

AM03

Notice of administrator's proposals



Companies House

THURSDAY



A27 *A84LW5QW* #212
02/05/2019
COMPANIES HOUSE

1 Company details

Company number 00698704
Company name in full Precision Printing Plates Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Julien
Surname Irving

3 Administrator's address

Building name/number Leonard Curtis
Street Tower 12, 18/22 Bridge Street
Spinningfields
Post town Manchester
County/Region
Postcode M3 3BZ
Country

4 Administrator's name

Full forename(s) Andrew
Surname Poxon

① Other administrator
Use this section to tell us about
another administrator.

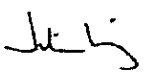
5 Administrator's address

Building name/number Leonard Curtis
Street Tower 12, 18/22 Bridge Street
Spinningfields
Post town Manchester
County/Region
Postcode M3 3BZ
Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	

7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>	
Signature date	<div><div>^d3^d0</div><div>^m0^m4</div><div>^y2^y0^y1^y9</div></div>	

AM03

Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Rochelle Schofield									
Company name	Leonard Curtis									
Address	Tower 12, 18/22 Bridge Street									
	Spinningfields									
	Manchester									
Post town										
County/Region										
Postcode	M	3		3	B	Z				
Country										
Dx										
Telephone	0161 831 9999									



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**PRECISION PRINTING PLATES LIMITED
(IN ADMINISTRATION)**

Registered Number: 00698704

Court Ref: CR-2019-MAN-000128

High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List
(CHD)

**Joint Administrators' Report and Statement of Proposals in accordance
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of
the Insolvency (England and Wales) Rules 2016**

Report date: 30 April 2019

Date report deemed to be delivered to creditors: 2 May 2019

Leonard Curtis contact details:

**Tower 12, 18/22 Bridge Street, Spinningfields,
Manchester M3 3BZ**

Tel: 0161 831 9999 Fax: 0161 831 9090

General email: recovery@leonardcurtis.co.uk

Email for requests for a physical meeting: Manchester.meetingreq@leonardcurtis.co.uk

Ref: M/38/RS/P981K/1040

CONTENTS

- 1 Introduction
- 2 Statutory Information
- 3 Historical Background and Events Leading Up To Administration
- 4 Recent Trading Results and Current Financial Position
- 5 Events Following the Joint Administrators' Appointment
- 6 Achieving the Purpose of Administration
- 7 Joint Administrators' Proposals and Exit Route
- 8 Extension of Administration
- 9 Pre-Administration Costs
- 10 Joint Administrators' Remuneration and Disbursements
- 11 Estimated Outcome for Creditors
- 12 Release of Administrators from Liability
- 13 Conclusion

APPENDICES

- A Joint Administrators' Statement of Proposals
- B Estimated Financial Position as at 08 March 2019, accompanying Notes and List of Creditors
- C Summary of Joint Administrators' Receipts and Payments from 08 March 2019 to 30 April 2019
- D Summary of Joint Administrators' Pre-Administration Costs
- E Joint Administrators' Fees Estimate incorporating time incurred to date
- F Joint Administrators' Statement of Likely Expenses
- G Estimated Outcome Statement
- H Leonard Curtis Policy on Fees, Expenses and Disbursements
- I Proof of Debt Form
- J Information in relation to the pre-packaged sale of the business and assets in accordance with the provisions of Statement of Insolvency Practice 16

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL EMPLOYEES
ALL MEMBERS**

1 INTRODUCTION

General information

- 1.1 I refer to the appointment of Andrew Poxon and I as Joint Administrators ("the Joint Administrators") of Precision Printing Plates Limited ("the Company") on 08 March 2019 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires the administrators to perform their functions with the objective of:
- a) Rescuing the company as a going concern; or
 - b) Achieving 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) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Para 51(1) of Schedule B1 to the Act ordinarily requires the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the administrators state that they think:
- a) That the company has sufficient property to enable each creditor of the company to be paid in full; or
 - b) That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
 - c) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors. A dividend is, however, expected to be paid to the secured creditor. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
 - A statement of the requesting creditor's claim, together with:
 - A list of the creditors concurring with the request and the amount of their respective claims or values; and
 - Confirmation of concurrence from each creditor concurring. OR
 - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.

The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

2 STATUTORY INFORMATION

2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) under Court reference CR-2019-MAN-000128.

2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.

2.3 The Company's registered office was changed from Philips Park Road, Beswick, Manchester, M11 3FU, to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ on 21 March 2019. The registered number is 00698704. The Company traded as its registered name. It also traded as PPP Digital Imaging.

2.4 The Company operated from leasehold premises at Philips Park Road, Beswick, Manchester, M11 3FU.

2.5 The Company's directors and secretary are:

Name	Role	Date Appointed
Nigel Smith	Company secretary	31 March 2014
Nigel Smith	Director	1 August 1996
Craig Swift	Director	1 August 1996

2.6 The Company's authorised and issued share capital is 150,000 ordinary £1 shares and are owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
Craig Swift as trustees of Mr peter Swift Deceased	Ordinary	22,500	15%
Craig Swift	Ordinary	52,500	35%
Nigel Smith as trustees of Mr Geoffrey Smith Deceased	Ordinary	22,500	15%
Nigel Smith	Ordinary	52,500	35%
		150,000	100%

2.7 According to the information registered at Companies House, the Company has the following registered charges:

Chargeholder	Date created	Description	Amount secured £	Assets Charged
Bibby Financial Services Limited	6 August 2018	Debenture	All monies	All assets

2.8 As detailed in the initial letter to creditors pursuant to SIP16, Barclays Bank Plc ("Barclays"), had security by way of a debenture created on 25 July 2012. The Company had provided Barclays with a cross guarantee in respect of the Company's trading premises, which was owned personally by the Directors of the Company. At the date of the administration, Barclays had been repaid in full and the relevant forms to satisfy the debenture had been forwarded to Companies House. The relevant forms have subsequently been registered and the charge has been satisfied as at 7 March 2019.

2.9 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION

Initial Introduction

- 3.1 The Company was introduced to Leonard Curtis by RBS Invoice Finance Limited, the Company's prior Invoice Finance provider, in June 2018.
- 3.2 The Company had been suffering with cash flow problems and subsequently proposed a Company Voluntary Arrangement ("CVA") to its creditors on 23 July 2018. A virtual meeting of creditors held on 14 August 2018 was adjourned to 28 August 2018. The CVA Proposal was agreed by creditors at the adjourned virtual meeting of creditors held on 28 August 2018. Martin Maloney and Andrew Poxon of Leonard Curtis were appointed Joint Supervisors of the CVA on 28 August 2018. Further details are provided below.
- 3.3 A term of the agreed CVA Proposal was that should any voluntary contribution fall 30 days into arrears and remain so after 30 days, then this would constitute a default of the CVA. In December 2018, the Company was not in a position to make payment of the full monthly contribution due. In addition, the Company had accrued a post CVA HMRC debt which it was unable to pay and this was also a breach of the CVA terms.
- 3.4 Given the circumstances, the Directors sought advice from Leonard Curtis with regards the Company's position. A meeting was held with the Directors on 17 January 2019 where further insolvency advice was given. It was determined that the Company was not in a position to rectify the CVA position and the CVA would fail. The Directors instructed Leonard Curtis to assist in placing the Company into Administration on 27 February 2019.
- 3.5 It should be noted however that Leonard Curtis have received payments to date of £10,000 in respect of Nominees fees in respect of the above CVA. Funds held in the CVA are held on trust by the Supervisors of the CVA on behalf of creditors of the CVA and will be dealt with accordingly.
- 3.6 The Joint Administrators, Julien Irving and Andrew Poxon, did not consider the prior CVA to constitute a "significant prior professional relationship" under their Ethical Code. The CVA Proposal provided that the Joint Supervisors are authorised to act as advising members and accept nomination as Administrators should the Company enter Administration.
- 3.7 The Ethical Code provides that an Insolvency Practitioner may accept an appointment as Administrator following their appointment as Supervisor unless there are any circumstances that give rise to an unacceptable threat to compliance with the fundamental principles. In this instance, it is not considered there are any threats to the fundamental principles.
- 3.8 The Joint Administrators do not believe that the above involvement constitutes a significant personal or professional relationship which would affect their ability to deal with this matter objectively and prevent them from accepting this appointment.

Background Information

- 3.9 The Company was incorporated on 18 July 1961. The current Directors and Shareholders of the Company are Nigel Smith and Craig Swift.
- 3.10 The Company has traded as a manufacture of printing plates throughout its history. Over the course of the years there have been many changes in technology and the company has had to invest heavily over time to ensure that it kept up with the latest innovations in the printing industry.
- 3.11 The Company traded from Leasehold premises at Phillips Park Road, Beswick, Manchester M11 3FU. Upon our appointment, the Company employed 17 staff.
- 3.12 The Company has been funded by way of an Invoice Finance Facility. This facility was provided by RBS Invoice Finance Limited ("RBSIF") until October 2018 when the debtor ledger was refinanced by Bibby Financial Services

Limited ("Bibby"). Bibby hold security by way of a Debenture, incorporating Fixed and Floating Charges over all assets, created on 6 August 2018.

- 3.13 In addition, Barclays Bank Plc ("Barclays") held security by way of a Debenture, incorporating Fixed and Floating Charges over all assets, created on 25 July 2012. The Company had provided Barclays with a cross guarantee in respect of the Company's trading premises, which is owned personally by the Directors. Barclays have been repaid in full and the relevant forms to satisfy the debenture were sent to Companies House on 5 March 2019. The relevant forms have subsequently been registered and the charge has been satisfied as at 7 March 2019.
- 3.14 In 2015, the Company had a turnover of approximately £6 million approximately 58% of which consisted of flat plate making and 28% consisted of "in the round" ("ITR") plate making. The Company invested approximately £450,000 in equipment in order to diversify further into ITR technology which was felt to be the future of the industry. The Company had proven itself to be a leader in this technology within the UK but unfortunately the take up by customers has been particularly slow.
- 3.15 In 2016, the Company suffered a 60% reduction in flat plate making turnover whilst also experiencing an actual 28% drop in its ITR sales producing a total turnover of £4.8m and losses of £110,000. Subsequently the Directors invested £220,000 into the Company and made cuts in its workforce with a view to restoring profitability
- 3.16 In 2017, the Company's turnover dropped to £4.6 million with losses of £156,000. The Company's cash flow position has been weakened by the accumulation of losses and requirements of some principal customers to hold substantial varieties of sizes of stocks.
- 3.17 In October 2017, following environmental controversy surrounding plastic packaging there has been a sudden downturn in business as packaging company's research alternative types of packaging materials. One of the Company's primary customers began to experience cash flow difficulties which led to issues in obtaining payment of invoices amounting to c.£190k. The customer subsequently went into administration and the outstanding balance is expected to be written off.
- 3.18 As a result of the cash flow problems, the Directors sought independent advice resulting in the Proposal of the CVA with the Company's creditors to preserve the Company and its business and seek to maximise the realisable value of the Company's assets, which would likely not be achievable if the Company was placed into liquidation.
- 3.19 On 23 July 2018, a CVA Proposal was circulated to all creditors and notice of a virtual creditors meeting to be held on 14 August 2018 was included. This meeting was adjourned to 28 August 2018.
- 3.20 It was proposed that the Company would make monthly contributions in the sum of £11,500 per month for a period of 40 months, commencing in August 2018, from the respective post CVA trading activities.
- 3.21 The CVA was passed by the requisite majority of the creditors of the Company at a meeting held on 28 August 2018 and Martin Maloney and Andrew Poxon of Leonard Curtis were appointed as Joint Supervisors.
- 3.22 The Company commenced payments of the voluntary contributions however, in December 2018, the Company's cash flow position, meant that it was not able to make payment of the monthly contribution due, due to the loss of another customer. Furthermore, the Company's cash flow had suffered due to suppliers requiring payment on a pro-forma basis and as a result of the Christmas shut down period.
- 3.23 In addition, the Company was unable to pay the VAT due in respect of the VAT quarter ended 30 November 2019 to H M Revenue & Customs ("HMRC"). The terms of the CVA meant that the Company was required to pay all liabilities to HMRC on time.
- 3.24 Given the circumstances, the Directors sought advice from Leonard Curtis with regards the Company's position. A meeting was held with the Directors on 17 January 2019. The Directors advised that the Company was unable to make payment to HMRC and bring the voluntary contributions up to date and that the CVA would likely fail shortly.

Precision Printing Plates Limited - In Administration

- 3.25 It was concluded that the Company was insolvent, pursuant to S123 of The Insolvency Act 1986, as it was unable to pay debts as and when they fell due, evidenced by the HMRC arrears and the non-payment of the CVA contributions.
- 3.26 As a result the Company was unable to maintain its current workforce and the Company made one employee redundant on 21 February 2019 and a further 13 employees redundant on 26 February 2019.
- 3.27 It was considered that Administration was the most suitable insolvency procedure for the Company as it would best allow the possibility of selling the business as a going concern. It was considered that a sale, without the need for ongoing trading whilst in Administration, would be preferable to allow maximum value to be realised from the Company assets, particularly Goodwill, Intellectual Property, Book Debts and Chattel assets and to minimise the professional costs of the Administration. On 27 February 2018, the Directors formally instructed LCR to assist in placing the Company into Administration.
- 3.28 The Directors subsequently filed a Notice of Intention to Appoint an Administrator ("NOI") at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 27 February 2019 and this was served on the Company and Bibby and Barclays, as Qualifying Floating Charge Holders. The NOI proposed to appoint Julien Irving and Andrew Poxon of Leonard Curtis as Joint Administrators. The filing of the NOI created an interim moratorium in favour of the Company, providing necessary protection from enforcement action being commenced by creditors.
- 3.29 Cerberus Asset Management ("CAM"), RICS registered valuers, were instructed by the proposed Joint Administrators to assess the value of the chattel assets and intellectual property. CAM also assisted with the marketing of the business and assets.
- 3.30 Advantage ATO ("Advantage"), Chartered Accountants, were instructed, by the proposed Joint Administrators, to provide an independent valuation of the goodwill.
- 3.31 Following the formal instruction to assist in placing the Company into Administration, the business and assets were advertised for sale on the Leonard Curtis website and CAM's website from 27 February 2019 to 5 March 2019. The length of the marketing was determined by the requirement to find a purchaser as soon as possible given the cash constraints on the business. Please note the advert remained on the Leonard Curtis website until the sale had completed.
- 3.32 CAM has significant experience in managing asset sales. Marketing the opportunity on CAM's website would generate the greatest number of web traffic hits in the short time period available.
- 3.33 Leonard Curtis are a leading national business solutions practice and actively markets business opportunities through its 'businesses for sale' section of its website. Advertising on Leonard Curtis' website exposed the business to a range of potential purchasers with the interest and ability to complete a sale.
- 3.34 As a consequence of the marketing campaign described above a total of 6 expressions of interest were received.
- 3.35 The interested parties were issued with a Non-Disclosure Agreement ("NDAs"). 4 NDAs were returned and the relevant sale packs were issued.
- 3.36 In addition, two interested parties had approached the Directors directly with an interest to purchase the business and assets.
- 3.37 An offer to purchase the business and assets following the Company entering Administration, in the sum of £185,000, was received from Avocado Design Communications Limited ("the Purchaser"), an unconnected party.
- 3.38 In addition, a verbal offer of £100,000 was received from an unconnected party for the Plant & Machinery only.
- 3.39 The offer from the Purchaser was recommended for acceptance by CAM and Advantage, independent agents.

Precision Printing Plates Limited - In Administration

- 3.40 The Directors filed a Notice of Appointment at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 8 March 2019, appointing Julien Irving and Andrew Poxon as Joint Administrators. The sale of the business was completed shortly thereafter.
- 3.41 Julien Irving and Andrew Poxon are licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators may be exercised by either both, acting jointly or alone.

4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4.1 The Company's trading results for the years ending 31 August 2015, 31 August 2016 and 31 August 2017 are detailed below:

	Year Ended 31 Aug 2017 £	Year Ended 31 August 2016 £	Year Ended 31 August 2015 £
Turnover	4,781,011	5,084,543	6,170,009
Gross Profit	1,489,861	1,731,273	1,704,469
Gross Profit %	31.2%	34.0%	27.6%
Administrative expenses	(1,690,518)	(1,836,313)	(1,493,655)
Operating Profit/(Loss)	(200,657)	(105,040)	210,814
Interest received	1,356	9,098	6,360
Interest and charges paid	(26,156)	(27,700)	(4,467)
Profit/(Loss) before tax	(225,457)	(123,642)	212,707
Taxation	40,183	14,154	(22,925)
Profit/(Loss) for the year	(185,274)	(109,488)	189,782

4.2 The balance sheets as at 31 August 2015, 31 August 2016 and 31 August 2017 are detailed below:

	Year Ended 31 August 2017 £	Year Ended 31 August 2016 £	Year Ended 31 August 2015 £
Fixed Assets			
Tangible Assets	616,030	710,101	859,925
Current Assets			
Debtors	1,509,712	1,866,341	1,933,788
Cash at bank and in hand	23,558	30,804	86,474
Stocks	420,821	327,256	317,581
	1,954,091	2,224,401	2,337,843
Creditors: Amounts Falling due within one year	(2,383,471)	(2,535,618)	(2,635,650)
Net Current Assets/(Liabilities)	(429,380)	(311,217)	(297,807)
Total Assets less Current Liabilities	186,650	398,884	562,118
Creditors: Amounts falling due after more than year	(155,957)	(153,065)	(178,421)
Provision for liabilities	(28,962)	(58,814)	(87,204)
Net Assets	1,731	187,005	296,493
Represented by			
Called up share capital	150,000	150,000	150,000
Profit and Loss account	(148,269)	37,005	146,493
Shareholders' Funds	1,731	187,005	296,493

4.3 Please also note that the statutory accounts have not been audited. It should also be noted that no accounts have been prepared for the year ended 31 August 2018.

Statement of Affairs

4.4 The Directors are required to lodge a statement of affairs as at 08 March 2019 which has to be filed with the Registrar of Companies. This document has not yet been received. We anticipate that the Directors will require assistance with the preparation of this document and it is expected that an accountant will be instructed to provide assistance in this regard. An extension to the time period granted to the Directors to deliver this document has been granted in order to allow the Directors time to seek advice. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

4.5 Please note that no provision has been made in the Estimated Financial Position for costs and expenses of realisation, the costs of the Administration and any corporation tax which may be payable. The following comments are considered to be relevant and should be borne in mind when reading the figures:

Bibby

4.6 Bibby hold security by way of an All Assets Debenture incorporating Fixed and Floating Charges over the Company's assets created on 6 August 2018. Bibby provided an invoice finance facility to the Company. We

understand that the Directors of the Company have provided Personal Guarantees to Bibby. The Personal Guarantees are limited to £75,000 on a joint and several liability basis.

- 4.7 The outstanding financed debtor ledger at our appointment totalled £458,887 of which £351,983 was approved for funding.
- 4.8 The Company's indebtedness to Bibby on our appointment was £262,876. A termination charge of £24,230 has been applied following our appointment. Further interest and charges are applicable pursuant to the terms of the agreement.
- 4.9 I can advise that from appointment to 31 March 2019, debtor collections totalled £112,712.10 which have been paid to Bibby under their fixed charge.
- 4.10 It is anticipated that debtor collections will be sufficient to repay Bibby in full under their Fixed Charge

Prescribed Part

- 4.11 As the secured creditor is anticipated to be repaid in full under its fixed charge, there is no requirement to set aside a prescribed part in this case.

Preferential Claims

- 4.12 The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.
- 4.13 As detailed at 3.26, the Company made one employee redundant on 21 February 2019 and a further 13 employees redundant on 26 February 2019. These employees have claims for outstanding holiday pay.
- 4.14 For the purposes of this report our employment consultant has estimated preferential claims in respect of accrued holiday pay may total approximately £7,543.95.
- 4.15 The remaining 17 employees transferred to the Purchaser upon completion of the sale pursuant to TUPE Regulations.
- 4.16 One employee who transferred to the Purchaser under TUPE, had handed in his notice prior to the administration, and has a claim in the administration of wages due from 1 March 2019 to the date of administration, in the sum of £615.40.
- 4.17 In addition, there may be potential claims in respect of pension contributions, in the sum of £6,188.43, and the Joint Administrators have instructed agents to assist with this.
- 4.18 It is not anticipated that realisations will be sufficient to enable a distribution to preferential creditors.

Unsecured Claims

- 4.19 At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix I. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

Receipts and Payments

- 4.20 A receipts and payments account for the period of Administration to date is enclosed at Appendix C.

5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

Sale of Business

5.1 Prior to and upon appointment, the administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:

- Maximise asset realisations - enhanced realisations for the Company's physical assets and Intellectual Property has been achieved compared to ex-situ realisations most likely achievable on a cessation of trade. The Company's principal asset was its Debtor Ledger and it was considered that a pre-packaged sale would allow for business continuity and minimal disruption in trading which would result in enhanced debtor collections than if the Company had to cease trading. It was considered that a cessation of trade would severely impact on collections;
- Preservation of Goodwill - a pre-packaged sale would allow for a sale of Goodwill, which was unlikely to have been available if the Company ceased to trade. It was critical in maximising realisations from the Goodwill, that there was minimal disruption to trading. Trading the business during Administration would not have guaranteed an improved offer, and may, conversely have devalued Goodwill;
- Mitigation of employee claims and preservation of employment for staff - a pre-packaged sale allowed for the remaining 17 members of staff to transfer employment to the Purchaser. This has mitigated claims for unpaid Wages, accrued but unpaid Holiday Pay, Redundancy and Notice Pay which would have been due should the employees have been required to be made redundant on a cessation of trade;
- Mitigation of claims from the landlord - a pre-packaged sale allowed the Purchasers to enter into negotiations with the Landlord of the premises in respect of future occupation therefore potentially mitigating claims from the Landlord for the remainder of the Lease and dilapidations; and
- Mitigation of claims from finance companies - The Purchaser may be able to novate some or all of the finance agreements therefore mitigating unsecured claims. On cessation of trade or Liquidation, the assets would have been required to be returned to the finance creditors which would likely have resulted in additional unsecured claims for the remaining periods under the agreements.

5.2 An offer of £185,000 was made by Avocado Design Communications Limited (CRN: 04029885) ("the Purchaser") to the proposed Administrators. Following advice from our appointed agents, CAM, who had carried out valuations of the Company's physical assets, and Advantage, who had valued the Company's Goodwill, this offer was accepted and the business sale was concluded on 8 March 2019.

5.3 There is no connection between the Purchaser, the directors, shareholders or secured creditors of the Company.

5.4 The sales consideration of £185,000.00 was apportioned as follows:

FIXED CHARGE ASSETS	£
Goodwill	5,000.00
Intellectual Property	3,498.00
FLOATING CHARGE ASSETS	
Motor Vehicles	5,000.00
Plant and Machinery	159,500.00
Stock	12,000.00
Business Records	1.00
Contracts	1.00
TOTAL	<u>185,000.00</u>

5.5 The sales consideration in the sum of £185,000.00 is payable as follows:

Date	£
On completion	30,000.00
On or before 25 April 2019	14,100.00
On or before 25 May 2019	14,100.00
On or before 25 June 2019	14,100.00
On or before 25 July 2019	14,100.00
On or before 25 August 2019	14,100.00
On or before 25 September 2019	14,100.00
On or before 25 October 2019	14,100.00
On or before 25 November 2019	14,100.00
On or before 25 December 2019	14,100.00
On or before 25 January 2020	14,100.00
On or before 25 February 2020	14,000.00
Total	<u>185,000.00</u>

5.6 £30,000.00 has been received by the Joint Administrators solicitors, Eversheds Sutherland, and is being held to our order. In addition, the payment due on 25 April 2019 has been received by the Joint Administrators.

5.7 As part of the Sale and Purchase Agreement, the Purchaser has granted the Company a Fixed and Floating Charge Debenture as security over its assets. A Personal Guarantee, limited to £100,000, has been provided by Mark Bent and Justin Jenkins who are directors of the Purchaser. The personal guarantee has been provided to the Joint Administrators in respect of the deferred consideration.

5.8 The Joint Administrators granted the Purchaser a Licence to Occupy the Premises for a period of six months. Any sums due in respect of the lease are payable to the Joint Administrators on demand.

5.9 Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 8 March 2019 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16. A copy of the information provided is attached at Appendix J. Where a pre-packaged sale has been undertaken, the Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with the SIP16 notification. In this instance, the Proposals were not sent out at the same time as the SIP16 letter as the Joint Administrators were undertaking a review of the anticipated book debt collections and determining Bibby's indebtedness.

Factored Book Debts

5.10 As detailed in section 4 above, Bibby are continuing to collect the outstanding book debts.

5.11 The outstanding financed debtor ledger at our appointment totalled £458,887 of which £351,983 was approved for funding.

5.12 The Company's indebtedness to Bibby on our appointment was £262,876. A termination charge of £24,230 has been applied following our appointment. Further interest and charges are applicable pursuant to the terms of the agreement.

5.13 It is anticipated that debtor collections will be sufficient to repay Bibby in full under their Fixed Charge.

5.14 To 31 March 2019, £112,712.10 has been collected and paid to Bibby under their Fixed Charge.

Balance at Bank

5.15 The Company held 3 bank accounts with Royal Bank of Scotland Plc ("RBS"). At the date of appointment, the current account balance was £17,900.21, the suspense account balance was £14.44 and the euro account

balance was €1,145.64. The funds have been requested by the Joint Administrators and are anticipated to be received shortly.

Vehicle Tax Refund

- 5.16 A vehicle tax refund in the sum of £208.33 has been received in the Company's RBS account. The funds have been requested by the Joint Administrators and are anticipated to be received shortly.

Debtors not subject to fixed charge

- 5.17 €5,443.86 has been received in the Company's RBS account in respect of debtors not subject to the invoice discounting facility with Bibby. The funds have been requested by the Joint Administrators and are anticipated to be received shortly.

Professional Advisors and Subcontractors Used

- 5.19 On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
Eversheds Sutherland ("ES")	Legal advice	Time costs
Cerberus Asset Management ("CAM")	Asset valuation advice	Time costs
Advantage ATO ("Advantage")	Goodwill valuation advice	Time costs
EK Employment Consultants Ltd ("EK")	Handling of employee claims	Time costs
Insol Group Limited ("Insol")	Pension Scheme Advice	Time costs

ES

- 5.20 ES is a business law firm with market leading strength in offering commercial advice to businesses and business owners. ES were instructed by the Joint Administrators due to their long standing history of assisting insolvency office holders with insolvency matters.

CAM

- 5.21 CAM has extensive sector specific product knowledge and experience in managing asset sales. CAM has a long standing history of assisting insolvency practices with business and asset sales. They are supported by a team of RICS registered professionals who also specialise in security, removal and disposal of assets. CAM, were instructed by the Joint Administrators to assist with the valuation of the physical assets.

Advantage

- 5.22 Advantage, chartered accountants, were instructed to prepare a valuation report in respect of the Goodwill of the Company.

EK

- 5.23 EK provides Employment Rights Act services to the Insolvency Sector. One employee was made redundant on 21 February 2019 and a further 13 employees were made redundant on 26 February 2019 and are owed sums in respect of holiday pay, redundancy pay and pay in lieu of notice. A further employee that transferred to the Purchaser is owed sums in respect of wages. EK have been instructed to assist in handling the relevant employees' claims to the Redundancy Payments Office, liaising with the redundant employees as necessary.

- 5.24 This work has been sub-contracted out by the Joint Administrators as the extensive specialist knowledge EK have acquired over many years has allowed them to put effective systems in place to ensure claims are dealt with as quickly as possible.

Insol

- 5.25 Insol are a specialist pensions and insolvency agent. Insol have been instructed to produce a pension scheme report for the pension schemes that the Company operates and to advise the Joint Administrators of their obligations in respect of this scheme.
- 5.26 Insol have also been instructed to determine if there are any arrears of pension contributions and complete the relevant claims to the Redundancy Payments Office, if applicable, liaising with the pension providers as necessary. In addition, Insol have been instructed to deal with the pension scheme in which the Company is a trustee.
- 5.27 This work has been sub-contracted out by the Joint Administrators as the extensive specialist knowledge Insol have acquired over many years has allowed them to put effective systems in place to ensure any pension scheme obligations are dealt with as quickly as possible.
- 5.28 Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

6 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- (a) rescuing the Company as a going concern, or (if this cannot be achieved);
 - (b) achieving 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 (if (a) and (b) cannot be achieved);
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 The first objective is not capable of being achieved given the extent of historic liabilities.
- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that this objective is unlikely to be achieved as there is little prospect of a dividend to unsecured creditors.
- 6.4 The third objective is to realise property in order to make a distribution to secured and / or preferential creditors. This objective has already been achieved as Bibby have received a distribution under their Fixed Charge from debtor collections. It is anticipated that debtor collections will be sufficient to repay Bibby in full under their Fixed Charge. It is not anticipated that realisations will be sufficient to enable a distribution to preferential creditors.

7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, there is no requirement to seek such a decision from creditors.
- 7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was

delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.

- 7.4 If such a decision is requisitioned, creditors will again be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.
- 7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.
- 7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

8 EXTENSION OF ADMINISTRATION

- 8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of each secured creditor of the Company.
- 8.3 We believe that an extension to the administration will be necessary in this case, as the final deferred consideration payment is not due to 25 February 2020. Once received, the Joint Administrators will need to take steps to finalise the administration.
- 8.4 The appropriate body of creditors will be contacted in due course should an extension be required.

9 PRE-ADMINISTRATION COSTS

- 9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis Recovery	Carried out an assessment of the financial position with a view to establishing the appropriate insolvency procedure, providing insolvency advice to the directors and Company on the available options, liaising with the secured creditors with regards the strategy, marketing the company and liaising with interested parties, negotiating and agreeing the sale of business and assets and dealing with all appointment formalities.	£45,954.50	Nil	n/a	£45,954.50
CAM	Valuation of chattel assets	£5,000.00	Nil	n/a	£5,000.00
Advantage	Valuation of goodwill	£3,500.00	Nil	n/a	£3,500.00
Eversheds Sutherland	Preparing and executing the required sales and appointment documentation.	£15,504.32	Nil	n/a	£15,504.32
	Total	£69,958.82			£69,958.82

- 9.3 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £45,954.50 have been incurred which represents 114.5 hours at a rate of £401.35 per hour.

Work Undertaken by Leonard Curtis

- 9.4 In the period prior to Administration, Leonard Curtis provided insolvency advice to the Company and carried out an assessment of its financial position with a view to establishing the appropriate insolvency procedure for the Company.
- 9.5 The Joint Administrators evaluated the Company's financial position and advised that the Company was insolvent as it was unable to pay its liabilities as and when they fell due.
- 9.6 Subsequently it was advised that Administration was the most suitable form of insolvency procedure and the Joint Administrators assisted with formulating an administration strategy.
- 9.7 The work undertaken included but was not limited to:
- Advising the Company on which insolvency process would be most appropriate;
 - Dealing with all formalities in relation to the appointment of Administrators;
 - Attending meetings with the management of the business;
 - Liaising with the directors and secured creditors with regards to the strategy;
 - Obtaining the Company's relevant financial information;
 - Marketing of the business and dealing with interested parties;
 - Negotiating the sale of the business;
 - Drafting the SIP16 letter sent to creditors following our appointment;
 - Liaising with Eversheds Sutherland in respect of preparing and reviewing sale documentation;
 - Liaising with Eversheds Sutherland with regards to the appointment documents; and
 - Liaising with secured creditors with regard to obtaining deeds of release.

Work Undertaken by CAM

9.8 CAM were instructed to provide a valuation of all the Company's physical assets and to market the business and assets. The work carried out included:

- Marketing of the business and assets;
- Liaising with management to obtain details of Company owned assets;
- Attending the Company premises to prepare an inventory of assets held; and
- Asset valuation and recommendation of sale.

Work Undertaken by Advantage

9.9 Advantage were instructed by the Joint Administrators to prepare a valuation report in respect of the Goodwill of the Company. The work carried out included:

- Goodwill valuation, based on financial information supplied, and recommendation as to sale.

Work undertaken by Eversheds Sutherland

9.10 Following the decision to place the Company into administration, costs were incurred by Eversheds Sutherland in dealing with the formalities associated with placing the Company into administration, which included:

- Drafting the NOI and filing of the same in the High Court of Justice Business and Property Courts in Manchester. Serving the NOI on the Company, Bibby and Barclays;
- Preparing and executing the relevant paperwork in order to satisfy the Barclays charge;
- Checking if any winding up petitions had been presented in relation to the Company;
- Drafting the appointment documentation and filing of the same in the High Court of Justice Business and Property Courts in Manchester;
- Preparing and executing the required sales documentation; and
- Providing general legal advice in respect of the Joint Administrators' appointment.

9.11 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the secured creditors to this resolution.

10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

General

10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

Approval by appropriate body

10.2 The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination); each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.

- 10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the secured creditors and the outcome will be reported to all creditors in due course.

Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the secured creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:

- Details of the work that the Joint Administrators and their staff propose to undertake;
- The hourly rate or rates that the Joint Administrators and their staff propose to use; and
- The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £58,343.50 have been incurred to date which represents 149.6 hours at an average rate of £390.00 per hour.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £149,927.50. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.
- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to secured creditors for further approval.
- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H.
- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
If you would prefer this to be sent to you in hard copy please email recovery@leonardcurtis.co.uk or contact Rochelle Schofield of this office on 0161 831 9999.

Statement of Likely Expenses

- 10.10 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:
- (i) **Standard Expenses:** this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
 - (ii) **Case Specific Expenses:** this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and

they may not be drawn without the approval of the secured creditors in the same way as fees and the secured creditors will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

Further Updates

- 10.11 The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

11 ESTIMATED OUTCOME FOR CREDITORS

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.

- 11.2 The Estimated Outcome Statement assumes the following:

- a) That asset realisations are in line with those estimated at Appendix B;
- b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
- c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.

- 11.3 In summary:

- Secured creditors - It is anticipated that Bibby will be repaid in full under their Fixed Charge from book debt collections.
- Preferential creditors – it is considered unlikely that there will be sufficient realisations to enable a distribution to the preferential creditors.
- Unsecured creditors – it is considered unlikely that there will be sufficient realisations to enable a distribution to the unsecured creditors.

12 RELEASE OF ADMINISTRATORS FROM LIABILITY

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.

- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.

- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the secured creditors. The appropriate class of creditor will be contacted directly in this respect.

13 CONCLUSION

- 13.1 It is important that you give careful attention to this report and its Appendices.

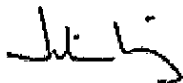
- 13.2 Creditors will be advised of the outcome on the deemed approval of the Proposals in due course.

Precision Printing Plates Limited - In Administration

Should you have any queries or require any further clarification please contact Rochelle Schofield at my office, in writing. Electronic communications should also include a full postal address.

for and on behalf of

PRECISION PRINTING PLATES LIMITED



**JULIEN IRVING
JOINT ADMINISTRATOR**

Julien Irving is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 13092 and Andrew Poxon is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 8620

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Julien Irving and/or Andrew Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Julien Irving and/or Andrew Poxon be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

APPENDIX B

ESTIMATED FINANCIAL POSITION AS AT 08 MARCH 2019

	Notes	Book value £	In Administration £
Assets specifically pledged			
Book Debts	1	458,887	316,785
Goodwill	2	Nil	5,000
Intellectual Property	3	Nil	3,498
less: Bibby	4	(287,106)	(287,106)
Surplus as regards fixed charge holder		<u>171,781</u>	<u>38,177</u>
Assets not specifically pledged			
Surplus from fixed charge holder		171,781	38,177
Plant and Machinery	5	250,000	159,500
Stock	6	250,076	12,000
Motor Vehicles	7	17,500	5,000
Business Records	8	1	1
Contracts	9	1	1
Balance at Bank	10	18,904	18,904
Tax Refund	11	208	208
Debtors not subject to fixed charge	12	4,701	4,701
		713,172	238,492
Preferential creditors	13	n/a	(14,348)
Net property available for prescribed part		<u>713,172</u>	<u>224,144</u>
Prescribed part	14	n/a	n/a
Available for floating charge creditor		713,172	224,144
Bibby	4	Nil	Nil
Surplus as regards floating charge holder		<u>713,172</u>	<u>224,144</u>
Add back prescribed part	13	n/a	n/a
Available for unsecured creditors		<u>713,172</u>	<u>224,144</u>
Unsecured creditors			
Trade and expense creditors	15	(21,648)	(21,648)
H M Revenue & Customs	16	(120,704)	(120,704)
Finance Creditor	17	(40,925)	(40,925)
Employees	18	(132,246)	(132,246)
CVA - Trade and expense creditors	19	(1,086,230)	(1,086,230)
CVA - H M Revenue & Customs	20	(332,812)	(332,812)
CVA - Finance Creditors	21	(80,108)	(80,108)
CVA - Employees	22	(196,569)	(196,569)
Directors' Loan Accounts	23	(19,908)	(19,908)
Total value of unsecured creditors		<u>(2,030,150)</u>	<u>(2,030,150)</u>
Estimated deficiency as regards unsecured creditors		<u>(1,316,978)</u>	<u>(1,806,006)</u>

APPENDIX B (CONTINUED)

NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers. It should be noted that no provision has been made for the costs and expenses of the administration.

1. Book Debts

The book value figure for the debtors have been taken from the Company records. It should be noted that these debts are subject to an invoice finance agreement with Bibby, who were owed £262,876 on our appointment. A termination charge of £24,230 has been applied following our appointment. Further interest and charges are applicable pursuant to the terms of the agreement.

The estimated to realise figure, in the sum of £316,785, is the approved ledger value with a 10% provision applied.

2. Goodwill

The book value of the Goodwill has been taken from the latest available management accounts as at 27 February 2019.

Advantage advised that the Goodwill of the business was negligible based on the business being loss making, having a negative balance sheet value and material HMRC arrears.

A sale of the Goodwill was completed on our appointment in the sum of £5,000.

3. Intellectual Property

The book value of the Intellectual Property has been taken from the latest available management accounts as at 27 February 2019.

CAM advised that the Intellectual Property had a value of between £1,000 and £20,000.

A sale of the Intellectual Property was completed on our appointment in the sum of £3,498.

4. Bibby

Bibby hold security by way of a Debenture incorporating Fixed and Floating Charges over the Company's assets created on 6 August 2018. Bibby provided an invoice finance facility to the Company.

The outstanding financed debtor ledger at our appointment totalled £458,887 of which £351,983 was approved for funding.

The Company's indebtedness to Bibby on our appointment was £262,876. A termination charge of £24,230 has been applied following our appointment. Further interest and charges are applicable pursuant to the terms of the agreement.

5. Plant and Machinery

The book value of the Plant and Machinery has been taken from the Company's management accounts as at 27 February 2019.

CAM advised that this asset class had a value of between £70,000 and £170,000.

A sale of the Plant and Machinery was completed on our appointment for £159,500.

6. Stock

The book value of the Stock has been taken from the Company's management accounts as at 27 February 2019.

CAM advised that this asset class had a value of between £8,000 and £38,000.

A sale of the Stock was completed on our appointment for £12,000.

7. Motor Vehicles

The book value of the Motor Vehicles has been taken from the Company's management accounts as at 27 February 2019.

CAM advised that this asset class had a value of between £4,000 and £7,500.

A sale of the Motor Vehicles was completed on our appointment for £5,000.

8. Business Records

The filed accounts for the year ended 31 August 2017 and management accounts for the period ended 27 February 2019 placed a nil value for the Business Records of the Company.

A formal valuation was not obtained for the business records, from experience in this sector, assets of this nature hold a nominal value in a sale of business and assets in an Administration. An offer of £1 was received from the Purchaser. The value achieved for the business records was after a period of marketing, where no formal offers were received from any party other than the Purchaser. The value has been determined on the open market and any value attributable to these assets is also reflected in the value achieved for the Goodwill. Should a sale not have been completed to the Purchaser, then we do not expect that any value would have been achieved in respect of the business records.

A sale of the Business Records was completed on our appointment for £1.

9. Contracts

The filed accounts for the year ended 31 August 2017 and management accounts for the period ended 27 February 2019 placed a nil value for the Contracts of the Company.

A formal valuation was not obtained for the Contracts, from experience in this sector, assets of this nature hold a nominal value in a sale of business and assets in an Administration. An offer of £1 was received from the Purchaser. The value achieved for the Contracts was after a period of marketing, where no formal offers were received from any party other than the Purchaser. The value has been determined on the open market and any value attributable to these assets is also reflected in the value achieved for the Goodwill. Should a sale not have been completed to the Purchaser, then we do not expect that any value would have been achieved in respect of the Contracts.

A sale of the Contracts was completed on our appointment for £1.

10. Balance at Bank

The Company held 3 bank accounts with Royal Bank of Scotland Plc ("RBS"). At the date of appointment, the current account balance was £17,900.21, the suspense account balance was £14.44 and the euro account balance was €1,145.64 (converted to £989.21 using the Bank of England exchange rate of 0.86346 as at 30 April 2019 for illustrative purposes). The funds have been requested by the Joint Administrators and are anticipated to be received shortly.

11. Vehicle Tax Refund

A vehicle tax refund in the sum of £208.33 has been received in the Company's RBS account. The funds have been requested by the Joint Administrators and are anticipated to be received shortly.

12. Debtors not subject to fixed charge

€5,443.86 (converted to £4,700.53 using the Bank of England exchange rate of 0.86346 as at 30 April 2019 for illustrative purposes) has been received in the Company's RBS account in respect of debtors not subject to the invoice discounting facility with Bibby. The funds have been requested by the Joint Administrators and are anticipated to be received shortly.

13. Preferential Creditors

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay and certain pension contributions.

As detailed at 3.26, the Company made one employee redundant on 21 February 2019 and a further 13 employees redundant on 26 February 2019. These employees have claims for outstanding holiday pay.

For the purposes of this report our employment consultant has estimated preferential claims in respect of accrued holiday pay may total approximately £7,543.95.

The remaining 17 employees transferred to the Purchaser upon completion of the sale pursuant to TUPE Regulations.

One employee who transferred to the Purchaser under TUPE, had handed in his notice prior to the administration, and has a claim in the administration of wages due from 1 March 2019 to the date of administration, in the sum of £615.40.

In addition, there may be potential claims in respect of pension contributions, in the sum of £6,188.43, and the Joint Administrators have instructed agents to assist with this.

14. Prescribed Part

As it is anticipated the secured creditors will be repaid in full under its fixed charge, there is no requirement to set aside a prescribed part in this case.

15. Trade and expense creditors

This figure has been taken from company records and should not be regarded as an agreed amount.

16. HM Revenue & Customs

This figure has been taken from company records and should not be regarded as an agreed amount.

17. Finance Creditor

This figure has been taken from company records and should not be regarded as an agreed amount.

18. Employees

The employee claims comprise of amounts due in respect of compensation in lieu of notice and redundancy claims to 14 employees that were made redundant in February 2019.

For the purposes of this report our employment consultant has estimated unsecured claims in respect of compensation in lieu of notice and redundancy claims may total approximately £132,245.57.

19. CVA - Trade and expense creditors

This figure has been taken from company records and should not be regarded as an agreed amount.

20. CVA - H M Revenue & Customs

This figure has been taken from company records and should not be regarded as an agreed amount.

21. CVA – Finance Creditors

This figure has been taken from company records and should not be regarded as an agreed amount.

22. CVA - Employees

This figure has been taken from company records and should not be regarded as an agreed amount.

23. Directors' Loan Accounts

This figure has been taken from company records and should not be regarded as an agreed amount.

APPENDIX B (CONTINUED)

ADMINISTRATION CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

Name	Address --					Per Statement of Affairs
ADT Fire & Security plc	Tyco Park	Grinshaw Lane	Newton Heath	Manchester	M40 2WL	743.99
Bibby Financial Services Limited	105 Duke Street	Liverpool	L1 5JQ			287,105.57
Brand Imaging Solutions Limited	c/o RBS Invoice Finance Limited	250 Bishopgate	London	EC2M 4AA		-
Craig Swift	c/o PPL Ltd Philips Park Road	Beswick	Manchester	M11 3FU		10,848.00
DHL Parcel UK Ltd	Express House	120 Buckingham Avenue	Slough		SL1 4LZ	-
E.ON UK Plc	Westwood Way	Westwood Business Park	Coventry	CV4 8LG		-
EE Ltd	EE Customer Services	6 Camberwell Way	Sunderland	Tyne and Wear	SR3 3XN	2,663.80
Esko Graphics BV	Kortrijksesteenweg 1095	9051 Gent	BELGIUM			3,992.44
Everflow Ltd	Wynyard Business Park	Wynyard	TS22 5FG			655.88
Fedex Express UK Ltd	C/O Compass House	Waterside	Hanbury Road	Bromsgrove	Worcestershire B60 4FD	370.66
Gallinet Ltd	Groucutt Street	Coseley	BILSTON	West Midlands	WV14 9BA	126.50
GMG Color Ltd	2nd Floor, 3 St James Court	Whitefars	Norwich	NR3 1RJ		6,665.20
HM Revenue & Customs	Durrington Bridge House	Barrington Road	Worthing	West Sussex	BN12 4SE	120,704.42
Hybrid Software NV	Guldensporenpark 18	Block B	19820 Merebeke	BELGIUM		925.00
Jelf Insurance	Partnership House	Monks Cross Drive	Monks Cross	York	YO32 9GZ	576.91
Keoghs LLP	2 The Parklands	Bolton	BL6 4SE			500.00
Kodak Ltd	Building 8	Halters Lane	Walford	Hertfordshire	WD18 8PX	-
Lombard North Central Plc	PO Box 520	Rotherham	South Yorkshire		S63 3BR	40,925.00
Maintel Europe Ltd	The Innovation Centre	Evolution Park	Haslingden Road	Blackburn	BB1 2FD	237.50
Manipal Digital Systems Private Ltd	Second Floor, Plot No 2-A(P)	Shivalli Industrial Area, Manipal	UDUPI, Karnataka - 576104	INDIA		3,361.29
Nigel Smith	c/o PPL Ltd Philips Park Road	Beswick	Manchester	M11 3FU		9,060.00
Redundancy Payments Service	PO Box 16685	Birmingham	B2 2LX			-
Royal Bank of Scotland	Commercial Cards Division	Debt Management Operations	PO Box 5747	Southend-on-Sea	SS1 9AJ	-
Sage UK Ltd	North Park	Newcastle Upon Tyne		NE13 9AA		715.00
Total Gas & Power	Bridge Gate	55-57 High Street	Redhill	Surrey	RH1 1RX	113.51
Employees	31 employees with a total preferential debt of					14,347.78
Employees	14 employees with a total unsecured debt of					132,245.57
Total						636,884.02

NOTE: Bibby Financial Services Limited hold security by of a Debenture incorporating a Fixed and Floating Charge over all assets created on 6 August 2018.

APPENDIX B (CONTINUED)

CVA CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

Name	Address --				Per Statement of Affairs
Acroy International Ltd	5 Atherton Close	Woodhouse Village	Fallsworth	Manchester	M35 9WZ
ADT Fire & Security Plc	PO Box 69	Manchester			M40 4BH
Airflow Compressors & Pneumati	Units 7/8	Plat Fold Industrial Estate	Plat Fold Street	Leigh	WN7 1JH
Alliance Insurance Plc	Allianz House	6 Church Street West	Woking	Surrey	GU21 6AZ
Amev Metering Limited	The Sherard Building	Edmund Halley Road	Oxford		OX4 4DQ
Aquacool Limited	Cobra Court	2 Scholar Green Road	Traford Park	Manchester	M32 0TR
Asahi Photoproducts UK LTD	1 Prospect Way	Hulton Industrial Estate	Sheffield	Essex	CM13 1XA
Aspect Accounting	47 Knowsley Street	Bury			BL9 0ST
B&M Waste Services	Iris House	Dock Road South	Bromborough	Wirral	CH62 4SQ
Black Horse Ltd	St William House	Cardiff			CF10 5BH
British Telecom	BT Business Accounts	TVTE 5th Avenue Business Park	Gateshead		NE82 6XX
Cartridge Save Limited	Accounts Department	5-6 Gregson Road	Reddish	Stockport	SK5 7SS
Chamber of Commerce	Elliot House	151 Deansgate	Manchester		M3 3WD
City Air Express (Northern) Ltd	Unit 1	Provident Industrial Estate	Pump Lane	Hayes	UB3 3NB
City Today Couriers Ltd (RBS IF)	Global House	Newbridge Lane	Stockport	Cheshire	SK1 2NX
CK Chemicals Ltd	16 Lady Lane Ind Estate	Hadleigh	Ipswich	Suffolk	IP7 6BQ
Coolair Services Ltd	Unit 5 Bredbury Park Way	Bredbury Industrial Park	Bredbury		SK6 2SN
Corporate Strategies	Tower 12	18/22 Bridge Street	Manchester		M3 3BZ
DNA IT Solutions Ltd	2 Brookside Barn	Pendle Road	Downham	Lancashire	BB7 4BP
DPD Local UK Ltd	15th Floor	Castlemead	Lower Castle Street	Bristol	BS1 3AG
Du Pont (UK) Ltd					
E.ON UK Plc	Westwood Way	Westwood Business Park	Coventry		CV4 8LG
EE Limited	Trident Place	Mosquito Way	Halefield		AL10 9BW
EFIA UK Ltd	PO Box 311	Leeds RETURNED POST			LS16 0FL
Esko Graphics nv	Kortrijksesteenweg 1095	9051 Gent	Belgium		
ESKO-Graphics BV/BA	Kortrijksesteenweg 1095	9051 Gent	Belgium		
Euler Hermes UK	1 Canada Square	London			E14 5DX
Everflow Ltd	The Old Brewery	Castle Eden			TS27 4SU
Funding Circle	71 Queen Victoria Street	London			EC4V 4AY
Gallinet Software Ltd	Groucutt Street	Coseley	West Midlands		WV14 9BA

Precision Printing Plates Limited - In Administration

GMG Color Ltd	2nd Floor	3 St James Court	Whitefriars	Norwich	NR3 1RJ	7,482.23
Godley Gardens Cheshire Ltd	35 Marlborough Road	Hyde	Cheshire		SK14 5HU	488.00
Godlieb Packaging Ltd (HSBC IF)	HSBC Invoice Finance (UK) Ltd	Unit 9 Guinness Road Trading Estate	Trafford Park	Manchester	M17 1SB	1,866.25
Green Equipment Ltd	PO Box 3338	Chester			CH2 2YF	288.00
HM Revenue & Customs - PAYE	Accounts Office	Cumbernauld	Glasgow		G67 1YZ	151,123.87
HM Revenue & Customs - VAT	Alexander House	21 Victoria Avenue	South End On Sea		SS99 1BF	181,687.83
Hybrid Software NV	Guldensporenpark 18	9820 Merelbeke	Belgium			92,014.00
Hygienique	3 Missouri Avenue	Salford			M50 2NP	132.09
Jelf Insurance Partnership	Partnership House	Priory Park East	Kingsdon Upon Hull		HU4 7DY	3,015.53
Johnsons Apparelmaster Ltd	Unit 14	Express Trading Estate	Stone Hill Road	Farnworth Bolton	BL4 9TP	585.09
Kodak Ltd	Building 8	Croxley Green Business Park	Hatters Lane	Watford	WD18 8PX	43,333.92
Kwik Fix	4 Long Street	Abbey Hey	Manchester		M18 8QW	19,041.60
Leaseplan UK Ltd (Network)	165 Bath Road	Slough	Berkshire		SL1 4AA	258.83
LIFLEX	Rynolite 1	463 53 Rynolite	Czech Republic			446.55
Lombard North Central	PO Box 52	Rotherham			S63 3BR	39,656.43
Mantel - Azzurri Communications Ltd						13.19
Manchester City Council	PO Box 3	Manchester			M15 5BA	33,890.00
Manipal Digital Systems Private Ltd	Second Floor, Plot No 2-A(P)	Shivalli Industrial Area	Manipal-576104	Karnataka	INDIA	10,469.77
Metronet UK Limited	Turling House	Archway 5	Hulme	Manchester	M15 5RL	633.60
Nationwide Franchising Sense Ltd	Nationwide House	Moss Bank Way	Bolton		BL1 8NP	336.00
Neales Waste Management	Asphall house	Walker Road	Walker Office park	Guide, Blackburn	BB1 2JZ	2,646.00
Packaging Reuse Disposal Serv (Skip)	Unit 10 Discovery Works	Third Avenue	Trafford Park	Manchester	M17 1BW	312.00
Penketh Group	Bassendale Road	Croft Business Park	Bromborough	Wirral	CH62 3QL	337.87
Redundancy Payments Service	PO Box 16685	Birmingham			B2 2LX	
Sage uk Ltd	North Park	Newcastle upon Tyne			NE13 9AA	1,816.68
Scamp Enterprises	Maple Lodge	Rathnally	Trim	Co Meath Ireland		5,065.53
Technoflex Equipment Service Ltd	29 Glen Avenue	Worsley	Manchester		M28 2RQ	4,519.20
Time Systems (UK) Ltd	Systems House	Newport Road	Wavendon	Milton Keynes	MK17 6AA	90.00
Total GP Ltd	Bridge Gate	55-57 High Street	Redhill	Surrey	RH1 1RX	101.05
TV Licensing	Darlington				DL98 1TL	150.50
Vitality Corporate Services Ltd	3 More London Riverside	London			SE1 2AQ	1,332.98
Weighmans LLP	100 Old Hall Street	Liverpool	Merseyside		L3 9QU	1,374.00
Yorkshire Paint - Ozchem Ltd	Queens Mill	Mill Street East	Dewsbury		WF12 9AQ	219.60
Zund Plotting Systems (UK) Ltd	Unit 1 Spring Valley Business Centre	Porters Wood	St Albans	Hertfordshire	AL3 6PD	3,000.00
Zurich Insurance Co	Zurich House	Stanhope Road	Portsmouth	Hampshire	PO1 1DU	6,245.58
Employees	14 employees with a total unsecured debt of					195,569.37
Total						1,694,718.14

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM
08 MARCH 2019 TO 30 APRIL 2019

	Statement of Affairs £	Received by Bibby £	Received by Joint Administrators £	Cumulative £
RECEIPTS				
Book Debts	316,785	112,710.10	-	112,710.10
Goodwill	5,000	-	381.08	381.08
Intellectual Property	3,498	-	266.60	266.60
Plant and Machinery	159,500	-	12,156.49	12,156.49
Stock	12,000	-	914.59	914.59
Motor Vehicles	5,000	-	381.08	381.08
Business Records	1	-	0.08	0.08
Contracts	1	-	0.08	0.08
Balance at Bank	18,904	-	-	-
Road Tax Refund	208	-	-	-
Debtors not subject to a fixed charge	4,701	-	-	-
	<u>525,598</u>	<u>112,710.10</u>	<u>14,100.00</u>	<u>126,810.10</u>
PAYMENTS				
None		-	-	-
		-	-	-
DISTRIBUTIONS				
Bibby		(107,630.24)	-	(107,630.24)
BALANCE IN HAND		<u>5,081.86</u>	<u>14,100.00</u>	<u>19,179.86</u>

NOTE:

The balance held by Bibby is in respect of VAT which is reclaimable in the administration

Please note that Eversheds Sutherland are holding the consideration to our order received on completion in the sum of £30,000 which is anticipated to be received by the Joint Administrators shortly and allocated as follows; Goodwill (£810.82), Intellectual Property (£567.24), Plant and Machinery (£25,864.86), Stock (£1,945.95), Motor Vehicles (£810.81), Business Records (£0.16) and Contracts (£0.16).

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Total		Average
	Units	Cost	hourly rate
	No	£	£
Financial assessment	10	450.00	450.00
Strategy and purpose evaluation	785	31,851.00	405.75
Preparation of documents	225	8,028.50	356.82
Chargeholder	125	5,625.00	450.00
	1,145	45,954.50	401.35

APPENDIX D (CONTINUED)

DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

Financial Assessment

The Joint Administrators held discussions with instructed agents to establish the Company's financial position and to determine the most appropriate strategy for the Company and its creditors.

Strategy & Purpose Evaluation

Significant time has been spent in relation to the strategy and purpose evaluation, by the proposed Joint Administrators and senior members of their staff due to the complexity and nature of the work required. This included but was not limited to:

- Meeting initially with the directors to ascertain all pertinent issues;
- Discussions with the directors and secured creditor to establish the Company's financial position and to determine the most appropriate strategy for the Company and its creditors.
- Planning the course of the administration and the best strategy to maximise realisations.
- Obtaining the Company's relevant financial information;
- Liaising with Bibby with regards to the strategy of the administration;
- Formulating and advertising a flyer to advertise the business for sale, liaising with all interested parties and issuing the non-disclosure forms. There were 6 expressions of interest received, 4 sales packs issued and two offers were received;
- Liaising with the interested parties with regards to the offer received;
- Liaising with the Purchaser following the acceptance of its offer;
- Instructing and liaising with agents with regards to the proposed administration; and
- Liaising with Eversheds Sutherland with regards the proposed administration.

Preparation of Documents

Time incurred in relation to this category of work has involved the following:

- Drafting a letter of engagement and ethical / conflict review paper work for review;
- Overseeing the preparation and filing of the Notice of Intention to Appointment an Administrator;
- Printing off and reviewing the sales documentation and arranging for the signing of the documents;
- Verifying the director and shareholder's identity in compliance with money laundering obligations;
- Setting up of the case file and completion of the pre-appointment requirements; and
- Drafting the SIP16 letter sent to creditors following our appointment.

Chargeholder

Time appended to this category consists of various correspondence with Bibby and Barclays regarding the administration strategy, their indebtedness and security. Time has been spent drafting short term cash forecasts and liaising with Bibby in respect of critical payments.

JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO DATE

	FEES ESTIMATE			INCURRED TO DATE		
	Total			Total		
	Units No	Cost £	Average hourly rate £	Units No	Cost £	Average hourly rate £
Statutory and review	527	18,914.00	358.90	110	4,848.00	440.73
Receipts and payments	241	7,643.00	317.14	59	2,026.50	343.47
Insurance, Bonding and Pensions	195	6,760.00	346.67	17	620.50	365.00
Assets	720	27,265.00	378.68	345	14,539.00	421.42
Liabilities	1,180	39,909.00	338.21	343	13,543.50	394.85
Landlords	104	3,911.00	376.06	15	675.00	450.00
Debenture Holder	102	3,891.00	381.47	16	694.50	434.06
General Administration	155	4,623.00	298.26	-	-	-
Appointment	118	3,143.00	266.36	118	3,143.00	266.36
Planning & Strategy	165	6,640.00	402.42	28	1,192.00	425.71
Post Appointment Creditors' Decisions	489	19,166.50	394.37	445	17,061.50	383.40
Investigations	234	8,062.00	344.53	-	-	-
	4,227	149,927.50	354.69	1,496	58,343.50	390.00

APPENDIX E (CONTINUED)

JOINT ADMINISTRATORS' FEES ESTIMATE

DETAILS OF WORK PROPOSED TO BE UNDERTAKEN

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews - LC Compliance Department will spend time during the Administration reviewing the Joint Administrators' case files. This will involve reviewing all correspondence, statutory documentation, creditor claims, asset realisations and procedures undertaken by the Joint Administrators before and upon their appointment. A report encompassing details of the review will subsequently be produced which is likely to contain recommendations to the Joint Administrators to ensure that all matters are being progressed and that adherence to statutory requirements continue to be met. Senior members of LC are likely to spend time reviewing the outcome of the report. Time will be incurred by the case administrators and managers conducting work recommended by the Compliance department. As the case progresses the case administrator will as a minimum carry out six monthly reviews to ensure that the case is progressing as planned;
- Allocation of staff, management of staff, case resourcing and budgeting – Time recorded to this category may include a degree of case planning. This is likely to involve a number of internal meetings in order to ensure that the purpose of the Administration is being achieved and that the actions taken by the Joint Administrators are in accordance with the duty to act in the interest of the company, its creditors and stakeholders;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- *The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;*
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements; and
- Completion of case closing procedures at the end of the case.

To date, time has been spent reviewing the file since appointment and case planning in order to ensure that the actions taken by the Joint Administrators are in accordance with the duty to act in the interest of the company, its creditors and stakeholders. Time has also been spent holding internal meeting and discussions to ensure that the purpose of the Administration is being achieved.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank account;
- Management of case bank account to ensure compliance with relevant risk management procedures;
- Regular review of case bank account by senior member of staff to ensure that fixed and floating charge assets have been properly identified;

- Preparation of periodic receipts and payments accounts for inclusion in statutory reports – as the case is anticipated to be extended by 6 months it is anticipated that in addition to the R&P included in this report there will be a further three prepared for two progress reports and the final report;
- Timely completion of all post appointment tax and VAT returns;
- Preparation and review of a number of periodic estimated outcome statements ("EOS") which will be used to monitor the progress of asset realisations and the administration generally; and
- Managing estate expenses.

To date, time has been spent opening the case bank account, reviewing the bank account for funds received and preparing an EOS.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice;
- Completion and submission of statutory notifications under the Pensions Act 2004. This includes liaising with the Company directors to establish the existence of Company pension schemes, making the statutory notifications under s22 and s120 of the pensions legislation; liaising with pensions providers to understand the nature of the scheme, and submitting claims to the Redundancy Payments Service for reimbursement of unpaid contributions to the scheme, if appropriate.
- Liaising with pension companies to arrange for prompt wind up of schemes – it is understood that the Company is the trustee of one of the pension scheme. Insol have been instructed to assist with winding up this scheme.

To date, time has been spent calculating and requesting the Joint Administrators bond. Time has also been spent making enquiries with regards to the pension schemes and submitting s120 and s 22 notices. Time has also been spent liaising with Insol with regards to the pension schemes. Time has been spent liaising with the Company to obtain the level of arrears in respect of the pension scheme contributions. Time has also been spent reviewing a letter received from the pension company detailing that the Company is a trustee of one of the pension schemes.

Assets

- Agreeing strategy for realisation of Company assets – time has been spent completing a sale of the Goodwill, Intellectual Property, Plant and Machinery, Stock, Motor Vehicles, Business Records and Contracts. A strategy has also been agreed upon in respect of the collection of book debts;
- Instruction of and liaising with agents as required – the Joint Administrators instructed CAM and Advantage to assist with the sale of business;
- Monitor deferred consideration;
- Monitor book debt collections - With regard to the debtors subject to an invoice finance facility, significant time is expected to be spent monitoring the debtor receipts on a regular basis. Time will be spent liaising with Bibby with regards to collections. The financed debtors are subject to a fixed charge and this asset will not be available to the general body of creditors except any VAT on fees which will be reclaimable in the administration, until Bibby have been repaid in full;
- Liaising with Company's bankers re pre-appointment bank accounts; and

- Identification and return of third party assets – Time has been spent liaising with Lombard in respect of their financed assets.

To date, time has been spent completing a sale of the assets and collecting the first instalment of deferred consideration. Significant time has been spent liaising with Bibby with regards to book debt collections. This has involved reviewing collections and liaising with Bibby with regards to the outstanding debtors and their collectability. Time has also been spent reviewing the position as receipts due to the Purchaser have been received by Bibby. Time has also been spent requesting the balance at bank from RBS. Time has also been spent liaising with Lombard in respect of their financed assets.

Liabilities

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's creditors – all claims received from the Company's 120 creditors will be logged. Should the Company enter into Liquidation, all claims will be collated and passed to the Liquidators. Claims are not being formally agreed at this stage as it is not anticipated that there will be a dividend to the unsecured creditors;
- Processing of claims from the Company's employees – In February 2019, 14 employees were made redundant and have outstanding sums due in respect of redundancy pay and pay in lieu of notice. Time will be spent liaising with the relevant employees to provide support in completing the relevant form in order to submit a claim to the Redundancy Payments Office. Time will be spent liaising with EK who are instructed to submit the relevant forms;
- Preparation, review and submission of pre-appointment tax and VAT returns;
- Preparation and submission of periodic progress reports to creditors – It is anticipated that the administration will be extended by 6 months, as such in addition to this report, there will be three progress reports which will be prepared during the lifetime of the case; and
- Preparation and submission of the Joint Administrators Initial Letter to creditors pursuant to SIP16.

Non-statutory

- Dealing with enquiries from the Company's creditors – this will include dealing with correspondence by way of telephone, email and post.
- Dealing with enquiries from the Company's employees - this will include dealing with correspondence by way of telephone and email.

To date, significant time has been spent finalising, reviewing and submitting the Joint Administrators Initial Letter to creditors pursuant to SIP16. Time has also been spent adding details of the creditors from the Company's books and records to our system. Time has also been spent dealing with the employees claims to the Redundancy Payments Office and liaising with EK in respect of these claims. Time has been spent logging any claims received. Further time has been spent dealing with enquiries from the Company's creditors and employees by telephone and email.

Landlords

- Review of current lease in respect of Company premises – Eversheds have been instructed to review the lease and time will be spent by the Administrators and their staff reviewing the report provided; and
- Liaising with landlords in respect of premises.

To date, time has been spent liaising with Eversheds in order to review the lease to establish if the Company has any obligations under the lease.

Debenture Holder

- Corresponding with the debenture holder in relation to the Administration; and
- Providing regular updates to the secured creditors.

To date, time has been spent providing regular updates to the secured creditor.

General Administration

This category of work does not result in a direct financial benefit for creditors; however it is necessary for these tasks to be completed in order to ensure the smooth and efficient progression of the administration:

- General planning matters;
- Setting up and maintaining the Administrators' records;
- Arranging collection and storage of company records; and
- Dealing with general correspondence and communicating with directors and shareholders.

Appointment

There are certain tasks which the Joint Administrators have a statutory obligation to undertake during the administration process. Other tasks are completed in order to ensure the administration is progressed to the benefit of all creditors and stakeholders. Actions completed to date are both statutory and non-statutory and include the following:

- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

Planning & Strategy

- Monitoring the Administration to ensure the strategy and purpose can be achieved.

To date, time has been spent monitoring the administration and reviewing work undertaken to ensure the strategy and purpose can be achieved.

Post Appointment Creditors' Decisions

Agreeing and reporting on our proposals and fee basis is a statutory requirement. Work will include:

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015; and
- Convening a decision by correspondence to agree Fees Estimate with appropriate body of creditors;
- Reporting on outcome of voting.

To date, significant time has been spent preparing and reviewing the Joint Administrators' Proposals and Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015.

Investigations

- Collecting and reviewing the Company's records;
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations. Statutory investigations will include determining if any of the following have occurred:

Precision Printing Plates Limited - In Administration

- Transactions at an Undervalue;
- Preferences;
- Transactions putting assets beyond the reach of creditors
- Misfeasance or breach of any fiduciary duty
- Wrongful trading
- Undue retention of Crown monies

JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	10.00
Bond Fee	Insurance bond	400.00
Document Hosting	Hosting of documents for creditors	84.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	85.95
Storage Costs	Storage of books and records	100.00
	Total standard expenses	766.95

Case Specific Expenses

Type	Description	Amount £
Debt Collection Fees	Costs of collection of debts	5,000.00
Legal Fees	Costs of appointed solicitors	10,000.00
Accountancy Fees	Accountancy Advice	6,000.00
Professional Fees	Handling of Employee Claims	350.00
Professional Fees	Costs of dealing with the pension schemes	2,000.00
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	50.00
	Total case specific expenses	23,400.00

APPENDIX G

ESTIMATED OUTCOME STATEMENT

	Secured	Preferential	Unsecured
	£'000	£'000	£'000
Amount estimated available to class of creditor	325	Nil	Nil
Amount due to creditor per Appendix B	(287)	(14)	(2,030)
Estimated dividend rate (as a %)	100%	-	-

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard	Complex
	£	£
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per individual

Precision Printing Plates Limited - In Administration

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload.	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
Type	First 100	Every addtl 10																								
ADM	£14.00	£1.40																								
CVL	£7.00	£0.70																								
MVL	£7.00	£0.70																								
CPL	£7.00	£0.70																								
CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the Insolvent entity and then recovered from the entity at a late stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

APPENDIX I

Insolvency (England and Wales) Rules 2016

Rule 14.4

Proof of Debt – General Form

Relevant date: 8 March 2019

Name of Company in Administration:

Precision Printing Plates Limited

Company registered number:

00698704

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

Precision Printing Plates Limited - In Administration

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

8. Details of any document by reference to which the debt relates

9. Signature of creditor (or person authorised to act on the creditor's behalf)

10. Date of signing:

11. Address of person signing (if different from 2 above)

12. Name in BLOCK LETTERS

13. Position with, or relation to, creditor

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.

APPENDIX J

**INFORMATION IN RELATION TO THE PRE-PACKAGED SALE
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16**

((3;s,2))

Please ask for : Rochelle Schofield
Our ref : M/38/RS/P981K/1040
Your ref :



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

14 March 2019

**TO ALL CREDITORS
TO ALL EMPLOYEES
TO THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES**

Dear Sir(s)/Madam

**PRECISION PRINTING PLATES LIMITED - IN ADMINISTRATION ("THE COMPANY")
HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER - COMPANY &
INSOLVENCY LIST (CHD) NO. CR-2019-MAN-000128
COMPANY NUMBER: 00698704**

I write to advise you that Andrew Poxon and I were appointed as Joint Administrators of the Company on 8 March 2019. Attached is formal Notice of our Appointment.

You are receiving this notice because the Company's records show that you are a creditor of the Company. The Company's creditors will fall into one of the following categories:

- Secured creditors – a creditor who has the benefit of a security interest over some or all of the assets of the Company (e.g. banks, factoring providers);
- Preferential creditors – creditors who have a preferential right to payment out of the Company's assets once realised (e.g. employees in respect of arrears of pay and holiday pay, subject to certain limits); and
- Unsecured creditors – a creditor other than a preferential creditor that does not have the benefit of any security interests in the assets of the Company (e.g. ordinary trade suppliers; employees (to the extent that their claims are not preferential)).

In our role as Joint Administrators, we are obliged to perform our functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of creditors as a whole.

Where a sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator and the Administrator effects the sale immediately on, or shortly after, appointment this is known as a pre-packaged sale or "pre-pack".

It is in the nature of a pre-packaged sale in an Administration that unsecured creditors are not given the opportunity to consider the sale of the business or assets before it takes place. It is important, therefore, that you are provided with a detailed explanation and justification of why a pre-packaged sale was undertaken, so that you can be satisfied that we have acted, where necessary, with due regard for your interests.

In this case, a sale of the Company's business and assets to Avocado Design Communications Limited (CRN:04029885) ("the Purchaser") was completed on 8 March 2019. Set out at Appendix A is a summary of the circumstances and information relevant to this sale that we are required to disclose. There is no connection between the Purchaser, the directors, shareholders or secured creditors of the Company.

Company Number 4200476 (England) Reg Office: Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ
All Leonard Curtis Recovery Limited Insolvency Practitioners, with the exception of Stuart Robb, are licensed in the UK by the ICAEW. Stuart Robb is licensed in the UK by ICAS.

www.leonardcurtis.co.uk

Tower 12
18/22 Bridge Street
Spinningfields
Manchester M3 3BZ

Tel: 0161 831 9999
Fax: 0161 831 9090

With regard to orders placed by the Company prior to Administration but not yet delivered, suppliers should obtain confirmation from the Purchaser that the goods or services are still required and, if so, an order may be placed with the purchasing company. It should be noted that goods sold and delivered by the Company since Administration commenced must be paid for in full and cannot be set off against any claims against the Company.

You will appreciate that, as a result of the Administration, your previous account with the Company is frozen and neither the Administrators nor the Purchaser are in a position to deal with claims of unsecured creditors. Nevertheless, we should be grateful if you would let us have a detailed account of the amount owing to you as at the date of Administration. Your account, and any future correspondence in connection with the Company, should be sent to our address. Please remember to provide your full name, address, telephone number and email address for our records. If you are claiming title to goods supplied by you, please let us have full details, including your conditions of sale. If you believe you have a claim to goods it is imperative that you contact us as soon as possible and, if necessary, arrange a date to identify the goods in question. Failure to do so may prejudice your claim if any goods to which you claim title have been sold. We will not be liable in the event that goods are sold prior to notice of any valid retention of title claim being received.

Under the provisions of Paragraph 43 of Schedule B1 to the Insolvency Act 1986 ("the Act") no steps may be taken by any creditor to enforce any security over the Company's property or to repossess goods in the Company's possession under any hire purchase agreement (which includes conditional sale agreements, chattel asset leasing agreements and retention of title agreements) without the consent of the Joint Administrators or leave of the Court.

Also no other proceedings and no execution or other legal process may be commenced or continued, and no distress may be levied against the Company or its property except with the consent of the Joint Administrators or leave of the Court.

Where a pre-packaged sale has been undertaken, the Administrators should circulate their Proposals as soon as practicable after appointment, and where possible with this notification. In this instance, the Proposals are not being sent out at the same time as this letter. The Joint Administrators have yet to receive confirmation from the Secured creditor of the application of Termination Fees and Charges to the Invoice Finance Facility provided to the Company. The application of Fees and Charges by the Secured creditor may impact on the availability of any surplus funds from the Debtor Ledger that could be distributable to Preferential and / or unsecured creditors.

We anticipate circulating the Joint Administrators Report and Proposals within the next 14 days. At that time, the Joint Administrators will be seeking, from the appropriate body of creditors, approval of the basis upon which their remuneration is to be calculated. A Creditor's guide to Administrators' fees (Version 4 issued April 2017), which sets out the rights of creditors in this respect, is available from our office free of charge or may be downloaded from:

<https://www.r3.org.uk/what-we-do/publications/professional/fees>.

You are also encouraged to visit the following website, which provides a step by step guide designed to help creditors navigate through an Insolvency process:

www.creditorinsolvencyguide.co.uk

If you have any information regarding the conduct of the directors which you feel should be brought to our attention, any concerns regarding the way in which the Company's business has been conducted or information on potential recoveries or any particular matters which you consider require investigation, please send full details to this office at the address given below. This request forms part of our statutory investigation procedures and does not necessarily imply any criticism of the directors.

Data Protection

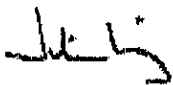
Finally, when submitting details of your claim in the administration, you may disclose personal data to us. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. We act as Data Controller

In respect of personal data we obtain in relation to this administration and are therefore responsible for complying with Data Protection Law in respect of any personal data we process. Our privacy notice, which is attached to this letter at Appendix D, explains how we process your personal data. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

Insolvency practitioners at Leonard Curtis are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

We remind you that the Joint Administrators are agents of the Company and contract without personal liability.

Yours faithfully
for and on behalf of
PRECISION PRINTING PLATES LIMITED



JULIEN IRVING
JOINT ADMINISTRATOR

Julien Irving and Andrew Poxon are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 13002 and 8820, respectively

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

Enc

**PRECISION PRINTING PLATES LIMITED ("the Company")
(IN ADMINISTRATION)**

**INFORMATION REGARDING THE PRE-PACKAGED SALE OF THE BUSINESS AND ASSETS OF
PRECISION PRINTING PLATES LIMITED**

1 INITIAL INTRODUCTION

- 1.1 The Company was introduced to Leonard Curtis by RBS Invoice Finance Limited, the Company's prior Invoice Finance provider, in June 2018.
- 1.2 The Company had been suffering with cash flow problems and subsequently proposed a Company Voluntary Arrangement ("CVA") to its creditors on 23 July 2018. A virtual meeting of creditors held on 14 August 2018 was adjourned to 28 August 2018. The CVA Proposal was agreed by creditors at the adjourned virtual meeting of creditors held on 28 August 2018. Martin Maloney and Andrew Poxon of Leonard Curtis were appointed Joint Supervisors of the CVA on 28 August 2018. Further details are provided below.
- 1.3 A term of the agreed CVA Proposal was that should any voluntary contribution fall 30 days into arrears and remain so after 30 days, then this would constitute a default of the CVA. In December 2018, the Company was not in a position to make payment of the full monthly contribution due. In addition, the Company had accrued a post CVA HMRC debt which it was unable to pay and this was also a breach of the CVA terms.
- 1.4 Given the circumstances, the Directors sought advice from Leonard Curtis with regards the Company's position. A meeting was held with the Directors on 17 January 2019 where further insolvency advice was given. It was determined that the Company was not in a position to rectify the CVA position and the CVA would fail. The Directors instructed Leonard Curtis to assist in placing the Company into Administration on 27 February 2019.
- 1.5 It should be noted however that Leonard Curtis have received payments to date of £5,000 in respect of Nominees fees in respect of the above CVA. Funds held in the CVA are held on trust by the Supervisors of the CVA on behalf of creditors of the CVA and will be dealt with accordingly.
- 1.6 The Joint Administrators, Julien Irving and Andrew Poxon, did not consider the prior CVA to constitute a "significant prior professional relationship" under their Ethical Code. The CVA Proposal provided that the Joint Supervisors are authorised to act as advising members and accept nomination as Administrators should the Company enter Administration.
- 1.7 The Ethical Code provides that an Insolvency Practitioner may accept an appointment as Administrator following their appointment as Supervisor unless there are any circumstances that give rise to an unacceptable threat to compliance with the fundamental principles. In this instance, it is not considered there are any threats to the fundamental principles.
- 1.8 We do not believe that the above involvement constitutes a significant personal or professional relationship which would affect our ability to deal with this matter objectively and prevent us from accepting this appointment.

2 PRE-APPOINTMENT CONSIDERATIONS

The extent of the Administrators' Involvement prior to the appointment and the Role of the Insolvency Practitioner ("IP")

2.1 Following our instruction, we wrote formally to the directors of the Company informing them that our role before any formal appointment would involve providing the following services:

- i) advising them on which insolvency process would be most appropriate for the Company;
- ii) dealing with all formalities relating to the appointment of Administrators including giving appropriate notification of the intention to make such appointment to secured creditors and other parties entitled to receive notice;
- iii) preparing any report(s) necessary and attending Court hearings if appropriate;
- iv) advising them on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators;
- v) advising them on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors.

2.2 We made it clear that these services were to be given for the benefit of the creditors of the Company and that our role was not to advise the directors in their personal capacity. We recommended that they seek their own independent advice if they were uncertain on any matter.

2.3 Finally, we explained that initially an IP acts as professional adviser to the Company with responsibilities only to it and its directors. At this stage of the process the IP will assist the directors in making the right decision about what is the correct option for them to pursue in the best interests of creditors having regard to the Company's circumstances. In this case, we advised the directors that the Company was insolvent and that steps be taken to place it into Administration.

2.4 Once the Company has been placed into Administration, the IP becomes Administrator with different functions and responsibilities. The Administrator is obliged to perform his functions and responsibilities in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, he has a duty not to unnecessarily harm the interests of creditors as a whole.

Background Information

2.5 The Company was incorporated on 18 July 1961. The current Directors and Shareholders of the Company are Nigel Smith and Craig Swift.

2.6 The Company has traded as a manufacturer of printing plates throughout its history. Over the course of the years there have been many changes in technology and the company has had to invest heavily over time to ensure that it kept up with the latest innovations in the printing industry.

2.7 The Company traded from Leasehold premises at Phillips Park Road, Beswick, Manchester M11 3FU. Upon our appointment, the Company employed 17 staff.

2.8 The Company has been funded by way of an Invoice Finance Facility. This facility was provided by RBS Invoice Finance Limited ("RBSIF") until October 2018 when Bibby Financial Services Limited ("Bibby") replaced RBSIF. Bibby hold security by way of a Debenture, incorporating Fixed and Floating Charges over all assets, created on 6 August 2018.

- 2.9 In addition, Barclays Bank Plc ("Barclays") held security by way of a Debenture, incorporating Fixed and Floating Charges over all assets, created on 25 July 2012. The Company had provided Barclays with a cross guarantee in respect of the Company's trading premises, which is owned personally by the Directors. Barclays have been repaid in full and the relevant forms to satisfy the debenture were sent to Companies House on 5 March 2019 and are anticipated to be filed shortly.
- 2.10 In 2015, the Company had a turnover of approximately £6 million approximately 58% of which consisted of flat plate making and 28% consisted of "in the round" ("ITR") plate making. The Company invested approximately £450,000 in equipment in order to diversify further into ITR technology which was felt to be the future of the industry. The Company had proven itself to be a leader in this technology within the UK but unfortunately the take up by customers has been particularly slow.
- 2.11 In 2016, the Company suffered a 60% reduction in flat plate making turnover whilst also experiencing an actual 28% drop in its ITR sales producing a total turnover of £4.8m and losses of £110,000. Subsequently the Directors invested £220,000 into the Company and made cuts in its workforce with a view to restoring profitability.
- 2.12 In 2017, the Company's turnover dropped to £4.6 million with losses of £156,000. The Company's cash flow position has been weakened by the accumulation of losses and requirements of some principal customers to hold substantial varieties of sizes of stocks. Consequently, stock holdings were particularly high. Despite the fact that the Directors considered their product to be superior to many in the industry, general trading conditions were difficult and which made it impossible to achieve the required margins.
- 2.13 In October 2017, following environmental controversy surrounding plastic packaging there has been a sudden downturn in business as packaging company's research alternative types of packaging materials. One of the Company's primary customers began to experience cash flow difficulties which led to issues in obtaining payment of invoices amounting to c.£190k. The Company was not prepared for this sudden reduction and thus incurred further losses. Reduced cash flow restricted the purchase of materials which contributed to the spiral of falling sales. As creditor pressure intensified the Directors made an assessment that the business was not sustainable in its current form.
- 2.14 As a result of the cash flow problems, the Directors sought independent advice resulting in the Proposal of the CVA with the Company's creditors to preserve the Company and its business and seek to maximise the realisable value of the Company's assets, which would likely not be achievable if the Company was placed into liquidation.
- 2.15 On 23 July 2018, a CVA Proposal was circulated to all creditors and notice of a virtual creditors meeting to be held on 14 August 2018 was included. This meeting was adjourned to 28 August 2018.
- 2.16 It was proposed that the Company would make monthly contributions in the sum of £11,500 per month for a period of 40 months, commencing in August 2018, from the respective post CVA trading activities.
- 2.17 The CVA was passed by the requisite majority of the creditors of the Company at a meeting held on 28 August 2018 and Martin Maloney and Andrew Poxon of Leonard Curtis were appointed as Joint Supervisors.
- 2.18 The Company commenced payments of the voluntary contributions however, in December 2018, the Company's cash flow position, meant that it was not able to make payment of the monthly contribution due. The Company's cash flow had suffered due to suppliers requiring payment on a pro-forma basis and as a result of the Christmas shut down period.
- 2.19 In addition, the Company was unable to pay the VAT due in respect of the VAT quarter ended 30 November 2019 to H M Revenue & Customs ("HMRC"). The terms of the CVA meant that the Company was required to pay all liabilities to HMRC on time.

- 2.20 Given the circumstances, the Directors sought advice from Leonard Curtis with regards the Company's position. A meeting was held with the Directors on 17 January 2019. The Directors advised that the Company was unable to make payment to HMRC and bring the voluntary contributions up to date and that the CVA would likely fail shortly.
- 2.21 It was concluded that the Company was insolvent, pursuant to S123 of The Insolvency Act 1986, as it was unable to pay debts as and when they fell due, evidenced by the HMRC arrears and the non-payment of the CVA contributions.
- 2.22 As a result the Company was unable to maintain its current workforce and the Company made one employee redundant on 21 February 2019 and a further 13 employees redundant on 26 February 2019.
- 2.23 It was considered that Administration was the most suitable insolvency procedure for the Company as it would best allow the possibility of selling the business as a going concern. It was considered that a sale, without the need for ongoing trading whilst in Administration, would be preferable to allow maximum value to be realised from the Company assets, particularly Goodwill, Intellectual Property, Book Debts and Chattel assets and to minimise the professional costs of the Administration. On 27 February 2018, the Directors formally instructed LCR to assist in placing the Company into Administration.
- 2.24 The Directors subsequently filed a Notice of Intention to Appoint an Administrator ("NOI") at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 27 February 2019 and this was served on the Company and Bibby and Barclays, as Qualifying Floating Charge Holders. The NOI proposed to appoint Julien Irving and Andrew Poxon of Leonard Curtis as Joint Administrators. The filing of the NOI created an Interim moratorium in favour of the Company, providing necessary protection from enforcement action being commenced by creditors.
- 2.25 Cerberus Asset Management ("CAM"), RICS registered valuers, were instructed by the proposed Joint Administrators to assess the value of the chattel assets and intellectual property. CAM also assisted with the marketing of the business and assets.
- 2.26 Advantage ATO ("Advantage"), Chartered Accountants, were instructed, by the proposed Joint Administrators, to provide a valuation of the goodwill.
- 2.27 Following the formal instruction to assist in placing the Company into Administration, the business and assets were advertised for sale on the Leonard Curtis website and CAM's website from 27 February 2019 to 5 March 2019. The length of the marketing was determined by the requirement to find a purchaser as soon as possible given the cash constraints on the business. Please note the advert remained on the Leonard Curtis website until the sale had completed.
- 2.28 CAM has significant experience in managing asset sales. Marketing the opportunity on CAM's website would generate the greatest number of web traffic hits in the short time period available.
- 2.29 Leonard Curtis are a leading national business solutions practice and actively markets business opportunities through its 'businesses for sale' section of its website. Advertising on Leonard Curtis' website exposed the business to a range of potential purchasers with the interest and ability to complete a sale.
- 2.30 In addition, two interested parties had approached the Directors directly with an interest to purchase the business and assets.
- 2.31 As a consequence of the marketing campaign described above a total of 6 expressions of interest were received.
- 2.32 The interested parties were issued with a Non-Disclosure Agreement ("NDAs"). 4 NDAs were returned and the relevant sale packs were issued.

- 2.33 An offer to purchase the business and assets following the Company entering Administration, in the sum of £185,000, was received from Avocado Design Communications Limited ("the Purchaser"), an unconnected party. This offer was recommended for acceptance by CAM, and Advantage, independent agents.
- 2.34 The Directors filed a Notice of Appointment at High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) on 5 March 2019, appointing Julien Irving and Andrew Poxon as Joint Administrators. The sale of the business was completed shortly thereafter.
- 2.35 Julien Irving and Andrew Poxon are licensed by the Institute of Chartered Accountants in England and Wales. In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators may be exercised by either both, acting jointly or alone.

Alternative courses of action considered by the Administrator

Do Nothing

- 2.38 We advised the Directors that they could choose to do nothing which would likely result in winding up action taken by the Company's creditors or the CVA Supervisors. The Directors were advised of their fiduciary duties to the Company and the implications of potentially trading whilst insolvent and the potential actions against the Directors by any subsequently appointed Administrator or Liquidator. We advised management that they had an overriding duty to protect the Company's assets and to minimise the Company's liabilities to its creditors and members generally. Doing nothing would risk asset values diminishing and the creditor position being made worse. The Directors agreed that doing nothing was not an option and discounted this option.

Sale of Shares by Management

- 2.39 Given the distressed position of the business, a sale of its Shares by Management was not considered to be viable for the following reasons:
- The Company was subject to increasing creditor pressure and was at risk of being wound up. Immediate funding was required to satisfy the creditor position given the financial position of the Company;
 - Any prospective purchaser of the Shares would have to inject significant capital into the business at the outset to satisfy the Company's indebtedness to HMRC, its trade creditors and Bibby;
 - The support of current management would be fundamental in taking the business forward and their cooperation could not be guaranteed; and
 - The marketing campaign undertaken (detailed below) would still allow for any potentially interested party to make an offer for the shares of the Company. No third party offers have been received.
- 2.40 The Company was considered to represent a high risk investment with little prospect of receiving a return for any investment made due to the funds required to alleviate the creditor position and adhere to the terms of the CVA. It was considered extremely unlikely that a share sale would have completed and this process was therefore discounted.

Variation to the existing CVA

- 2.41 A CVA was in force prior to the appointment of the Administrators as detailed above. Turbulence in the market and the requirements of suppliers to work on a pro forma basis pressurised cash flow ultimately reducing funds available for contributions. Any variance in the duration of the CVA and contributions to it, would have been unlikely to have been accepted by creditors.

2.42 This option was discounted.

Sale of the business and / or assets by the Administrator with or without on-going trading

2.43 It was considered that Administration would best allow for a sale of the business and assets to be negotiated and completed, which should result in Improved realisations, particularly in respect of the Goodwill, Intellectual Property, physical assets, and Debtors.

2.44 A sale of the business and assets, by way of a pre-packaged sale, was considered necessary to allow the following:

- Maximise asset realisations - enhanced realisations for the Company's physical assets and Intellectual Property has been achieved compared to ex-situ realisations most likely achievable on a cessation of trade. The Company's principal asset was its Debtor Ledger and it was considered that a pre-packaged sale would allow for business continuity and minimal disruption in trading which would result in enhanced debtor collections than if the Company had to cease trading. It was considered that a cessation of trade would severely impact on collections;
- Preservation of Goodwill - a pre-packaged sale would allow for a sale of Goodwill, which was unlikely to have been available if the Company ceased to trade. It was critical in maximising realisations from the Goodwill, that there was minimal disruption to trading. Trading the business during Administration would not have guaranteed an improved offer, and may, conversely have devalued Goodwill;
- Mitigation of employee claims and preservation of employment for staff - a pre-packaged sale allowed for the remaining 17 members of staff to transfer employment to the Purchaser. This has mitigated claims for unpaid Wages, accrued but unpaid Holiday Pay, Redundancy and Notice Pay which would have been due should the employees have been required to be made redundant on a cessation of trade;
- Mitigation of claims from the landlord - a pre-packaged sale allowed the Purchasers to enter into negotiations with the Landlord of the premises in respect of future occupation therefore potentially mitigating claims from the Landlord for the remainder of the Lease and dilapidations;
- Mitigation of claims from finance companies - The Purchaser may be able to novate some or all of the finance agreements therefore mitigating unsecured claims. On cessation of trade or Liquidation, the assets would have been required to be returned to the finance creditors which would likely have resulted in additional unsecured claims for the remaining periods under the agreements; and
- In the opinion of our Agents and Advisors, a sale of the business and assets would result in a better outcome for creditors due to the enhanced level of asset realisations available in an in-situ sale rather than on a forced sale basis.

2.45 The Company had insufficient cash assets to enable the Joint Administrators to continue trading whilst they marketed the business for sale post Administration. The Directors and Shareholders also confirmed that they were not in a position to introduce funding at this time. In addition, Bibby were not in a position to provide funding over and above their existing facilities. Without Working Capital, trading during administration was not possible.

2.46 Furthermore, the professional costs of trading the business and associated overhead costs, which would rank as an expense of the Administration, could not be justified given the size of the Company's operation and the anticipated uplift in asset value that a going concern sale was likely to achieve. It was therefore not considered appropriate for the Joint Administrators to continue trading the business following their appointment.

- 2.47 Given the above, the proposed Joint Administrators strategy was to initially focus on achieving a pre-packaged sale of the Company's business and assets immediately, or shortly following, the Administration. Further details on why it was not appropriate to trade the business, and offer it as a Going Concern, during the Administration are detailed below at 2.65.
- 2.48 Given all of the above it was considered that Administration provided the best prospect of achieving the best outcome for all Stakeholders. The business was marketed for sale on the Leonard Curtis website and CAM's website from 27 February 2019. Further details of the marketing strategy adopted are detailed at section 3 below.
- 2.49 An offer of £185,000, for the business and assets as a going concern, was received from the Purchaser, an unconnected company. Based on our Independent Agents recommendations this offer was accepted.
- 2.50 We are therefore of the opinion that a pre-packaged sale of the business ("pre-pack") was the most appropriate process to maximise realisations.
- 2.51 If a Going Concern sale, by way of a pre-packaged sale, could not be achieved, then the Joint Administrators would be required to cease trading immediately following their appointment, for the reasons stated above, and conduct an orderly wind down of the Company's affairs.

Liquidation and subsequent forced sale of the Company's assets

- 2.52 The Directors could have placed the Company into Creditors Voluntary Liquidation ("CVL"), or allowed the Company to be placed into Compulsory Liquidation, which would have resulted in the closure of the business and redundancy of all staff.
- 2.53 Liquidation would have resulted in reduced asset realisations.
- 2.54 It is anticipated that the debtor ledger would likely perform significantly worse in a cessation of trade scenario. With no on-going service to customers, disputes and off-sets would be expected. Management and key staff, who are key to debtor relationships may refuse to assist with collections. Significant disruption to customers would occur as customers would have to source alternative suppliers at no notice which would likely leave to set off and counter claims against the debts due.
- 2.55 Furthermore, the Goodwill would hold little or no value given the cessation of trade.
- 2.56 On cessation of trade, the physical assets would have been sold on a forced sale/piecemeal basis, resulting in lower realisations. In addition, the assets would need to be uplifted and stored, adding additional costs to the insolvency procedure and worsening the position for creditors compared to the proposed pre-packaged Administration.
- 2.57 A Liquidation would have resulted in all remaining equipment subject to finance agreements being returned to the relevant financier. This would in turn result in significant shortfalls to the finance creditors under hire agreements and the crystallisation of claims after application of costs of collection and sale. In Administration, the Purchaser may have the opportunity to novate some or all of these agreements resulting in a better overall result for creditors.
- 2.58 The Purchasers also intend to enter discussions with the Company's Landlord with a view to obtaining occupational rights at the premises. This would not be possible in a Liquidation, which would result in creditor claims increasing for any remaining income due under the Leases, plus a potential additional claim for dilapidations.
- 2.59 All employment contracts would terminate in a Compulsory Liquidation (and in practical terms, the result would be the same in a CVL), which would give rise to preferential claims in respect of unpaid Wages and accrued but unpaid Holiday Pay, in addition to an increase in unsecured creditors in respect of Pay in Lieu of Notice and Redundancy Pay.

- 2.60 Any asset realisations in a Compulsory Liquidation would be subject to Secretary of the State fees and Petitioners costs further reducing the amounts available to creditors.
- 2.61 Overall, placing the Company into CVL or Compulsory Liquidation would have resulted in a worse overall position for creditors.

Whether efforts were made to consult with major creditors and the outcome of any consultations

Bibby

- 2.62 The proposed Joint Administrators discussed the Company's financial position with Bibby, as the primary funder, and presented the strategy for the Administration. Throughout discussions with the Purchaser it was necessary to engage with Bibby in respect of the sale and also in order to obtain a Deed of Release from Bibby. Bibby holds a Qualifying Floating Charge pursuant to their Debenture and were duly served with each NOI and ultimately the Notice of Appointment of Joint Administrators.

Barclays

- 2.63 Barclays holds a Qualifying Floating Charge pursuant to their Debenture and were duly served with each NOI and ultimately the Notice of Appointment of Joint Administrators. No further discussions were held with Barclays given that the debt has been satisfied and the security will shortly be recorded as such with the Registrar of Companies.

Trade and Expense creditors

- 2.64 It was considered that to consult with the general body of creditors prior to the Administration could have resulted in enforcement action being taken or creditors deciding to cease providing services. Consultation would have had an adverse impact on the continuation of trade, the likelihood of a Going Concern sale being achieved and on the value achieved for the Goodwill, Intellectual Property and physical assets. However, a major creditor who made contact with Leonard Curtis were made aware of the proposed Administration and were informed that Leonard Curtis and their appointed Agents were marketing the business and assets for sale.

Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration

- 2.65 Trading in Administration was not considered viable for the following reasons:
- A period of uncertainty whilst trading in Administration would be likely to lead to a loss of customers, or delay in customers submitting new enquiries, which would erode any value in the Goodwill of the business;
 - Trading the business would not have guaranteed an improved offer for the assets and may, conversely, have devalued the Company's Goodwill;
 - There is no certainty of an alternative credible buyer being found given that marketing of the business had already been undertaken;
 - There was no Working Capital available to fund ongoing trading. The costs of continued trading in the Administration would have been substantial given the requirement to resource, insure and monitor the business during this period. In addition to the Joint Administrators remuneration, which would be increased by continued trading as opposed to a sale of the business, there would be significant professional costs; and
 - The Joint Administrators did not consider that trading the Company would result in an increase in realisations sufficient enough to outweigh the costs associated with trading. Given the nature of the business it was

considered that to trade whilst in Administration would require substantial funding, and any losses incurred in Administration could worsen the position for all Stakeholders. Therefore trading the Company in Administration was not appropriate.

- 2.66 Given the above it was concluded that trading the business whilst in Administration was not a viable option.

Details of requests made to potential funders to fund working capital requirements

- 2.67 Due to the extent of the Company's liabilities, it was considered that approaching an alternative commercial funder to source Working Capital was not a viable option. Given the financial position of the Company, it was not in the interests of creditors to take on further debt, which, the Company may not have been able to be repay.
- 2.68 The Directors were not in a position to invest further funds to provide additional Working Capital to the Company.

Details of registered charges and dates of creation

- 2.69 According to Companies House, the following charges are registered against the Company:

Date of creation	Chargee	Type of charge	Amount secured and assets charged
25/07/2012	Barclays Bank Plc	Debenture	All monies and all assets
06/08/2018	Bibby Financial Services Limited	Debenture	All monies and all assets

- 2.70 As detailed at 2.9 the Company had provided Barclays with a cross guarantee in respect of the Company's trading premises, which was owned personally by the Directors of the Company. Barclays have been repaid in full and the relevant forms to satisfy the debenture have been forwarded to Companies House.

Details of any acquisition of business assets from an insolvency practitioner

- 2.71 We confirm that the business, or business assets, of the Company were not acquired from an insolvency practitioner within the 24 months prior to our appointment.

3 MARKETING OF THE BUSINESS AND ASSETS

- 3.1 The Directors confirmed that no formal marketing activities had been conducted by the Company prior to the proposed Joint Administrators' involvement. However, two parties had approached the Directors with an interest in purchasing the business and assets.
- 3.2 The proposed Joint Administrators, with the assistance of the Directors and professional advisors, organised a marketing campaign to target known interested parties, distressed investors and other potentially interested parties. The key features of the marketing process are summarised below:

Broadcasting the Opportunity on the Internet

- 3.3 A discreet advertisement was placed on two websites:

1. www.leonardcurtis.co.uk, the website of the proposed Joint Administrators.
2. www.charlestaylor.co.uk, the website of Cerberus Asset Management ("CAM"), the Joint Administrators' instructed valuation agent.

- 3.4 The advertisement went live on 27 February 2019 across both websites and included details of the nature of the business, location, staffing levels, turnover and assets available for sale and a closing date for offers of 5pm on 5 March 2019.

Distribution of Marketing Flyers

- 3.5 A marketing flyer was circulated by email to the Leonard Curtis database. The database consists of approximately 1,250 Intermediaries, Funders, Investors and potential purchasers on 27 February 2019 providing the same information to that contained on the website advertisement and a closing date for offers of 5pm on 5 March 2019.

Rationale for Marketing Strategy

- 3.6 When determining the strategy for marketing the business and assets of the Company for sale the following was considered:
- CAM has sector specific knowledge and experience in managing similar asset sales and is supported by a team of individuals certified by, and registered with, the Royal Institute of Chartered Surveyors ("RICS"). CAM has a nationwide presence and a significant and longstanding history of assisting Insolvency practitioners with business and asset sales.
 - Leonard Curtis is a leading national business solutions practice which has an established history of providing business acquisition opportunities to the open market.
 - CAM and Leonard Curtis frequently market business and asset sales through their websites. In the quarter ended 31 December 2018, the Leonard Curtis business for sale page had an average number of 1,404 views each month and in January 2019, 1862 views were recorded. In the quarter ended 31 December 2018, CAM'S business for sale page had an average number of 1,001 views each month and in January 2019, 959 views were recorded.
 - In addition, the interested party database maintained by Leonard Curtis has been compiled over the course of many years carrying out similar transactions and, consequently, contains a wide range of interested parties and intermediaries with a history of pursuing and completing similar acquisitions.
 - By advertising the business and assets in the manner set out above, the proposed Joint Administrators anticipated the greatest level of exposure to potential interested parties without incurring costs that would be disproportionate to the estimated value of assets involved.

Length of Marketing

- 3.7 The length of marketing was determined by the following factors:
- The breach in the terms of the CVA
 - Potential risk of enforcement action;
 - Lack of alternative offers and interest; and
 - The Company did not have sufficient cash reserves to continue ongoing trade for a prolonged period.
- 3.8 The period over which the business was marketed for sale was proportionate to the Company's financial position having due regard to the interests of creditors. I confirm that I am satisfied with the adequacy and independence of the marketing undertaken.

Outcome of Marketing

- 3.9 CAM have advised that during the marketing period (27 February 2019 to 5 March 2019) the business for sale page on their website had a total of 213 unique views. The advertisement had 16 unique views.
- 3.10 As a consequence of the marketing campaign described above a total of 6 expressions of interest were received and 4 sale packs were issued.

- 3.11 An offer to purchase the business and assets as a Going Concern, in the sum of £185,000, was received from Avocado Design Communications Limited on 27 February 2019 ("the Purchaser"), an unconnected party, which was ultimately accepted.
- 3.12 In addition, a verbal offer of £100,000 was received from an unconnected party for the Plant & Machinery only.
- 3.13 I can confirm that the offer from the Purchaser was recommended for acceptance for the reasons outlined in section 2 of this report and was subsequently accepted and a sale was completed.
- 3.14 We confirm that in our opinion we consider that the marketing undertaken conformed with the marketing essentials set out in the Appendix to SIP16.

4 VALUATION OF THE BUSINESS AND ASSETS

Details of valuers/advisors

Cerberus Asset Management ("CAM")

- 4.1 CAM, RICS registered asset valuers, were instructed by the proposed Joint Administrators on 23 January 2019 to prepare an indicative valuation report in respect of the Company's chattel assets.
- 4.2 CAM has confirmed their independence to act and have confirmed that they hold the requisite level of professional indemnity insurance. In addition CAM has advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the above assets.

Advantage ATO ("Advantage")

- 4.3 Advantage, chartered accountants, were instructed by the proposed Joint Administrators on 7 March 2019 to prepare a valuation report in respect of the Goodwill of the Company.
- 4.4 Advantage confirmed their independence to act and have confirmed they hold the requisite level of professional indemnity insurance. In addition, they have advised that they have the appropriate level of experience, skill and competence to conduct the valuation of the Goodwill.

The valuations obtained of the business or the underlying assets

4.5

Category of asset	Note	Book value £	High value £	Low value £	Value achieved £
Fixed charge assets					
Goodwill	4.6	Nil	Uncertain	Nil	5,000
Intellectual property	4.14	Nil	20,000	1,000	3,498
Debtors	4.22	458,887	n/a	n/a	n/a
Floating charge assets					
Plant and machinery	4.18	250,000	170,000	70,000	159,500
Stock	4.18	250,076	38,000	8,000	12,000
Motor Vehicles	4.18	17,500	7,500	4,000	5,000
Business Records	4.24	Nil	n/a	n/a	1
Contracts	4.25	Nil	n/a	n/a	1
TOTAL		976,463	235,400	83,000	185,000

Book Value – The book value figure for Goodwill (£Nil), Plant and Machinery (£250,000), Stock (£250,076) and Motor Vehicles (£17,500) has been taken from the balance sheet as at 27 February 2019 provided in the Company's management accounts.

The book value of the Debtors (totalling £458,887) has been taken from information provided by Bibby and is prior to deduction of Bibby's indebtedness (£262,876), potential termination charges and interest applicable.

High Value – 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 without compulsion.

Advantage have provided a valuation of the Goodwill following a review of historic financial information provided by the Company.

The high value of the Intellectual Property (£20,000), Plant and Machinery (£170,000), Stock (£14,000) and Motor Vehicles (£7,500) have been taken from the valuation conducted by CAM and assumes the assets are sold in-situ with a significant period of marketing.

Low value – 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, with the added assumption that the equipment is valued for removal from the premises at the expense of the purchaser following a restricted marketing period (30 days). The low value is typically reflective of a cessation of trade.

Advantage have provided a valuation of the Goodwill following a review of historic financial information provided by the Company.

The low value of the Intellectual Property (£1,000), Plant and Machinery (£70,000), Stock (£8,000) and Motor Vehicles (£4,000) have been taken from the valuation conducted by CAM and assumes the assets are sold on a forced sale basis, ex-situ basis with no reasonable marketing period.

Value achieved – The value achieved for the business and assets. It should be noted that the Debtors were excluded from the sale.

Valuations have been provided on the above basis in order to benchmark offers and compare potential outcomes.

An explanation of the sale of the assets compared to those valuations

Goodwill

- 4.6 Independent Accountants, Advantage were instructed to assist in valuing the Goodwill of the Company.
- 4.7 The filed Accounts for the year ended 31 August 2017 and Management Accounts for the period ended 27 February 2019 placed a nil value for the Goodwill of the Company. The valuation has been conducted by Advantage based on Management Accounts.
- 4.8 Advantage applied the cost based approach, market based approach and income based approach to the Goodwill valuation.
- 4.9 A cost based approach focuses on the investment needed to obtain or reproduce the asset and is relevant for companies with a significant tangible asset base.
- 4.10 A market based approach compares recent transactions involving similar businesses and is relevant when a truly active market place exists and actual comparable transactions can be found. In this instance Advantage were unable to find any representative comparable transactions.
- 4.11 An Income based approach seeks to establish a future 'maintainable earnings' stream for the business and applies an appropriate multiple to form the 'enterprise valuation' of the Company.
- 4.12 Advantage advised that the Goodwill of the business is negligible based on the business being loss making, having a negative balance sheet value and material HMRC arrears.
- 4.13 The Purchasers offer included £5,000 for the purchase of the Goodwill. This offer was recommended for acceptance, given the Company has recently been loss making and no other offers for the Goodwill were received.

Intellectual Property

- 4.14 CAM, RICS registered valuers, attended site on 8 February 2019 and conducted a valuation of this asset on the basis of an open market in-situ basis (high) and a forced sale basis (low). Valuations on this basis provide an estimated outcome in a pre-packaged in-situ sale and a distressed forced sale basis respectively.
- 4.15 The Intellectual Property includes Software packages, IT addresses, E-mail addresses and telephone numbers.
- 4.16 CAM provided a valuation of these assets in the sum of £1,000 on a forced sale ex-situ basis, and £20,000, on an in-situ basis.
- 4.17 The Purchaser's offer included £3,498 for these assets. This offer was in between the market value on an ex-situ basis and the valuation for an in-situ basis and was recommended for acceptance by CAM. Accordingly, the valuation was in excess of what would be achieved in the event the assets were sold at auction. In recommending acceptance of the offer, CAM noted that no other offers were received despite the marketing undertaken. Acceptance of the offer also removed the costs of sale associated with a piecemeal sale and allowed a sum to be received in respect of goodwill.

Chattel Assets (Plant and Machinery, Stock and Motor Vehicles)

- 4.18 CAM, RICS registered valuers, attended site on 8 February 2019 and conducted a valuation of these assets on the basis of an open market in-situ basis (high) and a forced sale basis (low). Valuations on this basis provide an estimated outcome in a pre-packaged in-situ sale and a distressed forced sale basis respectively.

- 4.19 The chattel assets are made up of Plant and Machinery, Stock and Motor Vehicles.
- 4.20 CAM provided a valuation of these assets in the sum of £82,000 on a forced sale ex-situ basis, and £215,000, on an in-situ basis.
- 4.21 The Purchaser's offer included £176,500 for these assets. This offer was in between the market value on an ex-situ and the valuation for an in-situ basis and was recommended for acceptance by CAM. Accordingly, the valuation was in excess of what would be achieved in the event the assets were uplifted and sold at auction, and saved the costs and expenses that would need to be incurred in this regard. As noted above, we had not received any other offers, despite a period of marketing, consequently, our Agents recommend acceptance of the offer.

If no valuation has been obtained, the reason for not having done so and how the administrator was satisfied as to the value of the assets.

Debtors

- 4.22 As detailed above, Bibby provided an invoice finance facility to the Company. Bibby hold Security by way of a Fixed Charge in respect of the Company's book debts. At the date of commencement of the Administration, the Company had a gross funded ledger of £458,887, of which, £351,983 was approved for funding. A sum of £262,876 remained outstanding to Bibby.
- 4.23 No valuations have been obtained for the Debtors. They have been excluded from the sale.

Business Records

- 4.24 A formal valuation was not obtained for the business records, from experience in this sector, assets of this nature hold a nominal value in a sale of business and assets in an Administration. An offer of £1 was received from the Purchaser. The value achieved for the business records was after a period of marketing, where no formal offers were received from any party other than the Purchaser. The value has been determined on the open market and any value attributable to these assets is also reflected in the value achieved for the Goodwill. Should a sale not have been completed to the Purchaser, then we do not expect that any value would have been achieved in respect of the business records.

Contracts

- 4.25 A formal valuation was not obtained for the contracts, as such from experience in this sector, such assets only hold nominal value in a sale of business and assets in administration. An offer of £1 was received from the Purchaser. The value achieved for the contracts was after a period of marketing, where no formal offers were received from any party other than the Purchaser. The value has been determined on the open market and any value attributable to these assets is reflected in the value achieved for the goodwill. Should a sale not have been completed to the Purchaser, then we do not expect that any value would have been achieved in respect of the contracts.

5 THE TRANSACTION

- 5.1 A sale of the Company's business and assets was completed on 8 March 2019 to Avocado Design Communications Limited (CRN:04029885). There is no connection between the Purchaser, the Directors, Shareholders or Secured Creditors of the Company.
- 5.2 The sales consideration of £185,000.00 was apportioned as follows:

FIXED CHARGE ASSETS	£
Goodwill	5,000.00
Intellectual Property	3,498.00
FLOATING CHARGE ASSETS	
Motor Vehicles	5,000.00
Plant and Machinery	159,500.00
Stock	12,000.00
Business Records	1.00
Contracts	1.00
TOTAL	<u>185,000.00</u>

5.3 The sales consideration in the sum of £185,000.00 is payable as follows:

Date	£
On completion	30,000.00
On or before 25 April 2019	14,100.00
On or before 25 May 2019	14,100.00
On or before 25 June 2019	14,100.00
On or before 25 July 2019	14,100.00
On or before 25 August 2019	14,100.00
On or before 25 September 2019	14,100.00
On or before 25 October 2019	14,100.00
On or before 25 November 2019	14,100.00
On or before 25 December 2019	14,100.00
On or before 25 January 2020	14,100.00
On or before 25 February 2020	14,000.00
Total	<u>185,000.00</u>

- 5.4 £30,000.00 has been received by the Joint Administrators solicitors, Eversheds Sutherland, and is being held to our order.
- 5.5 As part of the Sale and Purchase Agreement, the Purchaser has granted the Company a Fixed and Floating Charge Debenture as security over its assets. A Personal Guarantee, limited to £100,000, has been provided by Mark Bent and Justin Jenkins who are directors of the Purchaser. The personal guarantee has been provided to the Joint Administrators in respect of the deferred consideration.
- 5.6 It should be noted that the Debtors, Cash at Bank and any other asset not specifically included in the Sale and Purchase Agreement, do not form part of this sale.
- 5.7 The Company employed 17 staff on our appointment, all of whom have transferred under the TUPE Regulations to the Purchaser.
- 5.8 The sale is not part of a wider transaction. The sale and purchase agreement does not incorporate any options, buy back arrangements or similar conditions.
- 5.9 The Joint Administrators granted the Purchaser a Licence to Occupy the Premises for a period of six months. Any sums due in respect of the lease are payable to the Joint Administrators on demand.

- 5.10 We understand that the Directors of the Company have provided Personal Guarantees to Bibby. The Personal Guarantees are limited to £75,000 on a joint and several liability basis. Bibby are not providing funding to the Purchaser.
- 5.11 The Directors employment transferred to the Purchaser under TUPE Regulations. We are aware that the Directors will be involved in the management of the Purchaser, however, they will not hold Directorships.

6 STATUTORY PURPOSE OF ADMINISTRATION

- 6.1 The Joint Administrators must perform their functions with the objective of:
- (a) Rescuing the Company as a going concern, or (if this cannot be achieved)
 - (b) Achieving 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 (if (a) and (b) cannot be achieved)
 - (c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 As mentioned previously, we are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole.
- 6.3 In this instance, it is not possible to achieve objective (a) given the level of historic liabilities and realisations anticipated.
- 6.4 It is considered that objective (b) will be achievable as realisations are greater than those anticipated had the company been wound up. In addition the transfer of 17 staff has mitigated any claims that may arise on insolvency.
- 6.5 In the event that objective is not achievable it is considered that objective (c) has been achieved as it is anticipated that Bibby will be repaid in full under their fixed charge from debtor collections. In addition, there may be sufficient funds to enable a distribution to preferential creditors.
- 6.6 We confirm that, in our opinion, the transaction will enable the statutory purpose to be achieved and that the sale price achieved was the best reasonably obtainable in all the circumstances.

LEONARD CURTIS PRIVACY NOTICE FOR CREDITORS

Information we collect and hold about you

By requesting details of your claim in this Insolvency, we may collect Personal Data from you, particularly if you are a consumer creditor, a sole trader or are lodging a claim in your personal capacity.

Personal Data is information relating to a living individual. Whenever Personal Data is processed, collected, recorded, stored or disposed of it must be done within the terms of the General Data Protection Regulation ("the GDPR"). Examples of Personal Data include but may not be limited to your name, address, telephone number and email contact details.

If you do not provide us with the information we require, this may adversely affect our ability to deal with your claim, but we would ask you not to submit more Personal Data than we request from you.

Legal justification for processing your Personal Data

The processing of your Personal Data by us is necessary to enable us to comply with legal obligations under the Insolvency Act 1986 and associated legislation which we are subject to as Insolvency Practitioners.

How we use your information

All information you supply to us is required to enable us to comply with our duties under the Insolvency Act 1986 and associated legislation. It will be used to enable us to assess the extent of the insolvent entity's liabilities, to allow you to vote on any decision procedures, to enable us to communicate with you, to process your claim and to pay any dividends which may be due to you from the insolvent estate.

Who we share your information with

We may be required to share some of your Personal Data with other creditors. The data which will be shared with other creditors will be limited to that specifically required to be disclosed under insolvency legislation.

We may share some of your information with our Data Processors. Data Processors include solicitors, accountants and employment law specialists who assist us with our duties where required. We will only share your information with our Data Processors if we require their specialist advice. All of our Data Processors are subject to written contracts with us to ensure that your Personal Data is processed only in accordance with the GDPR.

How long will we hold your Personal Data for?

We will need to hold your Personal Data for a period of time after the insolvency has been concluded. This is to enable us to deal with any queries which might arise. Our Records Management Policy requires us to destroy our physical files 6 years after closure of the case. Electronic data files will be removed from our Case Management System 6 years after conclusion of the case but may be held on our server for a longer period of time but with restricted access.

Your rights in respect of your Personal Data

You have the right to request access to your Personal Data and to require it to be corrected or erased. You also have the right to request a restriction in the way we process your Personal Data or to object to its processing. You should be aware however that we may not be able to comply with your request if this would affect our ability to comply with our legal obligations.

You have the right to Data Portability. This is a right to have the Personal Data we hold about you to be provided to you in a commonly used and machine-readable format so that you can transfer that Data to another organisation in a way that is not too onerous to upload the Data.

Your right to complain

You have the right to be confident that we are handling your Personal Data responsibly and in line with good practice. If you have a concern about the way we are handling your Personal Data you should contact our Privacy Manager in the first instance.

If you are unable to resolve your concerns with us, you have the right to complain to the Information Commissioners' Office. The Information Commissioner can be contacted at Wycliffe House, Water Lane, Wilmslow, Cheshire SK6 5AF or on 0303 123 1113.

Contacting us

If you have any questions relating to the processing of your Personal Data, please write to our Privacy Manager at Leonard Curtis, Level 5, The Grove, 248A Marylebone Road, London NW1 6BB Alternatively our Privacy Manager can be contacted by telephone on 0207 535 7000 or by email: privacy@leonardcurtis.co.uk.

Data Controller: LEONARD CURTIS

Para 46 of Sch B1 IA86 and Rule 3.27 Insolvency (England and Wales) Rules 2018

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company PRECISION PRINTING PLATES LIMITED	Company number 00688704
In the High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List (CHD) <small>[full name of court]</small>	Court case number CR-2019-MAN-000128

(a) Insert full name(s) and address(es)

I/We (a)

Julian Irving & Andrew Poxon of

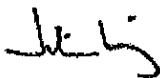
Leonard Curtis, Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ

give notice that ~~I~~ was / we were appointed as administrator(s) of the above company on:

(b) Insert date

(b)
8 March 2019

Signed



Dated 11 March 2019

Joint / Administrator(s) (IP No(s))

13092 / 8620