailing Machine (s/n 5659PWT0917)

#### **MOTOR VEHICLE**

(2009) Iveco Eurocargo 7.5 tonne Box Van, Registration BX09 KVV (scrap / non-runner)

## **Asset Schedule – Encumbered Assets**

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### **HAYDOCK FINANCE**

Hire Purchase Agreement Number: 1060641-2

(2021) Fiat Ducato Euro 6.3 Luton Van, Registration FV21 LWZ

Hire Purchase Agreement Number: 1060641-3

(2018) Iveco Eurocargo 75E 7.5 Tonne Box Van, Registration BL18 LNY

Agreement Number: 1060641-1

Trident Model TM95 Industrial Waste Bailing Machine

### **ALDERMORE BANK PLC**

Agreement Number: C00209922

(2024) MattressTek Type Tapetex (Queen (2m x 1.5m) Mattress Tape Edge Machine (s/n MT01633)

(2024) MattressTek Type Tuftex MK1 Mattress Tufting Machine (s/n MT01635)

**APPENDIX B**

# **Qualifying Report**

**Under The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021**

**In relation to the proposed substantial disposal of: Green Sleep Ltd's business and assets to Rematt Ltd**

13 August 2025

**This report has been prepared by:**

JS Business Solutions Limited  
3rd Floor Suite, 207 Regent Street  
London  
W1B 3HH  
Company Number: 15162915

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- 9. Evidence Relied Upon**
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**Interpretation** - In this report the meaning of certain terms is set out below:

<b>The Regulations</b>	The Administration (Restrictions on Disposal etc to Connected Persons) Regulations 2021.
<b>The Company</b>	Green Sleep Ltd (Company Number: 10982141).
<b>The Purchaser</b>	Rematt Ltd (Company Number: 11919014).
<b>The Director</b>	Ian Jillings being the Company's sole director and shareholder.
<b>Qualifying Report</b>	Has the meaning given to Regulation 5 of the Regulations.
<b>Previous Report</b>	Has the meaning given to it in Regulation 8 of the Regulations.
<b>Substantial Disposal</b>	As per Regulation 3 of the Regulations.
<b>Connected Persons</b>	As defined in Paragraph 60A(3) Schedule B1 of the Insolvency Act 1986 and include a company connected with the Company, Director, other Officer, Shadow Director and other Officers of the Company.
<b>Relevant Property</b>	As per Regulation 3 of the Regulations meaning a disposal, hiring out or sale to one or more Connected Persons...all or a substantial part of the Company's business or assets.
<b>The Administrator</b>	Means the proposed Administrator, Molly Monks of Parker Walsh.

## **1. Report Purpose**

This report has been produced to meet the requirements of the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021, which require a connected party purchaser to obtain a Qualifying Report before making a substantial disposal, unless the creditors have approved the disposal.

This report has been requested by the Company's director, Ian Jillings ('Mr Jillings'). Mr Jillings is considered a Connected Persons in relation to the substantial disposal of the Company because they are a director of both the Company and the Purchaser.

It is my job as an Evaluator to determine whether I am satisfied that the basis of the substantial disposal, and whether the consideration to be provided for the relevant property are reasonable in the circumstances.

## **2. Evaluator Profile**

I, Jonathan Seifert, hereby verify that my knowledge and expertise adequately fulfils the criteria outlined in Part 3 of The Administration (Restriction on Disposal etc to Connected Persons) Regulations 2021.

I am member of the Institute of Chartered Accountants in England & Wales. Having qualified as a Chartered Accountant over 22 years ago and as an Insolvency Practitioner 14 years ago. I have worked in a variety of finance positions and helped to turnaround numerous companies.

I confirm that I meet the requirements for professional indemnity insurance (Regulation 11), independence (Regulation 12), and eligibility to act as an Evaluator under the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021. I am satisfied that I have the qualifications to act as an Evaluator for this Qualifying Report.

### 3. Professional Indemnity Insurance

Details of the Professional Indemnity Insurance for JS Business Solutions Limited are as follows:

- Carbon Underwriting, Syndicate 4747 at Lloyd's, London and Flux Syndicate 1985 at Lloyd's, London Policy number: 33301437
- Expiry date 8 October 2025.
- Professional indemnity cover limit of £2,000,000 for any one claim.
- Risks covered: Miscellaneous Professional Indemnity breach of professional duty.
- Exclusions from cover: Miscellaneous to include Directors' and Officers' liabilities (details on request.)

### 4. Connected Parties / Transacting Businesses

Connected Party	Basis of the Connection
Ian Jillings	Director and shareholder of both the Company and the Purchaser.
The Purchaser	The Company's business and assets are being purchased by Rematt Ltd ('the Purchaser').

### 5. Previous Qualifying Reports

The Connected Persons have verified in writing that they have not received or requested any prior Qualifying Reports from any other Evaluator. Based on this confirmation, I have no reason to doubt its accuracy, and therefore, I conclude that Section 8 of the Regulations is not applicable.

## 6. Background

The business was incorporated on 26 September 2017 to provide environmentally friendly mattress solutions. Its core philosophy was centred on sustainability and the reduction of waste within the mattress industry. The Company sought to promote a greener future by refurbishing, manufacturing, and recycling mattresses.

A key part of the Company's operation involved helping other businesses avoid the destruction of mattresses. They ensured that every mattress they handled was either repaired, renewed, or repurposed.

The Company's main markets are commercially driven through corporate entities and government bodies. Furthermore, the Company closely aligned itself with a large bed manufacturer.

The Company's services were structured around three main areas: Refurbishment: they took in new, unused mattresses that had minor cosmetic flaws, such as transit marks or slight packaging damage, and restored them for resale, preventing them from being discarded as waste. The second area was in the manufacture of new mattresses, utilising a combination of new materials and professionally cleaned and sanitised recycled materials. Finally, the Company had a recycling process which involved the deconstruction of old mattresses, allowing the component materials to be processed and repurposed in a sustainable manner.

The Company's approach demonstrated their commitment to creating a circular economy within the mattress sector, aiming to minimise environmental impact by extending the life of products and reducing landfill waste.

During the Covid Pandemic ('Covid') the Company experienced a fall in demand and ultimately a reduction in turnover. As a result, its cash deteriorated, and it had to obtain funding.

Subsequently, post-Covid, the Company built up its turnover and began to make progress in improving its financial position. Over time, however, a wider economic downturn across the UK began to impact the mattress industry. Both major and smaller clients experienced a downturn, leading to a significant drop in demand.

The Company reported an average annual turnover of approximately £475,000 with narrow net profit margins. Consequently, the company was vulnerable to fluctuations within the industry or minor internal changes that could negatively affect its cash flow and profitability.

In the past 6 months, the Company experienced a turnover reduction of circa 60%. This was due to the unexpected loss of two of its largest accounts. This created an unmanageable cash flow situation where outgoing commitments significantly exceeded income.

In response, the Company took steps to diversify its revenue streams and implement a financial restructure. This involved a comprehensive review of operations, during which cost-cutting measures were implemented across all departments. The business also pursued restructuring initiatives aimed at improving efficiency and aligning costs with reduced revenue levels. These efforts included renegotiating supplier terms, reducing overheads, and, where necessary, making difficult decisions regarding staffing levels which ultimately led to redundancies.

Despite these efforts, trading conditions continued to deteriorate, and the Company's cash flow suffered. Furthermore, increased pressure from creditors, including payment demands and threats of enforcement, further strained the business.

After seeking advice from an Insolvency Practitioner, the Company looked to enter Administration. The Administrator and their valuation agents have been seeking to maximise realisations from the assets of the Company and ensure creditors received the most beneficial outcome. Whilst the opportunity to acquire the business and assets has been marketed for sale, one offer – from a Connected Person – has been recommended for acceptance by the Valuation Agents as being in the interests of creditors.

## **7. Disposed Business and Assets**

The Company's Business and Assets ("the Relevant Property") being sold are as follows:

- Office Equipment
- Plant & Machinery
- Motor Vehicles
- Goodwill & Intellectual Property

Rematt Ltd Ltd is proposing to acquire the Relevant Property.

## 8. Independent Asset Valuation and Marketing

The valuation was carried out by Middleton Barton Valuation (“the Valuation Agents”) on 25 June 2025. The Company’s business and assets were marketed between 3 July and midday on 11 July 2025 through:

- Mailshots to the Valuation Agent’s database of prospective buyers of distressed companies. The mailshot was sent to 6,284 parties.
- It was also listed on the Valuation Agent’s website.
- Direct approaches to competitors and other market participants.

Marketing the business in the trade and broadsheet press was considered but ruled out, because this type of marketing required several weeks preparation for placement.

Given the inherent risk to the goodwill, together with a lack of funding within the business to keep trading, the marketing period was deemed adequate by the Valuation Agents.

The marketing activity resulted in no general enquiries.

A Connected Person was the only party to express an interest in purchasing the Company’s business and assets. Accordingly, following negotiations and after the rejection of previous lower offers, a sum of £10,000 was finally accepted, payable over a deferred period of 6 months in equal instalments.

Deferred Consideration has been secured by way of a Debenture being registered against the Purchaser’s Business and Assets, together with the consideration being personally guaranteed by Mr Jillings.

The Valuation Agents conducted a sufficient marketing exercise within the limited time frame provided, and no competing offers had been received. Based on their experience of the market they were confident that pursuing further marketing efforts was unlikely to yield additional offers, especially at a level competitive with the Purchaser’s offer. Additionally, any value attributable to the intangible assets could have quickly diminished if there was a delay in accepting an offer.

Furthermore, selling to the Purchaser immediately upon appointment avoids the transfer of environmental liabilities to the Administration. This rapid, in-situ sale ensures the Administrator does not incur these potential associated costs.

The Valuation Agents were confident that accepting the presented offer was the best price and given the circumstances could lead to the optimal realisation for the Administrator.

## 9. Evidence Relied Upon

In developing my perspective, I have based it on my conversations with, and the information provided by Mr Jillings, the Administrator, and the instructed Valuation Agents. This includes the following:

- Interview with the Connected Persons.
- Information provided by the Director.
- The Company's financial information.
- Correspondence with the Administrator's office.
- The professional Valuation Agent's report.
- Offer details.
- The Purchaser's cashflow forecast.

I have also utilised information that is accessible in the public domain.

I have relied on the accuracy of the information provided to me in forming my opinion. I have not conducted an audit, or any other verification of the information received. The Administrator is a licensed Insolvency Practitioner with legal duties and obligations to creditors and their regulatory body. Therefore, it is their responsibility to determine whether to proceed with the sale. Consequently, I do not express an opinion on the decision to engage in the sale.

In addition to selling the business and assets, the Administrator has post-appointment investigative powers that can potentially increase the realisation of assets.

The extent of my work is limited to providing the opinion specified in Section 10.

## 10. Evaluator's Opinion on the Proposed Transaction

**I am satisfied that the consideration to be provided for the Relevant Property and the grounds for the substantial disposals, are reasonable in the circumstances.**

In my assessment, I have considered the potential commercial benefits for the Administrators in completing the proposed transaction, which include:

- The total consideration proposed is a fraction lower than the Valuation Agent's in-situ valuation. Had the offer not been accepted then the assets would need to be sold at a significantly lower ex-situ value.
- Selling to a Connected Person immediately upon appointment avoids the transfer of environmental liabilities to the Administration. This rapid, in-situ sale ensures the Administrator does not incur these potential associated costs.
- The continuity of employment for 11 Company employees, with the proposed Purchaser taking on the TUPE liability. This will minimise employee-related claims and associated costs during the Administration.
- Continuity of business will assist with the ongoing collection of the Company's sales ledger which will help in the recovery of circa £19,000 of debts for the benefit of the Administration. If the business ceased to trade then it is expected that there could be significant counter claims, disputes and bad debts leading to a sizeable reduction in collections.
- The deferred consideration will be secured by way of a Debenture over the Purchaser's Business and Assets, together with being personally guaranteed by Mr Jillings. This will provide an added layer of protection to the Administrator.

Other points to consider:

- Mr Jillings has never been involved in a Corporate or Personal insolvency.
- It is the duty of the Administrator to investigate the conduct of the Company and its directors prior to the Administration. This is to find out what assets, if any, could be used for the benefit of Company creditors.
  - o This includes looking into any actions taken by the directors or others that might have harmed the Company, such as transactions at an undervalue or preferential treatment to certain creditors. This work will be used to enable the Administrator to produce a statutory report on the conduct of the directors for the Insolvency Service.

I have discussed the turnaround plan with the Purchaser, together with its ability to meet its deferred consideration payments.

Following a significant restructure, the Purchaser is poised to emerge as a more robust business with a much more diverse product/service proposition which will provide access to a wider marketplace and ensure they are not beholden to a handful of large clients.

The Purchaser will look to increase its turnover through additional revenue streams, including mattress recycling, where old mattresses are collected and processed responsibly. Mattress refurbishment will involve cleaning, re-covering, and re-foaming existing mattresses to give them a new life. The Purchaser will also engage in mattress manufacturing, creating new products from both reclaimed and new components.

Direct sales will be a key channel, reaching customers through platforms like eBay and Facebook, a dedicated e-commerce website, and an in-store presence.

To better serve the commercial sector, a mobile sanitisation unit will be deployed, to high density hotel areas in the North-west. This expansion will be supported by a larger sales team, tasked with increasing customer outreach and acquisition.

In addition, the Purchaser will also sell salvaged materials like foam, springs, and fabrics to sell to other companies.

The Purchaser's operations will be much more diverse than the Company due to the removal of contractual restrictions placed upon it by some of its customers. The Company was prohibited from selling mattresses or refurbishing mattresses for consumers/retailers and commercial customers. The removal of these restrictions will allow the Purchaser to pursue a more diverse and profitable business model.

The Purchaser can take advantage of the expanding sustainability focus in the hospitality space by their unique “Closed Loop” model which gives the Purchaser greater control over the entire lifecycle of a mattress from collection and deconstruction to reuse and resale. This approach not only reduces environmental waste but also creates high-margin resale opportunities.

By completing the proposed transaction, the Administrator is aiming to mitigate the substantial risks that would be associated with pursuing alternative options. An orderly wind-down, for instance, would incur additional insolvency costs and increased creditor claims. An ex-situ sale would severely diminish any prospects of recovering funds for creditors.

Please note that I do not express an opinion on whether the Purchaser currently is, or will remain, a going concern, nor do I express an opinion on any decisions made by the Administrator to engage in a connected party transaction. These matters are solely for the Administrator to determine.

**For and on behalf of JS Business Solutions Limited**

A handwritten signature in black ink, appearing to read 'Jonathan Seifert', with a long horizontal flourish extending to the right.

**Jonathan Seifert ACA  
Evaluator**