

The Insolvency Act 1986

Administrator's progress report

Name of Company.
Senior Graphic Machinery Ltd

Company number
02733108

In the
High Court of Justice, Leeds District
Registry
[full name of court]

Court case number
207 of 2010

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

We (a) J N R Pitts and D F Wilson of Begbies Traynor (Central) LLP, Glendevon House, Hawthorn Park,
Coal Road Leeds LS14 1PQ

the joint administrators of the above company attach a progress report for the period

from


to

(b) Insert dates

(b) 28 August 2010

(b) 5 January 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

When 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



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COMPANIES HOUSE

WEDNESDAY

Julian Pitts and David Wilson were 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 Ltd (In Administration)

Progress report of the joint administrators pursuant to Rules 2.47 and 2.112 of The Insolvency Rules 1986

Period 28 August 2010 to 5 January 2011

Important Notice

This 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 Ltd (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 Ltd
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 the 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 District Registry
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.
Extensions of the administration period	There have been no previous extensions to the administration period.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 28 August 2010 to 5 January 2011

Income

Book Debts - £14,515 54

As at the date of our Appointment, the estimated Statement of Affairs indicated the Company's outstanding sales ledger stood at £54,000. An estimated to realise figure was valued at £40,500.

In the six month period to 5 January 2011 a further £136 24 of book debts has been collected, bringing total collections to £14,515 54. Enquiries are continuing as to whether further recoveries can be made and we are currently in discussions with the former officers of the Company regarding collection.

Expenditure

Administrators' Remuneration

As previously reported, the Joint Administrators' remuneration is fixed by reference to the time properly given by the Joint Administrators (as Administrators) pursuant to Rule 2 106 (5A) of the Insolvency Rules 1986.

Rule 2 106 (5A) states that where the Administrator has made a statement to suggest that no distribution will become available to unsecured creditors (under para 52(1)(b)), the Administrator's remuneration shall be fixed by approval of each secured creditor of the Company.

An analysis of our time costs incurred to 5 January 2011 is enclosed with this Report at Appendix 2. In summary a total of 558 40 hours have been incurred at a total cost of £91,389 00, equating to an average charge-out rate of £161 32 per hour.

To date, in accordance with the approval of the secured creditor, we have drawn £25,000 on account of those costs.

Time Costs Incurred

The majority of time (176 40 hours) has been expended in relation to Case Administration. This includes dealing with a high level of telephone calls from various parties, faxing and filing, typing and all clerical and secretarial support. It also includes reviews of receipts into the Company bank account and preparing and reviewing invoices. Completion of checklists and computer diary systems.

45 30 hours have been incurred in dealing with Floating Charge Assets and reporting to the Bank for the sale of such assets. This also includes time incurred on discussions with our agents, Eddisons with regards to asset valuations. Various discussions with the officers of the Company regarding potential sale of assets. On site meetings, emails and telephone correspondence with various parties.

58 60 hours have been spent on Employee issues, namely dealing with staff redundancies and arising claims. Calculating and processing staff wages for the trading period and dealing with numerous telephone calls from employees regarding wages and general queries.

45 50 hours have been accumulated on matters concerned with Trading the business during the Administration period. Maintaining that operations were running effectively, key suppliers and customers were kept on side, site visits to discuss and agree strategy, agreeing a strategy with the Landlord to enable trading to continue, review of trading projections and general trading issues.

30 80 hours has been spent on formulating the Sale of the Business/Assets, correspondence and meetings with potential purchasers, concluding the Sale and Purchase Agreement, and liaising with solicitors via email, telephone and mail

29 30 hours have been expended on Investigations This includes the Joint Administrators' investigations into transactions entered into by the Company prior to our appointment and the number of issues subsequently arising Detailed investigations were carried out, researching into insolvency statute and case law Reports formulated, internal meetings to discuss the past transactions of the Company and emails to various parties

5. ASSETS THAT REMAIN TO BE REALISED

Book Debts

As discussed above at Paragraph 4, creditors will note that the anticipated total of book debts to be received was £40,500 00 The total collected to date is £14,515 54

The Joint Administrators' are currently in the process of seeking to make further recoveries and are seeking co-operation of the former officers of the Company

Administration Sales

Sales at writing total £34,799 02 However, of this amount a total of £19,954 56 remains outstanding

Further investigations are being made by the Joint Administrators and accounts are being reconciled Collection is ongoing and creditors will be appraised in our next Report

6. OTHER RELEVANT INFORMATION

You may be aware that an Administrator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds In addition, an Administrator is also required to consider the conduct of the Company's directors and to make an appropriate submission to the Department of Business, Enterprise and Regulatory Reform ('BERR') I can however confirm that the Administrators have undertaken their standard investigations which have now been concluded and furthermore a D Report has been submitted on the directors' conduct

7. CONCLUSION

Paragraph 76 of Schedule B1 to the Act provides that the appointment of an Administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect However, the Administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months

In order to ensure that the objective of the Administration is achieved and that we have fully discharged our duties as administrators, it is necessary to extend the period of the Administration. Accordingly we have received the consent of the Secured Creditor, The Royal Bank of Scotland PLC, on 15 December 2010 to extend the period of the Administration for six months following the anniversary of our Appointment. The Administration has accordingly been extended to 5 July 2011. This is to allow the Joint Administrators to reconcile the trade debtors account and to collect £10,438.31 of VAT outstanding.

We will report to creditors again before the end of the Administration.

A handwritten signature in black ink, appearing to read 'J N R Pitts', with a long, sweeping horizontal stroke extending to the right.

J N R Pitts
Joint Administrator

Dated 5 January 2011

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

**Income and Expenditure Account
05 February 2010 to 14 February 2011**

INCOME	Total (£)
Sales	34,799 02
Book Debts	14,515 54
Goodwill/Intellectual Property Rights	80,000 00
Business Assets	50,000 00
Bank Interest Net of Tax	16 41
	<hr/> 179,330.97 <hr/>
 EXPENDITURE	
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	25,000 00
Office Holders Expenses	619 37
Agents/Valuers Fees (1)	7,496 13
Legal Fees (1)	15,021 15
Room Hire	300 00
Storage Costs	543 25
Statutory Advertising	75 60
The Royal Bank of Scotland Plc	77,224 62
	<hr/> 150,551.88 <hr/>
 Balance	 <hr/> 28,779.09 <hr/>
 MADE UP AS FOLLOWS	
Trade Debtors	19,954 56
Bank 2 Current	211 78
Vat Payable	(1,825 56)
Vat Control Account	10,438 31
	<hr/> 28,779.09 <hr/>

SIP9 Summary Report

8282S4153.ADM | ADM Senior Graphic Machinery Ltd | From 05/02/2010 To 05/01/2011

Action Code	Partner	Director	Senior Manager	Manager	Senior Case Administrator	Case Administrator	Support & Caseworking	Other	Total Hours	Total Cost	Avg Rate
Administration	2.00	0.00	0.00	3.80	2.30	28.70	139.60	0.00	176.40	19,709.00	111.73
Appointment activity	0.00	0.00	0.00	0.00	0.00	3.50	6.10	0.00	9.60	1,065.00	110.94
Banking	0.00	0.00	0.00	0.30	0.00	1.50	0.00	0.00	1.80	270.00	150.00
GDPA reporting and follow up	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	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.60	60.00	100.00
Debt Collection	0.00	0.00	0.00	9.50	0.00	18.00	0.00	0.00	27.50	4,715.00	171.45
Employees	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	4.00	0.00	0.00	41.30	0.00	0.00	0.00	0.00	45.30	11,725.00	258.83
Investigations	5.00	0.00	0.00	15.30	0.00	9.00	0.00	0.00	29.30	6,745.00	230.20
Meetings	0.00	0.00	0.00	0.00	0.00	27.00	0.00	0.00	27.00	3,510.00	130.00
Pensions	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	3.50	0.00	0.00	2.80	0.00	13.00	0.00	0.00	19.30	3,615.00	187.31
Pre-appointment work	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)	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	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	0.00	0.00	0.00	7.00	0.00	17.50	0.80	0.00	25.30	4,105.00	162.25
Trading	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 TAX	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	141.80	2.30	229.70	155.60	0.00	558.40		
Total Cost	10,150.00	0.00	0.00	35,450.00	368.00	29,861.00	15,560.00	0.00		91,389.00	

Employee/Dish Costs 1 132.50

Dish Fees Drawn 1,183.37

Time Fees Drawn 25 000.00

Outstanding Costs 66,338.13