

The Insolvency Act 1986

Administrator's progress report

Name of Company
Senior Graphic Machinery Limited

Company number
02733108

In the
High Court of Justice, Leeds

[full name of court]

Court case number
207 of 2010

(a) Insert full name(s) and
address(es) of the
administrator(s)

We (a) Julian Pitts and David Wilson of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park,
Coal Road, Leeds, LS14 1PQ

Joint Administrators of the above Company attach a progress report for the period

from


to

(b) Insert dates

(b) 6 January 2011

(b) 5 July 2011

Signed


Joint Administrators

Dated

Contact Details

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

Begbies Traynor (Central) LLP

Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ

Tel Number 0113 2375560

Fax Number 0113 2375561

DX Number

FRIDAY



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COMPANIES HOUSE

you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

Julian Pitts and David Wilson appointed Joint Administrators on 5 February 2010

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Senior Graphic Machinery Limited (In Administration)

Final Progress Report of the Joint Administrators
pursuant to Rules 2.47 and 2.110 of The Insolvency
Rules 1986

Period: 6 January 2011 to 5 July 2011

Important Notice

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Senior Graphic Machinery Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 5 February 2010
"the administrators"	Julian Pitts of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ and David Wilson of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Senior Graphic Machinery Limited
Trading name(s)	As above
Date of Incorporation	21 July 1992
Company registered number	02733108
Company registered office	Glendevon House, Hawthorn Park, Coal Road, Leeds, LS14 1PQ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Julian Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ and David Wilson, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park, Coal Road, Leeds LS14 1PQ
Date of administrators' appointment	5 February 2010
Date of administrators' resignation	N/A
Court	High Court of Justice, Leeds
Court Case Number	207 of 2010
Person(s) making appointment / application	The Directors of the Company
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the Administration period. Detailed below are the only variations following our last Progress report to creditors dated 5 January 2011.

Receipts

Book Debts - £223 25

Creditors will recall from our last Progress Report dated 5 January 2011 that £14,515 54 had been received in respect of book debts.

The account now shows a further £223 25 has been collected in respect of book debts since our last report to creditors.

The Joint Administrators are aware that a number of book debt receipts credited the Company account prior to our Appointment, therefore diminishing total debtors received. No further book debt receipts are likely and have since been written off as irrecoverable.

Bank Interest Net of Tax - £0 48

The above amount has been received in respect of Bank Interest.

Expenditure

Agents / Valuers Fees - £7,500 00

Since our last report to creditors the sum of £7,500 has been incurred in Agents' Fees (BTG Asset Consulting) for preparing Reports and valuing the Company's assets.

Storage Costs - £510 00

The above amount has been incurred in respect of storage costs during the period.

5. OUTCOME FOR CREDITORS

Secured creditor

The Royal Bank of Scotland Plc, ('the Bank'), provided an initial overdraft facility of £125,000, secured by way of a debenture incorporating both fixed and floating charges over the entire assets and undertakings of the Business.

The sum of £77,224 62 has been paid to the Bank under their fixed charge security in full and final settlement of the debt due. The Bank has therefore suffered a shortfall under their security of £47,755 38.

Preferential creditors

There have been insufficient realisations to pay a dividend to the preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act.

To the best of the Joint Administrators' knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

There have been insufficient realisations to pay a dividend to unsecured creditors

Exit from the Administration

As the Notice accompanying this report confirms, once registered by Companies House (which we anticipate shortly), our appointment as Joint Administrators will cease to have effect and, unless the court makes an order otherwise, the Company will be deemed dissolved at the end of the period of three months from the date of registration of the notice (Form 2 35 B)

6. ADMINISTRATOR'S PROPOSALS

Attached at Appendix 2 is a summary of the Joint Administrators' proposals as deemed approved under Rule 2 33(5) of the Insolvency Rules 1986 in the absence of an initial meeting of creditors

There have been no major amendments or deviations to these proposals

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

The work carried out by the Joint Administrators and action they have taken since Appointment can be categorised into the following key work areas

1 Staff Dismissals

Following our Appointment on 5 February 2010, 2 shop floor staff and 1 office member were retained in order to facilitate the ongoing trading of the Company 13 members of staff were made redundant of which all claims were processed by the Redundancy Payments Office

2 Sale of the Business & Assets

Following our Appointment, the Joint Administrators instructed Eddisons Commercial Limited ('Eddisons') to advise on all asset matters arising pursuant to the Appointment

A sales pack was subsequently prepared and circulated to all interested parties This culminated in three offers for the purchase of the Company assets, two of which were rejected after detailed consideration In accordance with agents' recommendations, the accepted offer was exchanged and completed simultaneously on 19 March 2010 with an initial and non-refundable deposit of £50,000 The offer received and accepted for the purchase of the entire assets of the Company was apportioned as follows -

- i £85,000 for the Goodwill and Intellectual Property
- ii £50,000 for all stock, plant & machinery and un-encumbered motor vehicles

The sale falls within the criteria of Statement of Insolvency Practice Number 13, acquisition of assets of insolvent companies by directors The details of which were fully disclosed in our previous Reports to creditors

3 Strategy Agreement with Secured Creditor

The Royal Bank of Scotland Plc ('the Bank') held security by way of a Debenture, incorporating both fixed and floating charges over the undertaking and all property and assets present and future including Goodwill, Book Debts, uncalled capital, buildings fixtures and fixed plant & machinery. The Bank agreed to the strategy proposed by the Joint Administrators for the Administration period and agreed to the Sale and nature of the transaction described above, enabling the deal to complete.

8. THE ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

As previously reported, the Joint Administrators' remuneration is fixed by reference to the time properly given by the Joint Administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the Administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986.

The relevant resolutions were approved by the secured creditor on 8 April 2010 pursuant to Rule 2.106 of the Rules.

Total time spent on this assignment amounts to 593.80 hours at an average composite rate of £156.93 per hour resulting in total time costs to date of £96,135.50. Total remuneration drawn in accordance with the above approval amounts to £26,000.00, subsequently leaving outstanding time costs of £70,084.84 for the Administration period.

Creditors will note that Appendix 1 reflects that £432.16 is remaining in the account. This amount will be used to extinguish the costs associated with closing the Administration and our outstanding time costs.

The following further information as regards time costs and expenses is set out at Appendix 3:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

9. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in the Joint Administrators' statement of proposals, the Joint Administrators have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the Director. The Joint Administrators have complied with their duties in this respect.

10. CONCLUSION

Creditors will recall from my previous report, dated 5 January 2011, that the Joint Administrators were seeking an extension of the Administration in accordance with Paragraph 76 of Schedule B1 to the Insolvency Act 1986.

The Joint Administrators consider that the objective of the Administration has largely been achieved. We are confident that this process has achieved the optimum outcome for The Royal Bank of Scotland Plc, than would have been attainable by an alternative insolvency procedure. In particular, being able to continue to trade in the context of an Administration as an alternative to Liquidation has significantly enhanced the prospects of a return to creditors.

We now maintain that there are no further matters outstanding for which the Joint Administrators are required to remain in office. All expected realisations have been made and we now deem this matter as concluded. The extension of the Administration is now approaching expiration, we thereby propose that the Company proceed into Dissolution.

I enclose Form 2 35B, Notice of Dissolution from Administration, which once registered by Companies House, our Appointment as Joint Administrators will cease to have effect.

Unless a Court makes an order otherwise the Company will be dissolved after a period of three months from the date of the registration of the Notice at Companies House.

If any creditors wish to discuss the contents of this report they should contact this office in writing as a matter of urgency.



J N R Pitts
Joint Administrator

Dated 5 July 2011

**Senior Graphic Machinery Ltd
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments
To 06 July 2011**

RECEIPTS	Total (£)
Sales	15,854 57
Book Debts	14,515 54
Goodwill/Intellectual Property Rights	80,000 00
Book Debts	455 31
Business Assets	50,000 00
Bank Interest Net of Tax	17 42
Trade Debtors	815 45
	<hr/>
	161,658 29
	<hr/>
PAYMENTS	
Purchases (1)	1,824 82
Direct Labour	9,603 17
Rents	6,923 08
Rates	875 51
Telephone	12 00
Carriage	488 16
Bank Charges	731 03
Lease/HP Payments	1,917 81
Vehicle Running Costs	1,632 18
Specific Bond	264 00
Office Holders Fees	26,000 00
Office Holders Expenses	619 37
Agents/Valuers Fees (1)	14,996 13
Legal Fees (1)	15,021 15
Room Hire	300 00
Storage Costs	1,053 25
Statutory Advertising	75 60
The Royal Bank of Scotland Plc	77,224 62
Vat Receivable	1,664 25
	<hr/>
	161,226 13
Balances in Hand	432 16
	<hr/>
	161,658 29
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SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

Proposals deemed approved under Rule 2.33(5) of the Insolvency Rules 1986

- (i) The Joint Administrators continue to manage the affairs and property of the Company including the collection of any recoverable debts due, realisation of all land and property assets and any other assets of the company, bringing or defending any actions deemed appropriate in such a manner as they consider expedient with a view to achieving the purposes of the Administration,
- (ii) the Administrators enquire into the conduct of the directors of the Company and assist any regulatory authorities with their investigation into the affairs of the Company,
- (iii) the Administrators be authorised to agree the claims of the secured and preferential of the Company (where applicable),
- (iv) the Administrators be authorised to distribute funds to the secured and preferential creditors of the Company (where applicable), as and when claims are agreed,
- (v) If the Joint Administrators consider it appropriate, they will seek to extend their term of office by consent of the secured creditors and/or by application to Court under the provisions of Paragraph 76(2)(A) of the Schedule B1 to the Act,
- (vi) In accordance with Paragraph 98 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators be discharged from liability upon filing of the notice of conclusion of the Administration pursuant to Paragraph 80, of Schedule B1 of the Insolvency Act 1986
- (vii) The Joint Administrators be empowered by creditors do all such things and generally exercise their powers as they in their discretion consider desirable or expedient in order to achieve the purposes of the Administration
- (viii) Consideration be given to the establishment of a creditors' committee pursuant to Rule 2 50 of the Insolvency Rules 1986 If there is no committee but if funds become available to permit a distribution to unsecured creditors then,
 - The Joint Administrators remuneration be fixed by resolution of the creditors and payable by reference to time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration The Joint Administrators be authorised to draw remuneration and disbursements in respect of their costs at such time as they deem appropriate after such costs have been incurred Joint Administrators' remuneration will be drawn in accordance with the charge out rates of this practice as per Appendix 3 and any future rates to be advised to creditors to include all allowable pre-appointment costs and disbursements as set out in this report and appendix 3

Disbursements to be drawn are in accordance with current disbursement charge out rates as shown at Appendix 3 and future rates to be notified to creditors where applicable,

- (ix) If indeed relevant, to enable a distribution to unsecured creditors the Joint Administrators must be authorised to exit from the Administration via paragraph 83 of Schedule B1 to the Act. It is further proposed that D F Wilson & J N R Pitts of Begbies Traynor be appointed Joint Liquidators of the company. In accordance with the provisions of Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the Proposals and before the Proposals are approved,
- (x) If it transpires that there will be insufficient asset realisations to permit a distribution to unsecured creditors the Administrators' fees and expenses be approved by the secured creditors and 50% of preferential creditors in accordance with rule 2.106(5A)
- (xi) Furthermore, the Joint Administrators seek consent on this basis to file a notice under Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to the Registrar of Companies. On registration of the notice the company will be dissolved within three months.

BEGBIES TRAYNOR

POLICY FOR RE-CHARGING EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Standard professional practice¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Required professional practice classifies expenses into two broad categories:-

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges;
- *Category 2 expenses (approval required)* – all other items of expenditure:
 - Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost; and/or
 - Where the cost of the expense incurred is an estimated, unincurred cost with the estimate based on external costs or opportunity cost

DISBURSEMENT CHARGES (Category 2 Disbursements)

1. Mileage is recovered at 40p per mile. The Category 2 element relates only to company cars.
2. Charges are made as follows.

Postage	Actual
Photocopying	15p per sheet
3. Internal Room Hire is charged at £150 per meeting.
4. Storage is provided by a connected storage company in which D F Wilson and J N R Pitts have an interest. Boxes are supplied at a cost of £4 each and boxes are stored at a cost of £12.00 per box per annum. Destruction charges are £5 per box. Van hire/transportation costs are charged at 75p per mile.
4. Asset Appraisal and Disposal services are provided by BTG Asset Consulting, a division of BTG Consulting LLP, which is part of Begbies Traynor Group plc. Asset Appraisal and Disposal costs are charged at £125 per hour and are reclaimed from asset realisations of the company.
5. The location of assets or individuals, surveillance and other investigative services are provided by BTG Intelligence, which is part of the Begbies Traynor Group plc. Costs are charged at from £250 per hour.

¹ Statement of Insolvency Practice 9 (SIP 9) effective from 1 April 2007

Professional Advisors

In a number of cases, we have the need to employ outside professional advisors, which may include Solicitors, Valuers and Agents or in some cases, Specialist Tax Advisors. We set out below the name and type of the advisors used and the basis on which their fees are paid

Name of Professional Advisor	Basis of Fee Arrangement

Our choice of the above advisor is based on our knowledge of their experience and their ability to perform the type of work on which they have been instructed.

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions.

The rates applying to the Glendevon House, Leeds office as at the date of this report are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Cashier/Secretarial	100
Junior Administrator	100

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

SIP9 Summary Report

8282S4153.ADM | ADM Senior Graphic Machinery Ltd | From 05/02/2010 To 05/07/2011

	Action Code	Father	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support & Cashiering	Other	Total Hours	Total Cost	Avg Rate
Administration	1ADMIN	2.00	0.00	0.00	5.00	2.80	28.70	147.70	0.00	186.20	20,924.00	112.37
Appointment activity	1APOI	0.00	0.00	0.00	0.00	0.00	3.50	6.10	0.00	9.60	1,065.00	110.94
Banking	1BANK	0.00	0.00	0.00	0.40	0.00	1.50	0.00	0.00	1.90	296.50	156.05
COA reporting and follow up	1CODA	0.00	0.00	0.00	0.00	0.00	13.00	0.00	0.00	13.00	1,690.00	130.00
Claims, proofs and distributions	1CLAIM	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.60	60.00	100.00
Closing	1CLOSE	0.00	0.00	0.00	0.00	0.00	0.00	5.50	0.00	5.50	605.00	110.00
Data Collection	1DCOL	0.00	0.00	0.00	9.50	0.00	23.00	0.00	0.00	32.50	5,365.00	165.08
Employees	1EMPEE	0.00	0.00	0.00	1.50	0.00	57.10	0.00	0.00	58.60	7,798.00	133.07
Floating Charge Assets	1FLCHG	4.00	0.00	0.00	41.30	0.00	0.00	0.00	0.00	45.30	11,725.00	258.83
Investigations	1INVGN	5.00	0.00	0.00	15.30	0.00	9.00	0.00	0.00	29.30	6,745.00	230.20
Meetings	1MEET	0.00	0.00	0.00	0.00	0.00	27.00	0.00	0.00	27.00	3,510.00	130.00
Pensions	1PENSN	0.00	0.00	0.00	0.00	0.00	5.15	0.00	0.00	5.15	669.50	130.00
Case strategy and planning	1PLAN	3.50	0.00	0.00	5.30	0.00	15.50	0.00	0.00	24.30	4,565.00	187.86
Pre-appointment work	1PRE	0.00	0.00	0.00	17.50	0.00	16.25	0.00	0.00	33.75	6,487.50	192.22
Retention of title (ROT)	1ROT	0.00	0.00	0.00	0.00	0.00	2.50	0.00	0.00	2.50	325.00	130.00
Sale of Business/Assets	1SALE	11.50	0.00	0.00	5.80	0.00	13.50	0.00	0.00	30.80	7,230.00	234.74
Statutory reports and returns	1STAT	0.00	0.00	0.00	7.00	0.00	23.50	0.80	0.00	31.30	4,885.00	156.07
Third Party Assets	1THIRD	0.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00	4.00	520.00	130.00
Trading	1TRADE	3.00	0.00	0.00	37.00	0.00	4.00	1.50	0.00	45.50	10,970.00	241.10
VAT and VAX	1VATTX	0.00	0.00	0.00	0.00	0.00	0.00	7.00	0.00	7.00	700.00	100.00
Total Hours		29.00	0.00	0.00	145.60	2.80	247.20	169.20	0.00	593.80	96,135.50	
Total Cost		10,150.00	0.00	0.00	36,413.50	448.00	32,138.00	16,988.00	0.00	96,135.50		

Employee/Dist Costs 1,132.75

Dist Fees Drawn 1,183.37

Time Fees Drawn 26,000.00

Outstanding Costs 70084.88