

AM23

Notice of move from administration to dissolution



Companies House

THURSDAY



A19 *A6KSGKS3* 07/12/2017 #367
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 Court details

Court name Manchester District Registry

Court number 3 4 4 4 o f 2 0 1 2

3 Administrator's name

Full forename(s) Paul Nicholas
Surname Dumbell

4 Administrator's address

Building name/number 1 St Peter's Square

Street Manchester

Post town

County/Region

Postcode M 2 3 A E

Country

AM23

Notice of move from administration to dissolution

5 Administrator's name ①

Full forename(s) David James

Surname Costley-Wood

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

6 Administrator's address ②

Building name/number 1 St Peter's Square

Street Manchester

Post town

County/Region

Postcode M 2 3 A E

Country

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

7 Final progress report

☒ I have attached a copy of the final progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date 0 4 1 2 2 0 1 7

AM23

Notice of move from administration to dissolution



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



Joint
Administrators'
final progress
report for the
period 19
October 2017
to 1 December
2017



The Franking Machine
Company Supplies Limited -
in Administration

and

The Franking Machine
Company Finance Limited –
in Administration

4 December 2017

Notice to creditors

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each class of creditors.

You will find other important information in the document such as the costs we have incurred.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

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 report is attached (Appendix 7).

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1 Executive summary

- This final 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 final period from 19 October 2017 to 1 December 2017 (the "Period").
- All assets have been realised and no further monies will be collected. In addition, all costs have been settled (Section 2 - Progress to date).
- A final distribution of £432,307 has been made to the Secured creditor in the Period, bringing total payments to £1.99 million. The Secured creditor has not recovered its lending in full (Section 3 – Outcome for creditors).
- No funds were available for a distribution to the preferential creditors (Section 3 – Outcome for creditors).
- No funds were available for a distribution to the unsecured creditors of the Companies (Section 3 – Outcome for creditors).
- We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice. The administration will cease to have effect when the Registrar of Companies registers these documents. The Companies will be dissolved three months after that date.
- Please note: you should read this progress report in conjunction with our previous progress report(s) and proposals issued to the Company's creditors. <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.



Paul Dumbell
Joint Administrator

2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

All assets of the Companies have been dealt with, no further monies will be collected and all costs have been settled.

A final distribution of £432,307 has been made to the Secured creditor in the Period, bringing total payments to £1.99 million. The Secured creditor has not recovered its lending in full.

There are no further distributions to be made to any class of creditor.

We consider that our original proposals have now been completed. There have been no amendments to or major deviations from our original proposals, as approved.

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice. The administration will cease to have effect when the Registrar of Companies registers these documents. The Companies will be dissolved three months after that date.

2.2 Asset realisations

Realisations during the final 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 debts

£20,000 has been received in the Period from the Purchaser in respect of the final settlement of future rental income.

Bank interest

Bank interest of £84 has been received in the Period.

Book debts and cash received due to unconfirmed/third parties

A transfer of £40,145 has been made to book debts comprising balances of £36,387 and £3,757 from cash received due to unconfirmed/third parties. This reallocation has been carried out as these balances have been identified as belonging to Finance.

2.3 Costs

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

Summaries of the most significant costs settled in the Period are provided below.

Administrators' fees

£225,000 has been paid as final Administrators' fees in the Period.

Bank charges

£20 in bank charges have been incurred on the final distribution payment to the Bank.

2.4 Schedule of expenses

We have detailed the costs incurred during the final Period in the schedule of expenses attached (Appendix 3).

3 Outcome for creditors

3.1 Secured creditors

At the date of our appointment, the debt outstanding to the Bank totalled approximately £3.8 million. We have distributed a total of £1.99 million throughout the duration of the administration. All distributions have been made from Finance. The Bank has not recovered its lending in full.

3.2 Preferential creditors

There were insufficient funds available in the administration to pay a dividend to the preferential creditors.

3.3 Unsecured creditors

There were insufficient funds to pay a dividend to the unsecured creditors in either of the Companies.

4 Joint Administrators' remuneration and disbursements

4.1 Joint Administrators' remuneration and disbursements - Supplies

Time costs

From 19 October 2017 to 1 December 2017, we have incurred time costs of £10,791. These represent 31 hours at an average rate of £347 per hour.

From the date of our appointment to 1 December 2017, we have incurred time costs of £348,718. These represent 1,149 hours at an average rate of £304 per hour.

Remuneration

During the Period, we have not drawn any remuneration. Total fees drawn in Supplies across the duration of the administration total £63,972.

Disbursements

During the Period we have not incurred any disbursements.

4.2 Joint Administrators' remuneration and disbursements - Finance

Time costs

From 19 October 2017 to 1 December 2017, we have incurred time costs of £30,453. These represent 83 hours at an average rate of £367 per hour.

From the date of our appointment to 1 December 2017, we have incurred time costs of £1,068,104. These represent 3,542 hours at an average rate of £302 per hour.

Remuneration

During the Period, we have drawn floating charge remuneration of £225,000. Total fees drawn in Finance across the duration of the administration total £446,028.

Disbursements

During the Period we have not incurred any disbursements.

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 2017 to 1 December 2017. We have also attached our charging and disbursements policy.

5 Conclusion of the administration

We now consider that our proposals have been completed, a copy of which is shown in Appendix 5.

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice.

The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

We have already obtained discharge from liability in respect of any action of ours as Joint Administrators from the Secured creditor. Discharge will take effect immediately upon our appointment as Joint Administrators ceasing to have effect.

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
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
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 19/10/2017 To 01/12/2017 (£)	From 07/12/2012 To 01/12/2017 (£)
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 19/10/2017 To 01/12/2017 (£)	From 07/12/2012 To 01/12/2017 (£)
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 19/10/2017 To 01/12/2017 (£)	From 07/12/2012 To 01/12/2017 (£)
	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	NIL	(144.12)
		NIL	(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		NIL	NIL
REPRESENTED BY			
	Floating ch VAT rec'able		13,256.56
	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 19/10/2017 To 01/12/2017 (£)	From 07/12/2012 To 01/12/2017 (£)
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 19/10/2017 To 01/12/2017 (£)	From 07/12/2012 To 01/12/2017 (£)
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 19/10/2017 To 01/12/2017 (£)	From 07/12/2012 To 01/12/2017 (£)
		NIL	(83,518 74)
	ASSET REALISATIONS		
	Rental income debts	20,000.00	1,767,922 42
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	40,144 77	163,118.06
	Floating - fxd realisation surplus	NIL	83,518.74
		60,144 77	2,084,367 22
	OTHER REALISATIONS		
	Bank interest, gross	83.78	3,749 81
	Sundry refunds	NIL	459 43
	Cash received due to third party	(3,757.33)	NIL
	Trading surplus/(deficit)	NIL	511,993.56
	Cash received due to unconfirmed party	(36,387 44)	NIL
		(40,060 99)	516,202 80
	COST OF REALISATIONS		
	Administrators' fees	(225,000 00)	(446,028 37)
	Administrators' expenses	NIL	(7,238.41)
	VAT 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	NIL	(132,948 74)
	Legal disbursements	NIL	(4,898.42)
	Storage costs	NIL	(149 55)
	Statutory advertising	NIL	(76 50)
	Bank charges	(20 00)	(780 00)
		(225,020 00)	(609,928 53)
	PREFERENTIAL CREDITORS		
(30,500 00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(3,755,000 00)	Royal Bank of Scotland	(432,307 42)	(1,990,641.49)
		(432,307 42)	(1,990,641.49)

The Franking Machine Company Finance Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 19/10/2017 To 01/12/2017 (£)	From 07/12/2012 To 01/12/2017 (£)
UNSECURED CREDITORS			
(2,428,500 00)	Trade & expense	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(2 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(214,002.00)		(637,243.64)	NIL
REPRESENTED BY			
	Floating ch. VAT rec'able		114,801.01
	Floating charge current		NIL
	Floating ch. VAT payable		(186,254 53)
	Floating ch. VAT control		71,453 52
			NIL

Appendix 3 Schedule of expenses

Schedule of expenses - Supplies (19/10/2017 to 01/12/2017)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Administrators' fees	0.00	10,790.50	10,790.50
TOTAL	0.00	10,790.50	10,790.50

Schedule of expenses - Finance (19/10/2017 to 01/12/2017)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Administrators' fees	0.00	30,452.50	30,452.50
TOTAL	0.00	30,452.50	30,452.50

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 on 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 charge-out rates per hour worked 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.

Table of charge-out rates

Charge-out rates (£) for: Restructuring	
Grade	From 01 Nov 2016 £/hr
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

Policy for the recovery of disbursements

We have recovered neither Category 1 nor 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.

We have not incurred any disbursements during the Period.

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

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 19 October 2017 to 1 December 2017 - Supplies

The key areas of work have been:

Statutory and compliance	■ preparing statutory receipts and payments accounts, ■ dealing with all closure related formalities, ■ ensuring compliance with all statutory obligations within the relevant timescales.
Cashiering	■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance
General	■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Creditors and claims	■ drafting our progress report

Time costs

SIP 9 –Time costs analysis (19/10/2017 to 01/12/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	0.20	43.00	215.00
Reconciliations (& IPS accounting reviews)	0.50	212.50	425.00
General			
Books and records	0.20	43.00	215.00
Fees and WIP	7.30	3,039.50	416.37
Statutory and compliance			
Checklist & reviews	1.70	428.50	252.06
Closure and related formalities	10.20	4,033.00	395.39
Strategy documents	0.90	193.50	215.00
Tax			
Post appointment corporation tax	1.20	258.00	215.00
Creditors			
Creditors and claims			
Statutory reports	8.90	2,539.50	285.34
Total in period	31.10	10,790.50	346.96

Brought forward time (appointment date to SIP 9 period start date)	1,117.51	337,927.85
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	31.10	10,790.50
Carry forward time (appointment date to SIP 9 period end date)	1,148.61	348,718.35

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 2017 to 1 December 2017 - Finance

The key areas of work have been:

Statutory and compliance	■ preparing statutory receipts and payments accounts, ■ dealing with all closure related formalities, ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration, ■ complying with internal filing and information recording practices, including documenting strategy decisions
Cashiering	■ reconciling post-appointment bank accounts to internal systems;

	■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements, ■ dealing with post appointment tax compliance.
General	■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ drawing remuneration in accordance with the basis which has been approved by the Secured creditor, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	■ reviewing outstanding debtors and management of debt collection strategy; ■ seeking legal advice in relation to book debt collections,
Creditors and claims	■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ agreeing Secured claims, ■ arranging distributions to the Secured creditor, ■ drafting our progress report

Time costs

SIP 9 –Time costs analysis (19/10/2017 to 01/12/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
Fund management	0.30	64.50	215.00
General (Cashiering)	4.00	868.00	217.00
Reconciliations (& IPS accounting reviews)	0.50	212.50	425.00
General			
Books and records	0.90	193.50	215.00
Fees and WIP	11.40	4,170.00	365.79
Other office holders	0.60	129.00	215.00
Statutory and compliance			
Checklist & reviews	9.85	4,803.50	487.66
Closure and related formalities	11.50	4,585.50	398.74
Strategy documents	10.20	4,376.50	429.07
Tax			
Post appointment corporation tax	11.40	3,778.50	331.45
Post appointment VAT	0.50	212.50	425.00
Creditors			
Creditors and claims			
General correspondence	0.30	64.50	215.00
Notification of appointment	0.50	280.00	560.00
Secured creditors	6.70	1,903.50	284.10
Statutory reports	10.30	2,840.50	275.78

SIP 9 –Time costs analysis (19/10/2017 to 01/12/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Realisation of assets			
Asset Realisation			
Cash and investments	2.00	1,120.00	560.00
Debtors	2.00	850.00	425.00
Total in period	82.95	30,452.50	367.12

Brought forward time (appointment date to SIP 9 period start date)	3,459.26	1,037,651.10
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	82.95	30,452.50
Carry forward time (appointment date to SIP 9 period end date)	3,542.21	1,068,103.60

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 Summary of Joint Administrators' proposals

13 **Joint Administrators' Proposals**

The Joint Administrators propose the following

This document in its entirety constitutes the Joint Administrators' Proposals in accordance with Paragraph 49. However, in summary, the Joint Administrators propose the following

- to continue to do all such things reasonably expedient and generally exercise all their powers as contained in Schedule B1 to the Act as Joint Administrators as they, in their absolute discretion, consider desirable in order to maximise realisations from the assets of the Companies,
- to investigate and, if appropriate, pursue any claims the Companies may have,
- to seek an extension to the Administration periods if deemed necessary by the Joint Administrators pursuant to Paragraph 76 of Schedule B1 to the Act,
- to seek, if appropriate, any directions from the Court,
- when it is considered that no further distributions to creditors will be made and that the Joint Administrators have concluded their duties, to take the necessary steps to move either / both of Companies from Administration to dissolution, pursuant to Paragraph 84 of Schedule B1 to the Act,
- that if issues arise which could better be dealt with in liquidation, the Joint Administrators take the necessary steps to move either / both of the Companies into creditors' voluntary liquidation pursuant to Paragraph 83 of Schedule B1 to the Act,
- if creditors' voluntary liquidation is deemed appropriate, the Joint Administrators will seek the appointment of Paul Dumbell and Brian Green of KPMG LLP as Joint Liquidators of the Companies without any further recourse to creditors. In accordance with Paragraph 83 (7) of Schedule B1 to the Act and Rule 2.117 (3) of the Rules (as amended), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved, and
- in the event that Paul Dumbell and Brian Green are appointed Joint Liquidators then they will be allowed to act jointly and severally.

The following are a summary of Proposals that are not subject to deemed approval

- the Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Act immediately upon their appointment as Joint Administrators ceasing to have effect,
- that in the event that no creditors' committee is formed, the Joint Administrators will seek approval from the secured and preferential creditors that they be authorised to draw fees on account from the assets of the Companies from time to time during the period of the Administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. In the event that Paul Dumbell and Brian Green be appointed Joint Liquidators then they will be able to draw fees on the same basis as the Joint Administrators as agreed by the Companies' creditors,
- that the costs of KPMG LLP in respect of GSS, pension, tax and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of the Companies, and
- that the Joint Administrators will be authorised to draw disbursements from time to time to include category 2 disbursements. A Schedule of such expenses incurred by the Joint Administrators to 11 January 2013 is included at Appendix 3

This concludes the Joint Administrators' Proposals. Should any creditor require further information please contact Harry Guthrie on 0161 838 4696

Appendix 6 Glossary

the Bank/Secured creditor	The Royal Bank of Scotland Plc
the Companies	The Franking Machine Company Supplies Limited - in Administration 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 2017 to 1 December 2017
Purchaser	F P Mailing (North West) Limited (trading as 'The Mailing Room')
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 7 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 1986 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 1986 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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