

The Insolvency Act 1986

Administrator's progress report

Name of Company
Broglia Press 86 Limited

Company number
01523936

In the High Court of Justice, Birmingham District Registry
(full name of court)

Court case number
8450 of 2010

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

I/We (a)
Alexander Kinninmonth
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

Nigel Fox
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 4/10/2010

To
(b) 03/04/2011

Signed

Joint / Administrator(s)

Dated

3-5-11

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

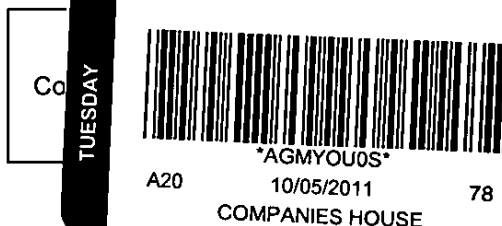
The contact information that you give will be visible to searchers of the public record

Alexander Kinninmonth
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DX Exchange

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



Private and Confidential

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Our Ref
DKS/SDC/PG/AH/5011772/ADM0602e/
Your Ref

3 May 2011

To All Known Creditors

**When telephoning or emailing please contact Alison Hughes on 023 8064 6528 or
alison.hughes@rsmtenon.com**

Dear Sirs

Broglia Press 86 Limited ("the Company") - In Administration

I am writing further to the appointment of Duncan Swift and Stanley Donald Burkett-Coltman as Joint Administrators of the Company on 4 October 2010

I can advise that Stanley Donald Burkett-Coltman and Duncan Swift have now left this firm and that by way of a Court order dated 13 April 2011, my colleague Nigel Fox was appointed in place of Stanley Burkett-Coltman and by way of a Court order dated 21 April 2011 I was appointed in place of Duncan Swift

Should you require any further information relating to this report, please do not hesitate to contact Alison Hughes of this office on the number above

Yours faithfully
For and on behalf of
Broglia Press 86 Limited – In Administration



Alexander Kinninmonth
Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants
The affairs, business and property of the Company are being managed by the Administrators*

Recovery and insolvency services are provided through RSM Tenon Limited and our Insolvency Practitioners are authorised to act in this capacity by their individual licensing bodies. RSM Tenon Limited is a subsidiary of RSM Tenon Group PLC. Directors and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability.

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Broglia Press 86 Limited (“the Company”) – In Administration

**Joint Administrators’ First Progress Report
for the period from 4 October 2010 to 3 April 2011**

Issued on: 3 May 2011

Alexander Kinninmonth and Nigel Fox of RSM Tenon Recovery are the Joint Administrators of the Company and this is their report on the progress of the administration of the Company for the period from 4 October 2010 to 3 April 2011

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

2. Joint Administrators' receipts and payments account

A summary of the Joint Administrators' receipts and payments account relating to the Company for the relevant period from 4 October 2010 to 3 April 2011 is attached at **Appendix II**

3. Action taken by the Joint Administrators since appointment

As no meeting of creditors was requisitioned I can confirm that creditors have been deemed to approve the Administrators' proposals previously circulated on 11 November 2010

It was not a viable option to continue to trade the Company because the staff had not been paid their salaries for the month of September 2010. The employees had been sent home due to non-payment and were awaiting the appointment of Administrators in order to clarify their position. As a result, the Company formally ceased trading on 4 October 2010 upon the appointment of Duncan Swift and Stanley Donald Burkett-Coltman as Joint Administrators. Shortly prior to their appointment, steps had been taken to secure the services of the Company's contracts manager for a limited period of time in order to provide us with assistance in identifying completed and part completed works to customers with resulted in realisations of £22,667. The contracts manager also assisted our team in sorting through the completed works held on site in order that these could be provided to customers to ensure that they would not withhold payment of funds due to the Company as a result of losses incurred from the loss of any of the printed works stored on their behalf.

Immediately following appointment, the Joint Administrators took control of the Company's trading premises and secured it in order to protect the assets located on site. Independent valuers Edward Symmons LLP ("ES") were instructed to inspect the Company's assets and to provide a valuation.

Upon appointment, a number of parties expressed interest in either purchasing the business as a going concern or specific parts of it. The Joint Administrators therefore sourced the information these parties required in order that they could consider making an offer for the business. The required information was provided to all parties but no offers were forthcoming. It was therefore apparent that a sale of the business could not be achieved by the Administrators and as a result, the employees were all made formally redundant from 8 October 2010.

At this point, ES were asked to provide their opinion on a strategy for disposing of the Company's assets. On receiving this advice, it was agreed that ES would set up an auction to sell the assets. This auction took place on 19 November 2010.

Plant and Machinery and Furniture and Equipment

ES valued the Company's plant and machinery on a forced sale basis at approximately £96,750. These items were sold at the auction mentioned above and realised the sum of £192,419.49.

The Company's printing presses were subject to a chattel mortgage in favour of Gold Group Printing Limited ("Gold Group") and were estimated to be worth £350,000. It was estimated that the liability to Gold Group was £110,000 but it transpired that they were owed considerably more. The sum of £371,000 was realised in this regard and forwarded to Gold Group under the terms of its mortgage. The balance remaining to Gold Group is an unsecured claim in the Administration.

Book Debts

At the outset of the Administration, RBS Invoice Finance ("RBSIF") instructed RSM Tenon's debt collection team to collect the debtor ledger on their behalf. I have therefore assisted the collection team in securing the records that will assist with the collection process and in trying to resolve any disputes that have been raised. I can advise that to date, the sum of £655,393.96 has been received and paid to RBSIF under the terms of their fixed charge and at present it is hoped that further realisations will be made to discharge the liability to RBSIF in full. I will continue to assist RBSIF and the RSM Tenon debt collection team to ensure that debtor collections are maximised.

There were also a small number of unfactored book debts which related to the sale of scrap paper and other products estimated at £4,540. The sum of £3,795 has been realised in this regard.

Cash at Bank

The sum of £1,938 was held in the Company's bank account at the date of Administration and has been forwarded to the Administration account.

A small amount of petty cash in the sum of £4.27 has also been received.

Work in Progress

The sum of £22,667 was received from customers in consideration of part completed printing works available for collection.

Associated Debtor

The management accounts indicate that the Company's holding company, New Broglia Press Limited ("New Broglia") owes the Company £75,115. Enquiries have been made in this regard and there is no prospect of a realisation in this regard as it is likely that New Broglia will be placed into Liquidation at some point in the near future.

Administrators have a duty to submit confidential reports or returns to the government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the Administration. I can confirm that the Joint Administrators have complied with their duties in this regard.

4. Liabilities and dividends

Secured Creditors

As mentioned above, Gold Group Printing Limited have received the sum of £371,000 under the terms of their chattel mortgage over the printing presses.

RBSIF have to date received £655,393.96 and it is expected that the liability to it will be settled in full

Preferential Creditors

The former employees of the Company submitted claims to the Redundancy Payments Office ("RPO") for arrears of wages and holiday pay. A claim in the sum of £40,905.61 has been received from the RPO. Unfortunately, due to insufficient realisations, it is not expected that there will be a distribution to preferential creditors in this regard.

Prescribed Part

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

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum prescribed part of £600,000

As it is expected that the liability to RBSIF will be discharged in full and that it will not have to rely on its floating charge, the prescribed part provisions will not apply.

Unsecured Creditors

Claims of £1,952,138 have been received from unsecured creditors to date. Unfortunately, due to insufficient realisations, it is not expected that a distribution to unsecured creditors will be made in this regard.

5. Joint Administrators' Remuneration, Disbursements and Expenses

The Joint Administrators' Proposals provided for the Joint Administrators to be remunerated with reference to time properly spent in dealing with matters in the Administration, up to a maximum of £140,000, and that disbursements would be drawn in accordance with the tariff outlined in **Appendix III**. The Joint Administrators' remuneration and disbursements on the basis outlined in the Proposals were approved by the secured and preferential creditors on 27 January 2011.

The Joint Administrators' time costs were charged (exc VAT) as follows:

	Incurred	Paid
For this period from appointment 4 October 2010 to 3 April 2011	£126,524	£111,532

In accordance with Statement of Insolvency Practice 9 attached at **Appendix III** is a breakdown of these time costs:

Since the end of this period to the current date, further time costs have been incurred of £1,750 representing 10.6 hours and further fees of £10,000 have been drawn.

The Joint Administrators' disbursements incurred during the period of this report and those reimbursed in the period are summarised below. Details are in the attached **Appendix III**.

	Incurring	Paid
Category 1 disbursements for this period from appointment - 4 October 2010 to 3 April 2011	£829 77	£827 41
Category 2 disbursements for this period from appointment - 4 October 2010 to 3 April 2011	£350 45	£350 45
Total	£1,180.22	£1,178.22

The following professional advisors have been instructed in this matter

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Edward Symmons	Valuing assets, dealing with retention of title claims, holding auction and selling assets, clearing premises	Time costs + VAT
Clarke Willmott	Solicitors drafting appointment documents, advising on sale agreements, general advice	Time costs + VAT + disbursements
Ward Goodman	Accountants Processing payroll to year end and P45s, assisting director with Statement of Affairs	Time costs + VAT
Alexander Forbes Trustee Services	Preparing a report on the pension scheme	Fixed fee of £300 + VAT

The choice of professionals was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the Administrators' fee arrangement with them. Details of the costs incurred and paid by the Administrators in relation to administration expenses for the period are also attached at **Appendix III**.

The secured and preferential creditors resolved on 27 January 2011 that the Joint Administrators be authorised to draw pre-appointment costs of £18,468 plus VAT, including fees charged plus expenses and disbursements incurred by them, out of the assets of the Company as an expense of the Administration, and to be drawn as and when funds permit. These costs have been paid in full.

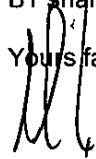
Creditors have a right to request further information from the Administrators and additionally have a right to challenge the Administrators' remuneration and expenses. Time limits apply. Details can be found in the document 'Remuneration Guidelines Administration (post 6 April 2010)' which you can access and download at <http://www.rsmtenon.com/creditorguides>. Alternatively a copy is available free of charge upon request from the address above.

6 End of Administration

As outlined in the initial report to creditors it is the Joint Administrators' intention to exit the Administration by dissolution

The Joint Administrators will seek the agreement of the Secured/and preferential creditors that upon the Company proceeding into dissolution, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following the Company filing the notice of moving from Administration to dissolution

Yours faithfully



Alexander Kinninmonth
Joint Administrator

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Appendix I

Company Information

Company Name	Broglia Press 86 Limited
Previous Name	Solarwell Limited
Company Number	01523936
Date of Incorporation	22 October 1980
Trading Address	Enterprise House, 52 Holton Road, Holton Heath Trading Park, Poole, Dorset, BH16 6LQ
Current Registered Office	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ
Former Registered Office	4 Cedar Park Cobham Road, Ferndown Industrial Estate, Wimborne, Dorset, BH21 7SF
Principal Trading Activity	Printing

Appointment details

Joint Administrators' name and address	Alexander Kinninmonth of RSM Tenon Recovery, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ and Nigel Fox of RSM Tenon Recovery Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ
Date of appointment	4 October 2010
Court Name and Reference	High Court of Justice, Birmingham District Registry 8450 / 2010
Appointment made by	QFC
Actions of Joint Administrators	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

Please be advised that former Joint Administrators Stanley Donald Burkett-Coltman and Duncan Swift have now left this firm and that by way of a Court order dated 13 April 2011, Nigel Fox was appointed in place of Stanley Burkett-Coltman and by way of a Court order dated 21 April 2011 Alexander Kinninmonth was appointed in place of Duncan Swift

Appendix II – Receipts and Payments account

Broglia Press 86 Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 03/04/2011

S of A £		£	£
	SECURED ASSETS		
618,185 00	Book Debts	43,752 52	43,752 52
	SECURED CREDITORS		
(563,590 00)	RBS Invoice Finance	43,752 52	(43,752 52)
	HIRE PURCHASE		
350,000 00	Printing presses	371,000 00	
(110,000 00)	Gold Group - chattel mortgage	(371,000 00)	NIL
	ASSET REALISATIONS		
95,000 00	Plant & Machinery	192,419 49	
1,750 00	Furniture & Equipment	NIL	
4,540 00	Unfactored Book Debts	3,795 25	
1,938 00	Cash at Bank	1,937 55	
22,667 00	Work in progress	22,667 44	
	Bank Interest Gross	2 41	
	Petty Cash	4 27	
			220,826 41
	COST OF REALISATIONS		
	Administrator's Fees	130,000 00	
	Administrator's Expenses	1,209 27	
	Debt collection fees	100 00	
	Agents Fees	40,777 71	
	Legal Fees	11,385 50	
	Accountants fees	675 00	
	Wages	3,539 83	
	IT Charges	1,450 00	
	Retention of title payments	1,295 00	
	Equipment rental	787 06	
	Statutory Advertising	62 50	
	Property Expenses	3,968 65	
	Insurance of Assets	4,884 46	
	Bank Charges	21 00	
			(200,155 98)
	PREFERENTIAL CREDITORS		
(59,441 00)	DE Arrears & Holiday Pay	NIL	
(13,098 00)	Employee Arrears/Hol Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(1,364,066 00)	Trade & Expense Creditors	NIL	
(81,846 00)	Employees	NIL	
(611,447 00)	Redundancy Payments Office	NIL	
(321,708 00)	HM Revenue & Customs - PAYE	NIL	
(16,074 00)	HM Revenue & Customs - VAT	NIL	
			NIL

Broglia Press 86 Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 03/04/2011

S of A £		£	£
	DISTRIBUTIONS		
(500,000 00)	Preference Shareholders	NIL	
(339 00)	Ordinary Shareholders	NIL	
(674,901 00)	Share premium	NIL	
			NIL
(3,222,430.00)			20,670.43
	REPRESENTED BY		
	Vat Receivable		1,195 05
	Interest Bearing Current Account		19,475 38
			20,670.43

Appendix III – Information relating to the Joint Administrators' Fees and Expenses

Broglia Press 86 Limited

Information relating to the Joint Administrators' Fees and Expenses

1. Explanation of Administrators' charging and disbursement recovery policies

1.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge out rates are

Grade	£
Director and associate director	340 – 435
Senior manager, manager & Supervisor	205 - 310
Other senior professionals	150 - 170
Support and administration staff	95 - 105

Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred. Examples of Category 1 expenses are postage, case advertising, specific bond insurance, company search fees, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements include elements of shared or allocated costs incurred by RSM Tenon Recovery and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, and internal storage.

The current levels of Category 2 disbursements recovered by RSM Tenon Recovery are as follows

Category	Basis
stationery	4p, 3p, 35p per envelope, letterhead or label
photocopying	5p per page
postage	actual 1st or 2nd class
faxes	50p per page
storage	£7 20 per box per year
room hire	£100 fixed charge
car mileage	45p per mile
other travelling	actual

Please note that on 6 April 2011 the rate at which mileage is charged was increased to 45p per mile from 40p per mile in accordance with HM Revenue and Customs' approved mileage allowance payment

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

2. Description of work carried out

Section 3 of this appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows

2.1. Pre-appointment

Details of the Joint Administrators' pre-administration costs are set out in the main body of the report

2.2. Administration and planning

This includes the following activities which have been undertaken

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,
- > 6 monthly progress review of the case

Staff of different levels were involved in the above activities depending upon the experience required

2.3 Investigations

The time spent includes

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,

- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

2.4. Realisation of assets

Please refer to the main body of the report but in summary the time spent includes

- > Liaison with agents and solicitors,
- > Correspondence and meetings with interested parties,
- > Monitoring and chasing of deposits,
- > Identifying, securing and insuring of assets
- > Debt collection
- > Agreement of contracts

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

2.5. Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with reservation of title claims,
- > Recording creditor claims
- > Reporting to creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims,

3. Time and charge-out summary

For the period of the report 4 October 2010 to 3 April 2011, a total of 501 95 hours have been spent at an average charge out rate of £252 bringing the total cost to date to £126,524

The table on the next two pages shows details of the time costs charged (exc VAT) in the current period

SIP9 Detailed

5011772 Broglia Press 86 Limited

Corp Administration/Post appt

01/01/1900 to 03/04/2011

RSM Tenon

Administration and priority					
General Administration	6 90	26 20	101 35	2 70	137 15
Strategy / Review	0 00	0 00	3 50	10 50	14 00
Tax Post Appointment	0 00	0 00	0 00	1 70	1 70
Pension Scheme (General)	0 00	0 00	5 00	0 00	5 00
	6 90	26 20	109 85	14 90	157 85
					31,374 00
					198 76

Creditors					
Other Creditor Related Activities	38 90	47 00	19 10	10 30	115 30
Employee Related Tasks	0 00	1 00	37 80	2 30	41 10
Reporting to Secured Creditor	0 00	0 00	0 00	0 60	0 60
Retention of Title	0 00	0 00	0 50	0 00	0 50
Secured Creditors	0 00	0 00	0 00	6 00	6 00
	38 90	48 00	57 40	19 20	163 50
					42,022 00
					257 02

Investigations					
Investigations	0 80	6 50	20 50	0 20	28 00
	0 80	6 50	20 50	0 20	28 00
					5,446 00
					194 50

Realisation of assets					
FL Stock & WIP	0 00	0 00	0 00	0 50	0 50
FL Freehold & Leasehold	0 00	0 00	0 50	0 00	0 50
FX Asset General	4 60	0 00	0 40	1 80	6 80
FX Plant & Machinery	0 00	0 00	0 00	4 20	4 20
					450 00
					144 00
					347 79
					450 00

Tax - Refund	0 00	0 00	0 60	0 00	0 60	150 00
Book Debt Realisation (Uncharged)	0 00	0 00	0 90	0 00	0 90	140 00
FL Asset General	91 90	38 20	5 90	0 80	136 80	310 29
FL Book Debt Realisation	0 00	0 00	1 80	0 00	1 80	150 00
Plant & Machinery	0 00	0 00	0 10	0 40	0 50	392 00
	96 50	38 20	10 20	7 70	152 60	47,682 00
	143 10	118 90	197 95	42 00	501 95	312 46

Hours

Charge

Charge

126,524 00

4 Disbursements

Disbursements incurred during the period of this report and those reimbursed in the period are detailed below (exc VAT)

Disbursements	This period	
	Incurring £	Paid £
<i>Category 1</i>		
Postage	309 96	309 96
Travel Costs	474 40	472 40
Subsistence	19 45	19 45
Mail Re-direction	25 96	25 96
Total	829.77	827.41
<i>Category 2</i>		
Photocopying	296 55	296 55
Stationery	53 90	53 90
Total	350.45	350 45

5 Professional advisors and expenses

The Joint Administrators have incurred administration expenses in connection with the instruction of the following parties,

Name & Activity	This period	
	Incurring £	Paid £
Clarke Willmott, solicitors	11,385 50	11,385 50
Ward Goodman, accountants	675 00	675 00
Alexander Forbes, pension advisers	300 00	300 00
Edward Symmons, valuers	40,477 71	40,477 71
Total		

The above costs exclude VAT