

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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19/05/2017

#337

COMPANIES HOUSE

1 Company details

Company number 0 2 6 7 3 7 8 0

Company name in full The Franking Machine Company Supplies Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Paul Nicholas

Surname Dumbell

3 Administrator's address

Building name/number 1 St Peter's Square

Street Manchester

Post town M2 3AE

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) David James

Surname Costley-Wood

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 St Peter's Square

Street Manchester

Post town M2 3AE

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	1	d	9	m	1	m	0	y	2	y	0	y	1	y	6
To date	d	1	d	8	m	0	m	4	y	2	y	0	y	1	y	7

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X  X

Signature date	d	1	d	9	m	0	m	5	y	2	y	0	y	1	y	7
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AM10

Notice of administrator's progress report



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 **Matthew Herbert**

Company name **KPMG LLP**

Address **1 St Peter's Square**
Manchester

Post town **M2 3AE**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 161 246 4000**



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 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

KPMG

Joint
Administrators'
progress
report for the
period 19
October 2016
to 18 April
2017



The Franking Machine
Company Supplies Limited -
in Administration

and

The Franking Machine
Company Finance Limited –
in Administration

16 May 2017

Notice to creditors

This progress report provides an update on the administration of the Companies.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administrations and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website:

<http://www.insolvency-kpmg.co.uk/case+KPMG+TCB30E3235.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 6).

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1 Executive summary

- This progress report is for The Franking Machine Company Supplies Limited ("Supplies") and The Franking Machine Company Finance Limited ("Finance") (together the "Companies") and is for the period 19 October 2016 to 18 April 2017 (the "Period").
- We continue to collect rental income receipts. This is in addition to investigating matters and transactions carried out by the Companies prior to our appointment (Section 2 - Progress to date).
- We have distributed a total of £1.56 million to the Secured creditor to date. It is expected that the Secured creditor will not recover its lending in full (Section 3 - Dividend prospects).
- It is expected that there will be insufficient funds available to enable a distribution to the preferential creditors (Section 3 - Dividend prospects).
- It is expected that there will be insufficient funds available to enable a distribution to the unsecured creditors (Section 3 - Dividend prospects).
- During the Period, an application to Court was made, and we were granted a 12-month extension to the period of the administrations. The administrations are currently due to end on 6 December 2017.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+TCB30E3235.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

Yours faithfully



Paul Dumbell
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administrations and on our progress to date. It follows the information provided in our previous progress reports.

2.1 Strategy and progress to date

Strategy

We have continued to collect rental income receipts in the Period, as detailed below. We continue to explore the possibility of selling the interest in the future rental income. We also continue to investigate matters and transactions carried out by the Companies prior to our appointment.

Once asset realisations have been completed, we will settle remaining costs, make final distributions to the Secured creditor and then take steps to exit the administrations.

Rental income

As previously reported, a sale of the business and assets of the Companies was completed on 2 September 2013. A part of the consideration was contingent and is driven by future rental income. Rental income is collected by the Purchaser in connection with the rental agreements that were transferred as part of the sale.

Finance, by virtue of the sale agreement, is entitled to a sum equal to 37.5% of the first £2.8 million of rental income received by the Purchaser and 50% of any rental income received in excess of £2.8 million.

Once the Purchaser has received rental income from a customer, it calculates the amount due to the administration estate and then pays that sum over in the following month.

During the Period, a total of £65,415 has been received into Finance from the Purchaser, bringing total rental income collections to £1.72 million.

2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

Rental income

Rental income of £65,415 has been received in the Period.

Bank interest

£282 has been received in bank interest in the Period.

Cash received due to third party

A payment of £112 has been received, which is due to a third party.

Sundry refunds

Sundry refunds of £24 have been received in the Period.

Investigations

We have continued to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

2.3 Costs

Payments made in this Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the Period are provided below.

Legal fees and disbursements

Legal fees of £1,000 have been paid to our Solicitors in the Period, with an additional £976 paid as legal disbursements. This was for legal assistance in extending the period of the administrations.

Bank charges

Bank charges of £19 have been paid in the Period.

2.4 Schedule of expenses

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects

3.1 Secured creditors

At the date of our appointment, the debt outstanding to the Bank totalled approximately £3.8 million. To date, we have distributed a total of £1.56 million. All distributions have been made from Finance. It is not expected that the Bank will recover its lending in full.

3.2 Preferential creditors

It is expected that there will be insufficient funds available to enable a distribution to the preferential creditors.

3.3 Unsecured creditors

It is expected that there will be insufficient funds available to enable a distribution to the unsecured creditors.

4 Joint Administrators' remuneration and disbursements

4.1 Joint Administrators' remuneration and disbursements - Supplies

Time costs

From 19 October 2016 to 18 April 2017, we have incurred time costs of £5,827. These represent 18 hours at an average rate of £317 per hour.

Our time costs incurred since the outset of the administration total £333,433, against which we have drawn fees of £63,972. No fees have been drawn in the Period.

Disbursements

During the Period, we have incurred disbursements of £47.

4.2 Joint Administrators' remuneration and disbursements - Finance

Time costs

From 19 October 2016 to 18 April 2017, we have incurred time costs of £17,252. These represent 50 hours at an average rate of £344 per hour.

Our time costs incurred since the outset of the administration total £1,018,855, against which we have drawn fees of £221,028. No fees have been drawn in the Period.

Disbursements

During the Period, we have incurred disbursements of £10.

4.3 Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 19 October 2016 to 18 April 2017. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administrations

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administrations. This will include but not be limited to:

- the continued collection of rental income receipts whilst seeking to secure a sale of the future rights to this income;
- making further distributions to the Secured creditor;
- drawing a final fee; and
- finalising all other matters in the administrations, including the settlement of any remaining expenses.

5.2 Extension of the administrations

During the Period, the Court granted a 12 month extension to the period of the administrations.

The administrations are currently due to end on 6 December 2017.

5.3 Future reporting

We will provide our next report to creditors by 18 November 2017.

Appendix 1 Statutory information

Company information

Company name	The Franking Machine Company Supplies Limited
Date of incorporation	23 December 1991
Company registration number	02673780
Present registered office	KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE

Administration information

Administration appointment	The administration appointment granted in Manchester District Registry, 3444 of 2012
Appointor	Royal Bank of Scotland Plc
Date of appointment	7 December 2012
Extension obtained	Court approval to 6 December 2017
Joint Administrators' details	Paul Dumbell and David Costley-Wood
Function	Joint Administrators
Current administration expiry date	6 December 2017

Company information

Company name	The Franking Machine Company Finance Limited
Date of incorporation	2 November 1993
Company registration number	02868260
Present registered office	KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE

Administration information

Administration appointment	The administration appointment granted in Manchester District Registry, 3445 of 2012
Appointor	Royal Bank of Scotland Plc
Date of appointment	7 December 2012
Extension obtained	Court approval to 6 December 2017
Joint Administrators' details	Paul Dumbell and David Costley-Wood
Function	Joint Administrators
Current administration expiry date	6 December 2017

Appendix 2 Joint Administrators' receipts and payments account

The Franking Machine Company Supplies Limited - in Administration		
Trading accounts		
Statement of Affairs (£)	From 19/10/2016 To 18/04/2017 (£)	From 07/12/2012 To 18/04/2017 (£)
POST-APPOINTMENT SALES		
Sales	NIL	927.31
Hotel Income	NIL	104.17
	NIL	1,031.48
PURCHASES		
Hotel Purchases	NIL	(98.00)
	NIL	(98.00)
Trading surplus/(deficit)	NIL	933.48

The Franking Machine Company Supplies Limited - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 19/10/2016 To 18/04/2017 (£)	From 07/12/2012 To 18/04/2017 (£)
FIXED CHARGE ASSETS		
Goodwill	NIL	32,401.00
Bank interest, gross	NIL	57.91
	NIL	32,458.91
FIXED CHARGE COSTS		
Fixed charge surplus trf	NIL	(32,458.91)
	NIL	(32,458.91)
ASSET REALISATIONS		
1,000.00 Plant & machinery	NIL	1.00
Furniture & equipment	NIL	3,001.00
Motor vehicles	NIL	4,444.00
10,000.00 Stock	NIL	1.00
10,000.00 Book debts	NIL	29,848.61
220,000.00 Intercompany Debt	NIL	348.24
18,000.00 Cash at bank	NIL	NIL
Floating - fxd realisation surplus	NIL	32,458.91
	NIL	70,102.76
OTHER REALISATIONS		
Bank interest, gross	NIL	0.07

The Franking Machine Company Supplies Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 19/10/2016 To 18/04/2017 (£)	From 07/12/2012 To 18/04/2017 (£)
	Sundry refunds	NIL	19.38
	Trading surplus/(deficit)	NIL	933.48
		NIL	952.93
	COST OF REALISATIONS		
	Administrators' fees	NIL	(63,971.63)
	Administrators' expenses	NIL	(488.44)
	Agents'/Valuers' fees	NIL	(1,000.00)
	Legal fees	NIL	(5,000.00)
	Legal Disbursements	NIL	(375.00)
	Statutory advertising	NIL	(76.50)
	Bank charges	(19.38)	(144.12)
		(19.38)	(71,055.69)
	PREFERENTIAL CREDITORS		
63,500.00	Employees' wage arrears	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
959,605.00	Trade & expense	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
1,000.00	Ordinary shareholders	NIL	NIL
		NIL	NIL
1,283,105.00		(19.38)	NIL
	REPRESENTED BY		
	Floating ch. VAT rec'able		13,256.56
	Floating charge current2		NIL
	Fixed charge VAT payable		(6,480.20)
	Floating ch. VAT payable		(1,695.69)
	Floating ch. VAT control		(11,560.87)
	Fixed charge VAT control		6,480.20
			NIL

The Franking Machine Company Finance Limited - in Administration		
Trading accounts		
Statement of Affairs (£)	From 19/10/2016 To 18/04/2017 (£)	From 07/12/2012 To 18/04/2017 (£)
POST-APPOINTMENT SALES		
Sales	NIL	692,324.30
Administrative Support fee	NIL	7,188.62
Funding payment	NIL	7,000.00
	NIL	706,512.92
PURCHASES		
Purchases	NIL	(7,059.09)
	NIL	(7,059.09)
OTHER DIRECT COSTS		
Direct labour	NIL	(111,660.07)
	NIL	(111,660.07)
TRADING EXPENSES		
Sub contractors	NIL	(28,411.25)
Rent	NIL	(21,749.94)
Rates	NIL	(1,156.32)
Water rates	NIL	(222.62)
Heat & light	NIL	(5,086.82)
Travel	NIL	(4,958.61)
Telephone/Telex/Fax	NIL	(2,524.92)
Insurance	NIL	(9,496.60)
Repairs and maintenance	NIL	(275.00)
Sundry expenses	NIL	(1,918.12)
	NIL	(75,800.20)
Trading surplus/(deficit)	NIL	511,993.56

The Franking Machine Company Finance Limited - in Administration		
Abstract of receipts & payments		
Statement of affairs (£)	From 19/10/2016 To 18/04/2017 (£)	From 07/12/2012 To 18/04/2017 (£)
FIXED CHARGE ASSETS		
Goodwill	NIL	83,401.00
Bank interest, gross	NIL	117.74
	NIL	83,518.74
FIXED CHARGE COSTS		
Fixed charge surplus trf	NIL	(83,518.74)

The Franking Machine Company Finance Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 19/10/2016 To 18/04/2017 (£)	From 07/12/2012 To 18/04/2017 (£)
		NIL	(83,518.74)
	ASSET REALISATIONS		
	Rental income debts	65,415.33	1,724,848.83
1,000,000.00	Plant & machinery	NIL	1.00
	Motor vehicles	NIL	69,806.00
	Stock - work in progress	NIL	1.00
5,000,000.00	Book debts	NIL	122,973.29
	Floating - fxd realisation surplus	NIL	83,518.74
		65,415.33	2,001,148.86
	OTHER REALISATIONS		
	Bank interest, gross	282.33	3,352.32
	Sundry refunds	24.47	459.43
	Cash received due to third party	111.60	2,086.33
	Trading surplus/(deficit)	NIL	511,993.56
	Cash received due to unconfirmed party	NIL	36,387.44
		418.40	554,279.08
	COST OF REALISATIONS		
	Administrators' fees	NIL	(221,028.37)
	Administrators' expenses	NIL	(7,238.41)
	VAI due from FMC Limited	NIL	(10,117.67)
	Irrecoverable VAT	NIL	(267.92)
	Agents'/Valuers' fees	NIL	(6,500.00)
	Agents'/Valuers' disbursements	NIL	(922.95)
	Legal fees	(1,000.00)	(132,948.74)
	Legal disbursements	(975.60)	(4,898.42)
	Storage costs	NIL	(149.55)
	Statutory advertising	NIL	(76.50)
	Bank charges	NIL	(760.00)
		(1,975.60)	(384,908.53)
	PREFERENTIAL CREDITORS		
(30,500.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(3,755,000.00)	Royal Bank of Scotland	NIL	(1,558,334.07)
		NIL	(1,558,334.07)

The Franking Machine Company Finance Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£) From 19/10/2016 To 18/04/2017 (£) From 07/12/2012 To 18/04/2017 (£)

UNSECURED CREDITORS

(2,428,500.00)	Trade & expense	NIL	NIL
		NIL	NIL

DISTRIBUTIONS

(2.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL

(214,002.00)

63,858.13 612,185.34

REPRESENTED BY

Floating ch. VAT rec'able	69,801.01
Floating charge current	612,052.22
Floating ch. VAT payable	(186,254.53)
Floating ch. VAT control	116,586.64
	612,185.34

Appendix 3 Schedule of expenses

Schedule of expenses (19/10/2016 to 18/04/2017)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Bank charges	19.38	0.00	19.38
Joint Administrator's fees	0.00	5,826.50	5,826.50
TOTAL	19.38	5,826.50	5,845.88

Schedule of expenses (19/10/2016 to 18/04/2017)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Legal fees and disbursements	1,975.60	0.00	1,975.60
Joint Administrator's fees	0.00	17,251.75	17,251.75
TOTAL	1,975.60	17,251.75	19,227.35

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Matt Herbert at KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE.

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

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

If you are unable to access this guide and would like a copy, please contact Matt Herbert on 0161 246 4010.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring		
Grade	From 01 Oct 2015 £/hr	From 01 Nov 2016 £/hr
Partner	595	625
Director	535	560
Senior Manager	485	510
Manager	405	425
Senior Administrator	280	295
Administrator	205	215
Support	125	131

Table of charge-out rates

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both 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, and equivalent costs reimbursed to the officeholder or his or her staff.

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.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Courier & delivery costs	0.61		NIL		0.61
External printing	6.20		NIL		6.20
Postage	50.44		NIL		50.44
Total	57.25		NIL		57.25

During the Period we have incurred disbursements of £47 in Supplies and £10 in Finance.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Narrative of work carried out for the period 19 October 2016 to 18 April 2017 in Supplies

The key areas of work have been:

Statutory and compliance	■ preparing statutory receipts and payments accounts; ■ ensuring compliance with all statutory obligations within the relevant timescales.
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Cashiering	■ reconciling post-appointment bank accounts to internal systems;
Tax	■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
Creditors and claims	■ drafting our progress report.

Time costs

SIP 9 –Time costs analysis (19/10/2016 to 18/04/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	3.70	807.50	218.24
Statutory and compliance			
Appointment and related formalities	3.00	1,265.00	421.67
Checklist & reviews	0.50	202.50	405.00
Strategy documents	3.10	759.50	245.00
Tax			
Post appointment corporation tax	0.30	153.00	510.00
Creditors			
Creditors and claims			
Statutory reports	7.80	2,639.00	338.33
Total in period	18.40	5,826.50	316.66

Brought forward time (appointment date to SIP 9 period start date)	1,084.56	327,606.60
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	18.40	5,826.50
Carry forward time (appointment date to SIP 9 period end date)	1,102.96	333,433.10

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Narrative of work carried out for the period 19 October 2016 to 18 April 2017 in Finance

The key areas of work have been:

Statutory and compliance	■ preparing statutory receipts and payments accounts; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	■ reviewing matters affecting the outcome of the administration; ■ complying with internal filing and information recording practices, including documenting strategy decisions.

Cashiering	<ul style="list-style-type: none"> ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with risk management in respect of receipts and payments.
Asset realisations	<ul style="list-style-type: none"> ■ reviewing outstanding debtors and management of debt collection strategy; ■ reviewing the inter-company debtor position between the Company and other group companies.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting our progress report.

Time costs

SIP 9 –Time costs analysis (19/10/2016 to 18/04/2017)

	Hours	Total Cost (£)	Average Rate (£/hr)
Administration & planning			
Cashiering			
Fund management	1.00	215.00	215.00
General (Cashiering)	9.80	2,508.00	255.92
Reconciliations (& IPS accounting reviews)	0.30	64.50	215.00
Statutory and compliance			
Appointment and related formalities	5.50	2,587.50	470.45
Checklist & reviews	5.05	1,763.25	349.16
Reports to debenture holders	8.00	3,620.00	452.50
Statutory receipts and payments accounts	2.00	1,095.00	547.50
Strategy documents	5.90	1,136.50	192.63
Tax			
Post appointment corporation tax	0.55	259.25	471.36
Post appointment VAT	1.00	320.00	320.00
Creditors			
Creditors and claims			
General correspondence	1.30	279.50	215.00
Statutory reports	8.05	2,692.75	334.50
Realisation of assets			
Asset Realisation			
Deferred consideration	1.70	710.50	417.94
Total in period	50.15	17,251.75	344.00

Brought forward time (appointment date to SIP 9 period start date)	3,361.66	1,001,602.85
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	50.15	17,251.75
Carry forward time (appointment date to SIP 9 period end date)	3,411.81	1,018,854.60

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central

administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates. All time shown in the above analysis is charged in units of six minutes.

Appendix 5 Glossary

the Bank	Royal Bank of Scotland Plc
the Companies	The Franking Machine Company Supplies Limited and The Franking Machine Company Finance Limited – in Administration
Finance	The Franking Machine Company Finance Limited – in Administration
Joint Administrators/we/our/us	Paul Dumbell and David Costley-Wood
KPMG	KPMG LLP
the Period	19 October 2016 to 18 April 2017
Purchaser	F P Mailing (North West) Limited (trading as 'The Mailing Room')
Secured creditor	Royal Bank of Scotland Plc
Solicitors	SAS Daniels LLP
Supplies	The Franking Machine Company Supplies Limited – in Administration

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 6 Notice: About this report

This report has been prepared by Paul Dumbell and David Costley-Wood, the Joint Administrators of The Franking Machine Company Supplies Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Paul Nicholas Dumbell and David James Costley-Wood are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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