

AM03

Notice of administrator's proposals



Companies House

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18/09/2019

#326

COMPANIES HOUSE

1 Company details

Company number 0 7 5 2 5 1 7 3

Company name in full Shades Graphics Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Daniel

Surname Plant

3 Administrator's address

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

County/Region London

Postcode E 1 4 9 X Q

Country

4 Administrator's name ①

Full forename(s) Simon Franklin

Surname Plant

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

5 Administrator's address ②

Building name/number 9 Ensign House

Street Admirals Way

Post town Marsh Wall

County/Region London


Postcode E 1 4 9 X Q

Country

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

AM03

Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	<div>Signature</div> 		
Signature date	<div>d1d6</div>	<div>m0m9</div>	<div>y2y0y1y9</div>

AM03

Notice of Administrator's Proposals



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 **Daniel Plant**

Company name **S F P**

Address **9 Ensign House**

Admirals Way

Post town **Marsh Wall**

County/Region **London**

Postcode **E 1 4 9 X Q**

Country

DX

Telephone **020 7538 2222**



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 and dated 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

Strictly Private and Confidential

Shades Graphics Limited (In Administration)

The Joint Administrators' Proposal

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MIPA FABRP**

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1. Executive Summary

**APPENDIX I
SECTION
REFERENCES**

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| <p>1.1 The Company was placed into Administration on 26 July 2019. The purpose of rescuing the Company as a going concern was not achievable. The primary purpose of the Administration is therefore to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).</p> | <p>Section 4</p> |
| <p>1.2 The Company was incorporated on 10 February 2011 to provide specialist printing services. Its registered office and trading premises were located at Spur Mill, Broadstone Hall Road, South Reddish, Stockport, SK5 7BY. A history of the Company's trading activity together with the events leading the Directors to seek to place the Company into Administration are detailed in Section 3 of Appendix I.</p> | <p>Section 3</p> |
| <p>1.3 In pursuing the second Administration objective, the Joint Administrators' strategy was to seek to achieve a sale of the business and assets on a going concern basis, as this would vastly improve the result for the secured and preferential creditors. Given the lack of available funding, low stock levels and uncertainty surrounding the potential income, which may have resulted in a trading loss, continued trading of the business was not an option. The Joint Administrators have now completed a sale of the business and assets on a going concern basis. As the sale was negotiated after the Joint Administrators' appointment, the disclosure requirements of SIP16 do not apply. However, in the interest of transparency, relevant information in the form of a SIP16 Statement has been disclosed.</p> | <p>Section 5
and 6</p> |
| <p>1.4 The purpose of the Administration is still in the process of being achieved and there is still a significant amount of work to be undertaken. This includes collecting the deferred sale consideration, debtor recoveries, continued investigations into the Company's affairs, statutory reporting and concluding the Company's interest in the Trading Premises. The Joint Administrators consider that it may be advisable for the Company to continue in Administration for the time being, although the Statement of Proposals provides details of the proposed exit route from Administration in due course. On present information, there will not be a dividend to preferential and non-preferential unsecured creditors.</p> | <p>Section 7</p> |
| <p>1.5 Questionnaires have been sent to creditors. Responses may assist the Joint Administrators with their general investigation duties. Accordingly, those who have not replied are urged to do so.</p> | <p>Section 11</p> |

2. Introduction

- 2.1 This Proposal incorporates the Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act ("the Statement of Proposals") attached at **Appendix I**.
- 2.2 The Statement of Proposals provides explanations of the events leading to the Administration and the progress of the Administration to date, as well as statutory information relating to the proposed completion of the Administration.
- 2.3 This Proposal provides more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration together with their proposed basis of fees. To put this request into context, this Proposal provides further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. It also explains other matters for creditors' consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.
- 2.4 Definitions of the terms used in this Proposal are provided in **Appendix I** together with all statutory information pertaining to the Company.

3. Statement of Pre-Administration Costs

- 3.1 The Statement of Proposals provides an account of the work done prior to the Administration. The Company agreed to this work being done by SFP by means of an engagement letter signed on 19 July 2019. This work was carried out before the Company entered Administration in order to determine that it was reasonably likely that the purpose of Administration would be achieved, to brief the Team and MBV in preparation for the appointment and with the assistance of Freeths solicitors to enable the necessary formalities to be completed to place the Company into Administration. As the first objective of an Administration is to rescue the company as a going concern, the Joint Administrators and their staff spent some time prior to Administration reviewing the Company's ability to continue to trade under Administration. Prior to Administration, it was considered advantageous also to prepare to move swiftly to sell the business and assets of the Company in the event that it became apparent that a CVA was not possible. Thus, agents were engaged with a view to valuing the business and assets and advising on the most beneficial means of pursuing a sale; it was felt that this action would further, if necessary, the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up.

- 3.2 In conducting the above work, the following costs were incurred:

	£
SFP's time costs (see Appendix II)	11,174.50
SFP's disbursements (Travel and subsistence)	541.73
MBV	5,660.00
Freeths	5,137.10
SFP Property (1 hour spent at an average rate of £350 per hour)	350.00

- 3.3 Attached at **Appendix II** is a breakdown of the time costs of the Joint Administrators and their staff incurred prior to Administration and included within **Appendix III** are SFP's charge-out rates and bases of calculation of certain expenses

- 3.4 The proposed Joint Administrators received payment from the Company of £12,000 plus VAT on account of these costs, which were used as follows:

	Pre-administration costs incurred £	Pre-administration costs paid £	Unpaid pre- administration costs £
SFP (time costs)	11,174.50	11,174.50	-
SFP disbursements	541.73	475.50	66.23
MBV	5,660.00	-	5,660.00
Freeths	5,137.10	-	5,137.10
SFP Property	350.00	350.00	-

- 3.5 The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in Section 9.

4. The Joint Administrators' Fees

- 4.1 As explained in the Statement of Proposals, the Joint Administrators propose to fix their fees by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 4.2 Attached at **Appendix IV** is a breakdown of the time costs incurred in the Administration to date. The Statement of Proposals provides an account of the work undertaken to date and **Appendix VI** provides a detailed list of work undertaken and proposed to be undertaken by the Joint Administrators and their staff. [As explained in the Statement of Proposals, the Team attended at the Trading Premises for 6 days to deal with all aspects of the Company's business including liaising with employees and suppliers to ensure that a going concern sale remained viable. Although significant time costs were incurred in this activity (largely categorised as Statutory and General Administration in **Appendix IV**), the Joint Administrators consider this strategy was justified in view of the substantially enhanced realisations and reduced contingent claims of some creditors, in particular the employees, achieved by the successful going concern sale.
- 4.3 The charge-out rates of the Joint Administrators and their staff are detailed in **Appendix III**. The grades of staff instructed to assist in this matter and their key responsibilities include:
- 4.3.1 Support Staff: maintenance of the creditor contact database, assisting with creditor queries and sending reports to creditors;
- 4.3.2 Administrators: on-site attendance, reviewing the Company's position and affairs, assisting in the realisation of assets, employee matters, liaising with creditors and debtors, preparing statutory reports to creditors, returns to Companies House, and managing the Treasury function of the case; and
- 4.3.3 Managers: on-site attendance, reviewing the Company's position and affairs, handling asset realisations, reviewing draft statutory reports to creditors, returns to Companies House, other statutory matters and overseeing the tax and VAT aspects of the case.
- 4.4 In an effort to limit the time costs incurred by the Joint Administrators themselves and in view of the complex issues arising in this case, it has proven necessary to involve the manager to a greater degree than otherwise would have been the case.
- 4.5 Creditors may access a Guide to Administrators' Fees at <http://panel.sfpgroup.com> or a hard copy will be provided on request.
- 4.6 Further information is set out below and in the appendices to explain the future time costs that the Joint Administrators anticipate incurring in this Administration.

5. The Joint Administrators' Expenses

5.1 The Joint Administrators' expenses may be divided into two categories:

5.1.1 Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Legislation provides that administrators may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.

5.1.2 Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors have approved the bases of their calculation.

5.2 As explained in the Statement of Proposals, the Joint Administrators have instructed SFP Property to assist with the property matters arising in the Administration. SFP Property has been established by SFP to perform functions that either the office holders or outside agencies could undertake. It is considered that by virtue of the specialist nature of SFP Property and its close proximity to SFP, it will achieve better results than the office holders, their team or any outside agencies would be able to accomplish.

5.3 Appendix III provides a summary of the charge-out rates for SFP Property. Also set out in that appendix are the bases of other Category 2 expenses that the Joint Administrators propose to recover from the insolvent estate.

5.4 A breakdown of the time costs incurred by SFP Property since the start of the Administration is attached at Appendix V. For further information regarding the work carried out to date by SFP Property, please refer to the Statement of Proposals.

6. Proposed Work to be Undertaken

6.1 Substantial work needs to be undertaken in order to progress and conclude the Administration. Set out in Appendix VI is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake together with estimates of the time these tasks will take to carry out. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

Statutory and General Administration

6.2 The Joint Administrators are required to meet a considerable number of statutory and regulatory requirements. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the Administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

6.3 Primarily, these tasks will include:

- 6.3.1 issuing this Proposal, seeking relevant creditors' approvals and issuing notice of the outcome;
- 6.3.2 drafting and issuing 6-monthly progress reports to creditors and filing statutory documents with the Registrar of Companies;
- 6.3.3 consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
- 6.3.4 consulting with SFP Property to receive progress updates and to agree strategies;
- 6.3.5 maintaining case files, which must include records to show and explain the Administration and any decisions made by the Joint Administrators that materially affect the Administration;
- 6.3.6 monitoring and maintaining an adequate statutory bond;
- 6.3.7 conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements;

- 6.3.8 maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments;
- 6.3.9 completing periodic tax returns and settling any associated liabilities;
- 6.3.10 considering whether an extension to the Administration is necessary and, if so, seeking approval for this from the relevant creditors or the court and issuing notice of the outcome, and
- 6.3.11 considering which exit route from Administration is appropriate and issuing and filing the necessary documents, including a final report, to effect the exit.

Investigations

- 6.4 The Joint Administrators will examine the conduct of the Company and its directors (past and present) prior to the Administration with the objective of identifying what assets are available for realising for the benefit of creditors, including any potential actions against the directors or other parties, such as transactions at an undervalue or preferences. This work will also provide information to enable a statutory report on the conduct of the directors to be submitted to the Insolvency Service.
- 6.5 In the early stages, this work will involve examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors by means of questionnaires and/or interviews.
- 6.6 In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in deciding on the next steps in pursuing a recovery. If the Joint Administrators encounter resistance in obtaining a recovery, formal legal action may be appropriate.
- 6.7 At this early stage, it is difficult to estimate the likely time costs and expenses that may be incurred in this work and the likely financial benefit to creditors that may result from these efforts. The Fees and Expenses Estimates attached reflect the anticipated work in identifying potential causes of action. If any are identified and the Joint Administrators consider that additional work is required, additional legal costs may be incurred and the Joint Administrators may revert to the relevant creditors to seek approval for additional fees.

The Sale of the Business and Assets

- 6.8 As explained in the Statement of Proposals, the Company's business and assets have been sold. The Joint Administrators will continue to collect deferred consideration payments as and when they become due. For the purpose of the Fees Estimate, it is assumed that payments will be received as scheduled in the SPA, however it should be borne in mind that additional work may be required in order to pursue late payments. The Joint Administrators will report the impact of any such work on the Fees Estimate in due course where appropriate.

Debtors

- 6.9 As explained in the Statement of Proposals, the Joint Administrators are currently monitoring and assisting where required AIF's efforts to collect the Company's sales ledger. This work will continue until such time as AIF is in a position to reassign the remaining ledger to the Company. If this occurs, the Joint Administrators will take steps to collect the remaining book debts, which is likely to involve resolving disputes and queries raised and pursuing recoveries with the assistance of solicitors where appropriate.

The Company's Trading Premises

- 6.10 As explained in the Statement of Proposals, SFP Property has been instructed to value the Company's interest in the Trading Premises and propose an appropriate disposal strategy for it. The Joint Administrators will consider the appropriate strategy and likely will instruct SFP Property to proceed to realise any value in the interest where possible or conclude the Company's interest in a cost-effective manner.

- 6.11 SFP Property will also oversee the payments due in relation to the licence to occupy the Trading Premises from RSS to the landlord.

Other Realisations

- 6.12 It is understood that there is an amount of circa £1,000 to be recovered from the Company's pre-appointment bank account. The Joint Administrators have requested those funds to be transferred to the Company's estate account.
- 6.13 It is understood that there is a credit balance of circa £1,000 due to the Company from PayPal. The Joint Administrators will review this matter and request those funds to be transferred to the Company estate account in due course.

Creditors

- 6.14 At present, it appears unlikely that there will be sufficient funds to pay a distribution either to preferential or to non-preferential unsecured creditors. The Fees Estimate attached at **Appendix VI** has been created on the assumption that no dividends will be paid from the Administration and that it will terminate by means of filing a notice of move to dissolution.
- 6.15 Irrespective of whether sufficient realisations are achieved to pay a dividend to unsecured creditors, the Joint Administrators envisage carrying out the following key tasks:
- 6.15.1 liaising with the secured creditors in relation to the sale of assets subject to their security;
 - 6.15.2 with the assistance of solicitors, examining the validity of the secured creditors' claims and, where relevant, paying distributions to the secured creditors;
 - 6.15.3 assisting the employees to receive payments from the RPO;
 - 6.15.4 dealing with the Company's pension scheme, with the assistance of professional advisers;
 - 6.15.5 responding to creditors' queries and logging their claims and supporting information; and
 - 6.15.6 maintaining the database as regards creditors' contact details and claims.
- 6.16 If there are sufficient funds to pay a distribution to preferential creditors, the following additional tasks will be carried out:
- 6.16.1 issuing a Notice of Intended Distribution in accordance with statute;
 - 6.16.2 agreeing the employees' and the RPO's claims;
 - 6.16.3 calculating and paying a distribution to preferential creditors;
 - 6.16.4 setting up a new tax reference to enable the PAYE/Nl deductions to be paid by means of an online return to HMRC; and
 - 6.16.5 dealing with unclaimed dividends.
- 6.17 If there are sufficient funds to pay a dividend to non-preferential unsecured creditors (by way of a prescribed part), the following additional tasks will be carried out:
- 6.17.1 issuing and advertising Notice of Intended Distribution in accordance with statute;
 - 6.17.2 reviewing the tax claims submitted by HMRC and, where it is appropriate, examining the Company's records to adjudicate on HMRC's claims;
 - 6.17.3 agreeing the employees' and the RPO's non-preferential claims;
 - 6.17.4 setting up a new tax reference to enable any PAYE/Nl deductions from the dividend to be paid by means of an online return to HMRC;
 - 6.17.5 adjudicating on all other unsecured creditors' claims, including seeking further information and seeking legal advice where necessary;
 - 6.17.6 dealing with any appeals to the Joint Administrators' decisions to reject claims;
 - 6.17.7 calculating a prescribed part dividend;
 - 6.17.8 declaring and paying dividends to unsecured creditors; and
 - 6.17.9 dealing with unclaimed dividends.

- 6.18 Although adjudicating on creditors' claims can be a complicated and time-intensive process, office holders are required to distribute the Company's funds only to parties who have valid claims and in line with the statutory order of priority. Therefore, whilst the time costs incurred in much of this work may not appear to bring direct financial benefit to creditors, it will ensure that the statutory provisions are complied with and that distributions are made in accordance with creditors' statutory entitlements.

7. Other Information to Support the Fees and Expenses Estimates

- 7.1 Attached at **Appendix VI** is an estimate of the time that the Joint Administrators envisage the above work will take to complete. **Appendix VII** provides their estimate of the expenses that have been or are likely to be incurred and includes the costs likely to be incurred by SFP Property.
- 7.2 Please note that the estimates have been provided on the assumptions given below. In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate. In the event that the Joint Administrators incur time costs in excess of the Fees Estimate, they will only revert to the relevant creditors for approval if they propose to draw any fees in addition to those estimated from the insolvent estate.
- 7.3 In summary, the Joint Administrators propose that their fees be fixed on the basis of time costs and they estimate that they and their staff will spend time totalling £73,130 in conducting the tasks described. This estimate includes the time spent to date of £39,084.50, as described in **Appendix IV**.
- 7.4 You will note from the Estimated Outcome Statement attached to the Statement of Proposals that the Joint Administrators anticipate there will be insufficient funds to pay all the fees and costs incurred in the Administration. As the Joint Administrators expect to discharge the expenses incurred by independent parties in priority to their fees and those of SFP Property, it is anticipated that a significant proportion of those fees will not be recovered from the estate.
- 7.5 The Fees and Expenses Estimates have been compiled on the assumptions set out below. Please note that these are assumptions only for the purposes of preparing the Estimates in accordance with the statutory provisions. It has been assumed that:
- 7.5.1 investigations to the extent described in paragraphs 6.4 to 6.7 above will be carried out;
 - 7.5.2 no exceptional work will need to be conducted in order to realise the remaining assets and collect in the deferred consideration; and
 - 7.5.3 there will be no need to extend the Administration.
- 7.6 On the basis of these assumptions, the Joint Administrators do not anticipate that it will be necessary to seek additional approval from the relevant creditors for fees in excess of the Fees Estimate. However, in the event that the Administration does not proceed as envisaged, the Joint Administrators will seek approval for any fees in addition to those estimated that they wish to draw from the insolvent estate.

8. The Joint Administrators' Discharge

- 8.1 The Act requires that, the timing of the Joint Administrators' discharge from liability will be decided by the secured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect, unless the court specifies a time.

9. Approval Process

- 9.1 In the absence of a Creditors' Committee, the matters described in this Proposal are to be decided by the secured creditors. Therefore, this information is provided to other creditors for information purposes only.

Shades Graphics Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX I

- **The Statement of Proposals**

**Appendix I
to the Joint Administrators' Proposal**

Strictly Private and Confidential

Shades Graphics Limited (In Administration)

**Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of
Schedule B1 to the Insolvency Act 1986**

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Shades Graphics Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

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4. The Purpose of the Administration
5. Events Following the Joint Administrators' Appointment Leading to Post-appointment Strategy
6. General Progress in Relation to the Administration
7. The Statement of Affairs and the Outcome for Creditors / The Joint Administrators' Receipts and Payments Account
8. The Joint Administrators' Fees
9. Approval of the Statement of Proposals
10. Summary of the Joint Administrators' Statement of Proposals
11. Ancillary

Attachments

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- B** Statutory Information and Details of the Sale
- C** Estimated Statement of Affairs as at 26 July 2019 / Creditors' Details / Directors' Estimated Statement of Affairs / Estimated Outcome Statement
- D** The Joint Administrators' Receipts and Payments Account to 13 September 2019

Shades Graphics Limited (In Administration)
Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

1. Introduction

- 1.1. This Statement of Proposals is prepared pursuant to Schedule B1, Paragraph 49 of the Act in relation to the Company, the purposes of which are to provide creditors with a full update as to the present position and to set out the Joint Administrators' proposals for achieving an Administration objective.
- 1.2. The Statement of Proposals also includes information required to be provided to creditors pursuant to the Rules. Definitions of the terms used in the Statement of Proposals are provided in **Attachment A** and all statutory information pertaining to the Company is set out in **Attachment B**.
- 1.3. This Statement of Proposals is being delivered to creditors by means of the Joint Administrators' website on 16 September 2019 and it shall be deemed delivered to any creditors who have already requested hard copies two business days later. These statutory delivery dates will not be affected by any requests from creditors for a hard copy of this document after 16 September 2019.

2. The Joint Administrators' Appointment

- 2.1. On 19 July 2019, the Company held a board meeting at the Trading Premises. At the meeting it was resolved that the Company could no longer meet its liabilities as and when they fell due and as a result the Directors sought the appointment of Joint Administrators as soon as possible.
- 2.2. The Directors filed the Notice of Intention at the Court and subsequently served it upon the Company's qualifying floating charge holders, AIF and Mr Pearson. The Notice of Intention was endorsed with the number CR-2019-000700.
- 2.3. The charge holders consented to the proposed appointment and on 26 July 2019, the Notice of Appointment was presented to the Court by solicitors Freeths on behalf of the Company's Directors. Both Daniel Plant and Simon Franklin Plant were appointed Joint Administrators. Pursuant to Schedule B1, Paragraph 100(2) of the Act, any function may be exercised by either of the Joint Administrators.

3. Company History and Events Leading to the Administration

- 3.1. Albeit that statutory information is contained in **Attachment B**, this Statement of Proposals provides brief details in relation to the Company's history. This history has been compiled following conversations between the Team and the Directors, subsequent to the placing of the Company into Administration. Please note that the Joint Administrators make no assurances whatsoever regarding the accuracy or completeness of the details provided in this section.
- 3.2. The Company was incorporated on 10 February 2011. The Company initially lay dormant and was then subsequently used to purchase the business and assets of SPL. The Company provided specialist printing services.

Name	Formal Position / Job Title	If Formal Position, the dates of service:	Role / background details
Mr Charlesworth	Director	From 27/05/2011 to date	Sales and finance
Mr Bevington	Director	From 27/05/2011 to date	Quotes and production

- 3.3. Mr Dawson was the director of SPL at the time of its insolvency. Mr Charlesworth and Mr Bevington were both employed by SPL. The Company was used as the purchasing vehicle for SPL's business and assets following SPL's administration on 27 May 2011.
- 3.4. On the date of purchase, Mr Dawson, Ms Barnes (who was also previously employed by SPL), Mr Charlesworth and Mr Bevington were appointed as directors.

- 3.5. As noted above, the Company purchased SPL's business and assets from SPL's administrators. It continued to provide the same products / services to the existing client base.
- 3.6. Turnover for the first year totalled c£2.5m with employee numbers between 35 and 40.
- 3.7. The Company entered into an invoice discounting facility with AIF shortly after it began trading and it granted AIF a debenture which was registered at Companies House on 15 June 2011.
- 3.8. It is understood that SPL owed Mr Pearson c£250,000 and that it was agreed that this debt would be carried into the Company to be repaid. Mr Pearson was provided a debenture which was registered at Companies House on 1 June 2011. It is understood that c£175,000 of this debt has been repaid.
- 3.9. For the avoidance of doubt, neither SFP nor its insolvency practitioners were involved in the Administration of SPL.
- 3.10. The Company continued to trade over the following years and between 2012 and 2016 turnover and employee numbers remained steady with small profits and losses made in this period.
- 3.11. The Company also looked to secure new business and revenue streams by entering the pub industry.
- 3.12. In February 2017, Mr Dawson resigned his role as director and Mr Charlesworth and Mr Bevington took over the running of the business on a more commercial basis.
- 3.13. By mid-2018, the Directors noted that the business was struggling to meet its liabilities due to poor cash flow. As a result, they contacted their accountants who, after reviewing the Company's position, introduced them to SFP. Daniel Plant of SFP subsequently met with the Directors on 18 July 2018. At the meeting, it was confirmed that the Company was experiencing cash flow problems and that the Directors were looking at various cost cutting measures.
- 3.14. The Directors further reviewed the position and in August 2018, 8 employees were made redundant. This included Ms Barnes, who resigned as director on 14 August 2018. However, the redundancies created an immediate expense and in an effort to counteract this, a three month informal rent payment holiday was agreed with the landlord.

Events Leading to the Company Failure

- 3.15. In late 2018, one of the Company's largest customers reduced its orders with it which resulted in a reduction in profit. By the end of 2018 and into early 2019, the customer had ceased to place orders with the Company.
- 3.16. In addition, the Company suffered from a large dispute with another major customer due to poor material provided to them. The Company incurred further expense in both supplies and labour in order to rectify the position.
- 3.17. The Company won work from a brewery to develop and produce printed pump signs for pubs. A significant amount of time and money (c£50k) was invested in research and development in relation to this. However, the Company was unable to perfect the product and at a critical stage in the project, the key designer resigned his position. As a result, the Company was unable to continue the project and was unable to recover any funds expended by it.

- 3.19. Due the strain caused on the Company's cash flow, it struggled to meet its liabilities as they fell due and several key suppliers put the Company's accounts on stop.
- 3.20. The Directors discussed the position with their accountant in early July 2019 and Daniel Plant met with them on 11 July 2019 to discuss the options available.
- 3.21. At **Attachment C** is an estimated Statement of Affairs, which indicates that the Company was insolvent on a balance sheet basis with a deficiency to creditors of £355,921

4. The Purpose of the Administration

- 4.1. The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. In short, this provides that an Administrator of a company must perform his functions with the objective of:
 - 4.1.1. rescuing the company as a going concern, or
 - 4.1.2. achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
 - 4.1.3. realising property in order to make a distribution to one or more secured or preferential creditors.
- 4.2. These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.
- 4.3. In the light of the insolvency of the Company, the initial purpose relating to its rescue could only be achieved through a CVA. This was not considered to be achievable given the nature of the Company's business and its financial circumstances, although it appears that the second purpose is a viable option.
- 4.4. The Joint Administrators have pursued the second objective of achieving a better result for creditors as a whole than would be likely if the Company had been wound up. Their strategy has been to pursue a sale of the business as a going concern. In order to do this, the Joint Administrators have maintained the Company as a trading entity whilst their professional agents have undertaken an active marketing campaign in order to locate potential purchasers.
- 4.5. A going concern sale has the advantage, not only of maximising asset realisations but also of limiting the crystallisation of some liabilities against the Company and protecting the Company's sales ledger from counterclaims and other disputes. Thus, the result for the secured and contingent preferential creditors has been vastly improved and some unsecured creditors may benefit more than if the business had not been sold as a going concern.
- 4.6. A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. Events Following the Joint Administrators' Appointment Leading to Post-appointment Strategy

- 5.1. Prior to the Joint Administrators' appointment on 26 July 2019, they arranged for a meeting to take place with the Team in order to discuss the post-appointment strategy and to provide a background of the Company's position.

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Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

- 5.2. In anticipation of the appointment taking place, SFP sent the staff assigned to this matter to the Trading Premises to assist with the placing of the Company into Administration. Further, to assess the viability of continued trading with GTC.
- 5.3. After receiving confirmation that the Administration had commenced, various statutory duties were discharged including the following:
 - 5.3.1. open insurance cover was obtained immediately on appointment;
 - 5.3.2. a request for all bank accounts to be frozen was made, as well as a request for copy statements and additional information to be provided;
 - 5.3.3. the Company's books and records were recovered from the Trading Premises and an inventory was prepared;
 - 5.3.4. notification of the Administration and a request to change the Company's registered office were sent to the Registrar of Companies; and
 - 5.3.5. instructions were issued to advertise the Administration.
- 5.4. The Directors were provided with the standard director's pack explaining the impact of the Administration and their fiduciary duties going forward. The valuation agent, GTC, was instructed to finalise its valuation of the Company's business and assets and to assist the Joint Administrators in exploring the interest held in the Company's business and assets to maximise realisations.
- 5.5. During the discussions that took place prior to the commencement of the Administration, it was established that achieving the first Administration objective by long-term continued trading in Administration would not be viable. This was primarily due to a lack of funding, low stock levels and uncertainty surrounding the potential income, which may have resulted in a trading loss. Accordingly, the Team focussed on seeking to achieve the second Administration objective and looked to discharge the Joint Administrators' initial statutory duties, glean general company information and establish a strategy to maximise the disposal of assets in short order, with the assistance of GTC.
- 5.6. The Team also commenced its review of the current debtor position.
- 5.7. The Team obtained details of the Company's workforce and established an appropriate consultation process. A meeting was called with all employees on 29 July 2019 in order to provide confirmation of the Joint Administrators' appointment, outline the Joint Administrators' initial strategy, and commence consultation.
- 5.8. The Joint Administrators are in the process of undertaking an orderly wind down of the Company's affairs.

6. General Progress In Relation to the Administration

The Sale of the Business and Assets

- 6.1. Following the filing of the Notice of Intention, GTC were instructed to market the Company's business and assets for sale. The advert subsequently was placed on GTC's website on 19 July 2019 and a mailshot was sent to those parties who are registered on their database.
- 6.2. The advert allowed for a deadline of midday on 26 July 2019.

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- 6.3. The Directors confirmed that they did not hold any interest in purchasing the Company's business and assets.
- 6.4. GTC advised that four parties expressed an initial interest and completed non-disclosure agreements. One party did not take their interest further whilst two parties confirmed that they held no interest in the business but asked to be informed if the chattel assets were to be offered for sale on a piecemeal basis.
- 6.5. One party, RSS confirmed that it still held an interest in purchasing the business and assets. At the passing of the deadline, GTC confirmed that RSS was the only remaining interested party.
- 6.6. The Joint Administrators subsequently explored RSS' interest further and a meeting was held with them at the Trading Premises during the afternoon of 26 July 2019. During the meeting, certain information was requested by RSS in order for them to complete their due diligence. This information was subsequently provided and a deadline of 10 am on 29 July 2019 was provided for an offer to be made.
- 6.7. On 29 July 2019, an offer of £22,000 was received from RSS. The offer was rejected as being too low and an improved offer was sought.
- 6.8. Following further negotiations, improved offers of £62,000 and then £66,000 were received and following further negotiations, a final offer of £70,500 was received. The offer was subject to RSS being appointed as agents to collect the Company's book debts following reassignment of the ledger by AIF.
- 6.9. Following agreement of the terms of the agency, RSS' offer was accepted on 1 August 2019 and solicitors, Freeths were instructed to draft the relevant sales documentation.
- 6.10. Following various amendments to the sale documentation, the sale completed at 16.45pm on 5 August 2019.

Additional Information regarding the Sale

- 6.11. Attached at **Attachment B** are further details of the sale of the Company's business and assets.

The Employees

- 6.12. 11 employees were made redundant on 31 July 2019 due to economic, technical or organisational reasons.
- 6.13. The remaining employees were transferred to RSS pursuant to TUPE following completion of the sale of the business and assets on 5 August 2019.

Debtors

- 6.14. The Company's sales ledger has been assigned to AIF. As at the date of the placing of the Company into Administration, AIF's outstanding balance, excluding charges was £193,283 with the sales ledger standing at £281,580.13.
- 6.15. AIF has advised that it will be collecting the ledger in-house. Accordingly, in order to assist with this, the Team attended the Trading Premises in order to glean copy invoices, supporting documentation and obtain system back-ups. Furthermore, meetings have been undertaken with the Directors in order to ascertain potential collection problems.
- 6.16. Copy documentation has now been passed to AIF and the Joint Administrators will continue to monitor the position.

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- 6.17. It is anticipated that AIF will recover its position in full because supporting documentation is good and historically the ledger has performed well. Should this be the case, the Joint Administrators will arrange for a reassignment of the sales ledger before continuing collections for the benefit of the Administration estate.
- 6.18. Given that RSS have retained the credit control staff and will be working with customers going forward, the Joint Administrators have engaged RSS to assist with collections upon reassignment of the ledger at an agreed fee of 20% of debts collected.
- 6.19. Further information concerning collections will be provided in the First Report.

The Company's Trading Premises

- 6.20. The Trading Premises are occupied by the Company subject to a lease, commencing on 14 February 2017 and due to expire on 13 February 2027.
- 6.21. SFP Property has been instructed to provide the Joint Administrators with a valuation of the Company's leasehold interest, together with an appropriate disposal strategy. Furthermore, to liaise with the property owner in order to provide updates, attend to any property related queries and to oversee the execution of a surrender or assignment of the lease.
- 6.22. A three month licence to occupy has been provided to RSS starting on 5 August 2019 to 4 November 2019. SFP Property have been instructed to collect the rent during the licence period and to account for this to the landlord. An update on the matter will be provided in the First Report.

Investigation into the Company's Affairs Prior to the Administration

- 6.23. The Joint Administrators are undertaking a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.
- 6.24. Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring them to the attention of the Joint Administrators as soon as they are able.

Additional Issues and Realisations

- 6.25. It is understood that there is an amount of circa £1,000 to be recovered from the Company's pre-appointment bank account. The Joint Administrators have requested those funds to be transferred to the Company's estate account.
- 6.26. It is understood that there is a credit balance of circa £1,000 due to the Company from Paypal. The Joint Administrators will review this matter and request those funds to be transferred to the Company estate account in due course.
- 6.27. The Company's books and records have been recovered from the Trading Premises. An inventory has been prepared and the books and records will continue to be stored by the Joint Administrators' agents.

Instruction of Other Professionals

- 6.28. Independent professional agents, GTC were instructed to provide valuation advice and to assist with the disposal strategy. GTC were chosen for this assignment due to their knowledge of the industry,

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geographical location, experience and understanding of insolvency scenarios and the Joint Administrators understand that they have adequate professional indemnity insurance.

- 6.29. Freeths is a legal practice which has a division specialising in insolvency matters. Freeths was chosen for this assignment due to this specialism

7. The Statement of Affairs and the Outcome for Creditors / Joint Administrators' Receipts and Payments

- 7.1. At **Attachment C** is an estimated Statement of Affairs completed by the Joint Administrators. Further, attached is a copy of the Statement of Affairs provided by Mr Charlesworth with the concurrence of Mr Bevington.
- 7.2. Mr Charlesworth's Statement of Affairs reflects a surplus in book debts of £87,000 after AIF's balance is cleared. However, the Joint Administrators' Statement of Affairs have anticipated AIF's charges at £40,915 and in the interests of prudence, a 10% bad debt provision has been applied to the remaining ledger.
- 7.3. Mr Charlesworth's Statement of Affairs also reflects the Company's value in assets consisting of plant and machinery, office equipment and motor vehicles at c£200,000. However, this appears to be the book value of these assets, rather than their realisable value in an insolvency situation. GTC's valuation of the assets is set out in **Attachment B**.
- 7.4. In addition, Mr Charlesworth's Statement of Affairs reflects an amount owing to Mr Pearson of £90,000. However, the Company's records reflect that the amount now owed to Mr Pearson is £75,000, this will be reviewed by the Joint Administrators.
- 7.5. Attached is also a list of creditors whose details have been obtained from the Company's records and whose claims have been lodged. Please note that the £0.00 balances denote claims that are yet to be lodged onto the Joint Administrators' system and appearance on this list does not mean that any claim has been rejected or agreed. Preferential claims against the Company are likely in relation to arrears of wages and holiday pay owing to former employees.
- 7.6. Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.
- 7.7. From the Estimated Statement of Affairs, you will note that the net property is estimated to be £79,707, which would result in an estimated prescribed part of £18,941. It is unlikely that there will be sufficient realisations to discharge the costs of the Administration in full and therefore the Joint Administrators envisage that there will be no resulting net property from which to deduct a prescribed part.
- 7.8. The Joint Administrators do not propose to make an application to court under Section 176A(5) of the Act to disapply the prescribed part provisions, because in any event it is anticipated that there will be no prescribed part.
- 7.9. As demonstrated in the Estimated Outcome Statement attached at **Attachment C**, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be insufficient funds to pay a distribution to unsecured creditors, including preferential creditors. In addition, the Estimated Outcome Statement indicates there will be insufficient funds to pay all the fees and costs incurred in the Administration with the consequence that the Joint Administrators and their agents and advisers expect to suffer a shortfall on their combined costs in the region of £23,539, which will need to be written off.

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- 7.10. Attached at **Attachment D** is the Joint Administrators' receipts and payments account for the period from 26 July 2019 to 13 September 2019.

8. The Joint Administrators' Fees

- 8.1. The Joint Administrators propose to be remunerated by reference to the time properly spent by them and their staff in attending to matters arising in the Administration. The Joint Administrators will seek approval for the basis of their fees from the secured creditors, unless a Creditors' Committee is established.
- 8.2. Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposal, to which this Statement of Proposals forms an appendix.

9. Approval of the Statement of Proposals

- 9.1 As explained in **Section 7.9** above, the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a) of the Act). Therefore, pursuant to Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators are not required to seek creditors' approval of the Statement of Proposals.
- 9.2 Notwithstanding this, the Joint Administrators shall be required to seek a creditors' decision on whether to approve the Statement of Proposals, if it is requested by creditors whose debts amount to at least 10% of the Company's total debts. Such request must be delivered to the Joint Administrators within 8 business days from the date on which the Statement of Proposals was delivered. Security must be given for the expenses of seeking such a decision.
- 9.3 If no decision is requested, the Statement of Proposals will be deemed to be approved pursuant to Rule 3.38(4) of the Rules

10. Summary of the Joint Administrators' Proposals

- 10.1. The Statement of Proposals is summarised below
- 10.2. In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:
- 10.2.1. the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
- 10.2.1.1. they collect the deferred sale consideration in relation to the sale of the Company's business and assets and realise the Company's book debts;
- 10.2.1.2. they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
- 10.2.1.3. they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities

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- 10.2.2. the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- 10.2.3. the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
- 10.2.3.1. in the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
- 10.2.3.2. however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Simon Plant and Daniel Plant will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at **Section 9**; or
- 10.2.3.3. alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Simon Plant and Daniel Plant may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

11. Ancillary

EC Regulation on Insolvency Proceedings

- 11.1. For creditors' general information, the EC Regulation on insolvency proceedings applies in this case, and these proceedings are the main proceedings.

Creditors' Questionnaires

- 11.2. As previously stated in the first circular to the Company's creditors, responses that are received may prove integral to assisting with investigations into the Company's affairs. Accordingly, if you have not previously provided a completed questionnaire, please do so, at your earliest convenience.

Directors' Conduct

- 11.3. Pursuant to the CDDA, it is the Joint Administrators' duty to submit a requisite form to the Insolvency Service concerning the Directors' conduct.
- 11.4. The form must address all persons holding the position as director during the three years up to the date of the onset of insolvency. Please note that this is a standard requirement. Completed creditors' questionnaires may prove extremely helpful concerning this.

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Statement of the Joint Administrators' Proposals
Pursuant to Paragraph 49(1) of Schedule B1 of the Insolvency Act 1986

If any creditor has any queries in relation to the above, please do not hesitate to contact either of the Joint Administrators or the Administrator dealing with this matter, Ibeth Coox, on 020 7538 2222 or by email to enquiries@sfpgroup.com.

Dated this 16 September 2019

A handwritten signature in black ink, appearing to be 'D. Plant', written over a horizontal line.

Daniel Plant
Joint Administrator

DEFINITIONS

Independent Parties instructed to assist with the Administration

GTC	GTC Appraisals Limited
Freeths	Freeths LLP

Terms associated with SFP

SFP Property	SFP Property Limited
The Team	Any of the Joint Administrators, their staff members and members of staff of SFP Property
The ERA Department	The Employment Rights Act department

Other Parties

The Company	Shades Graphics Limited
The Directors	Mr Charlesworth and Mr Bevington
Mr Charlesworth	Martin Charlesworth
Mr Bevington	Adrian Bevington
Ms Barnes	Alison Barnes
Mr Dawson	Stuart Dawson
The Joint Administrators	Daniel Plant and Simon Franklin Plant
AIF	Aldermore Invoice Finance
Mr Pearson	James Alan Pearson
SPL	Shades (Screen Print) Limited
The Trading Premises	Spur Mill, Broadstone Hall Road South, Reddish, Stockport, Cheshire, SK5 7BY
The Court	High Court of Justice
RSS	Rymack Sign Solutions Limited
Mr McMurray	Darren McMurray
RPO	Redundancy Payments Office
HMRC	HM Revenue & Customs

References to Statutory and other Regulatory Provisions and Documents

The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators' Proposal	The document containing the Statement of Proposals
The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
ERA	Employment Rights Act 1996
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations
ETO	Economic, technical or organisational
CDDA	Company Directors Disqualification Act 1986
SIP	Statement of Insolvency Practice
Notice of Intention	Notice of Intention to Appoint an Administrator
Notice of Appointment	Notice of Appointment of an Administrator by Directors of the Company
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
The Statement of Affairs	Estimated Statement of Affairs as at the date that the Company was placed into Administration
The First Report	The Joint Administrators' progress report for the first six month period from the date that the Company was placed into Administration
The Second Report	The Joint Administrators' progress report for the period from six months after appointment to the date specified in the report
The Last Report	The most recent progress report issued by the Joint Administrators
Review Period	Period covered by the Joint Administrators' progress report
NDA	Non-disclosure agreement
SPA	Sale and purchase agreement
The Release	Deed of release of the secured creditor's security
IPR	Intellectual property rights
A Connected Party/Connected	As defined by Section 249 of the Act (a copy of the statutory definition is overleaf)

Statutory Definition of a Connected Party

Section 249 of the Act states:

A person is connected with a company if:

- (a) he is a director or shadow director of the company or an associate of such a director or shadow director, or
- (b) he is an associate of the company;

and "associate" has the meaning given by Section 435 of the Act.

Section 435 of the Act states:

(2) A person is an associate of an individual if that person is:

- (a) the individual's husband or wife or civil partner,
- (b) a relative of
 - (i) the individual, or
 - (ii) the individual's husband or wife or civil partner, or
- (c) the husband or wife or civil partner of a relative of
 - (i) the individual, or
 - (ii) the individual's husband or wife or civil partner.

(3) A person is an associate of any person with whom he is in partnership, and of the husband or wife or civil partner or a relative of any individual with whom he is in partnership; and a Scottish firm is an associate of any person who is a member of the firm.

(4) A person is an associate of any person whom he employs or by whom he is employed.

(5) A person in his capacity as trustee of a trust other than

- (a) a trust arising under any of the second Group of Parts or the Bankruptcy (Scotland) Act 1985, or
- (b) a pension scheme or an employees' share scheme,

is an associate of another person if the beneficiaries of the trust include, or the terms of the trust confer a power that may be exercised for the benefit of, that other person or an associate of that other person.

(6) A company is an associate of another company

- (a) if the same person has control of both, or a person has control of one and persons who are his associates, or he and persons who are his associates, have control of the other, or
- (b) if a group of two or more persons has control of each company, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of either group as replaced by a person of whom he is an associate.

(7) A company is an associate of another person if that person has control of it or if that person and persons who are his associates together have control of it.

(8) For the purposes of this section a person is a relative of an individual if he is that individual's brother, sister, uncle, aunt, nephew, niece, lineal ancestor, or lineal descendant, treating

- (a) any relationship of the half blood as a relationship of the whole blood and the stepchild or adopted child of any person as his child, and
- (b) an illegitimate child as the illegitimate child of his mother and reputed father;

and references in this section to a husband or wife include a former husband or wife and a reputed husband or wife and references to a civil partner include a former civil partner and a reputed civil partner.

(9) For the purposes of this section any director or other officer of a company is to be treated as employed by that company

(10) For the purposes of this section a person is to be taken as having control of a company if

- (a) the directors of the company or of another company which has control of it (or any of them) are accustomed to act in accordance with his directions or instructions, or
- (b) he is entitled to exercise, or control the exercise of, one third or more of the voting power at any general meeting of the company or of another company which has the control of it;

and where two or more persons together satisfy either of the above conditions, they are to be taken as having control of the company.

(11) In this section "company" includes any body corporate (whether incorporated in Great Britain or elsewhere); and references to directors and other officers of a company and to voting power at any general meeting of a company have effect with any necessary modifications

Shades Graphics Limited (in Administration)

The Statement of Proposals

ATTACHMENT B

- **Statutory Information and Details of the Sale**

Statutory Information

Company Name: Shades Graphics Limited

Company Number: 07525173

Date of Incorporation: 10 February 2011

Trading Names: n/a

Previous Names: JCCO 265 Limited

Nature of Business: 74100 - Specialised design activities

Issued Share Capital: 1,000

	Name	Appointed	Resigned	Shareholding
Director(s):	JC Directors Ltd	10/02/2011	27/05/2011	n/a
	Michael Blood	10/02/2011	27/05/2011	n/a
	Stuart Dawson	27/05/2011	09/02/2017	n/a
	Alison Barnes	27/05/2011	14/08/2018	40
	Martin Charlesworth	27/05/2011	n/a	404
	Adrian Bevington	27/05/2011	n/a	376
	180 remaining shares held by non directors			

Company Secretary: n/a

Current Registered Office: 9 Ensign House
Admirals Way
Marsh Wall
Docklands
London E14 9XQ

Previous Registered Office: Spur Mill, Broadstone Hall Road, South Reddish, Stockport, SK5 7BY

Trading Address: Spur Mill, Broadstone Hall Road, South Reddish, Stockport, SK5 7BY

Schedule of Outstanding Mortgages or Charges:

Name	Type of Charge	Registered
James Alan Pearson	Debenture	1 June 2011
Aldermore Invoice Finance	Debenture	15 June 2011

Note: this information reflects that presented at Companies House, unless the Joint Administrators have knowledge to the contrary

Details of the Sale

Introduction

Although GTC was instructed prior to Administration in order to seek out interested parties, the Joint Administrators did not conduct negotiations with any prospective purchasers until after their appointment. Consequently, the business and assets of the Company were not sold as a pre-pack and therefore SIP16 does not apply. However, in the interests of transparency, further details regarding the sale are provided below.

Prior to commencement of the Administration, SFP acted as advisors to the Board of Directors in relation to the options for the Company. For the avoidance of doubt, neither SFP nor its insolvency practitioners advised the Director(s) personally or any parties connected with the eventual purchaser, who where appropriate were encouraged to take independent advice. At all times prior to Administration, the Board of Directors remained responsible for, and in control of, the Company's affairs. During this time, the insolvency practitioners of SFP took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's business and assets shortly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the business and assets and it would avoid the substantial risks that the continued viability of the business and the value of the assets would deteriorate due to the commencement of a formal insolvency regime. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of attracting interest in the business in order to progress a sale representing the best outcome for creditors as a whole once the Administration had commenced. This pre-Administration work did not involve any negotiations with any parties interested in acquiring the business or assets of the Company, including the party that eventually was successful in purchasing the business and assets.

Immediately on their appointment, the Joint Administrators, as officers of the court, took over from the Board responsibility for the management of the affairs, business and property of the Company. In the interests of the creditors as a whole, mindful of the need to achieve a statutory purpose of an Administration and in order to maximise realisations and minimise the accrual of ongoing liabilities, they commenced negotiations with a view to selling the business and assets as a going concern. In the Joint Administrators' opinion, the outcome achieved was the best available outcome for creditors as a whole in all the circumstances and the transaction enables the second statutory purpose of an Administration to be achieved. The Joint Administrators' Proposals provide further information regarding the statutory purpose pursued.

The source of the initial introduction to the insolvency practitioner and the date of the Joint Administrators' initial introduction

Daniel Plant of SFP was initially introduced to the Company by the Company's accountant and an initial meeting was held with the Directors on 18 July 2018.

Pre-appointment matters

The extent of the Joint Administrators' (and that of their firm and/or any of their associates) involvement prior to the appointment

The Directors had made contact with their accountants in July 2018 to discuss the Company's financial position. The accountants subsequently introduced the Directors to SFP and Daniel Plant subsequently met with them on 18 July 2018 to discuss the Company's position and the options available to them. No further meetings took place with the Directors until that described below.

In July 2019, the Directors contacted SFP regarding its financial position. Daniel Plant subsequently met with the Directors on 11 July 2019 in order to review the Company's position and to discuss the options available to them.

On 23 July 2019, the proposed Joint Administrators sent staff to the Trading Premise in order to review the Company's trading position in order to evaluate the possibility of trading in the Administration.

The alternative courses of action that were considered, both prior to and within formal insolvency by the insolvency practitioners and the Company, and on appointment by the Joint Administrators with an explanation of the possible outcomes

Continuing to trade without entering into a formal insolvency procedure

The Company was trading at a loss and had exhausted its available cash resources and its cash constraints were impacting on its ability to continue trading. The prospects of acquiring new funding were poor and in any event it appeared unlikely that this would provide the Company with sufficient breathing space to enable it to take necessary restructuring measures and trade out of its difficulties.

Company Voluntary Arrangement

Consideration was given to whether a CVA could be proposed and implemented successfully. This was mainly discounted as an option because the Company was trading at a loss and had insufficient finance to continue to trade successfully. It was also clear that the Company was under pressure from its creditors and required the benefit of a workable moratorium, which would not have been available immediately if a CVA alone had been explored.

Liquidation

The collective view of GTC and the Joint Administrators was that a going concern sale would be the best result for creditors as a whole. A going concern sale, which was unlikely to be achievable in a liquidation, had the advantages of reducing the employees' and potentially the landlord's claims and avoiding a break in supplies to customers, which would enable value to be achieved for goodwill and ensure a more effective debt collections process. Accordingly, consideration was given also to liquidation but it was discounted for this reason.

Pre-pack Administration sale

As explained above, the Company could not continue to trade in the medium term and therefore in order to maximise realisations it was important to use the short time available wisely in exploring and pursuing a going concern sale. Nevertheless, although time was of the essence and thus agents were engaged as quickly as possible, it was not considered critical that negotiations be conducted prior to the Joint Administrators' appointment. Therefore a pre-pack sale was not pursued, as it was considered advantageous for as much of the sale process as possible to be conducted once the Administration had commenced.

Whether efforts were made to consult major or representative creditors and the upshot of any consultations

The secured creditors, AIF and Mr Pearson (who is also the Company's landlord), were consulted about the Company's circumstances and the proposed strategy. As the sale negotiations progressed, dialogue continued with AIF and Mr Pearson in order to see that deeds of release of their charges over the assets would be granted in the event that the sale was agreed.

The sale had to be completed as quickly as possible given that there were no funds to continue trading. Accordingly, the sale took place without consultation with the Company's other creditors.

Why it was not appropriate to trade the business and offer it for sale as a going concern during the Administration

The Company was maintained as a trading entity for a short period during Administration, from 26 July 2019 to 5 August 2019, when the going concern sale was concluded.

It was not considered that trading of the business during the Administration could continue over a significantly longer period, as the Company had insufficient finance in order to do so. In the circumstances, it was considered that the most effective strategy would be for GTC to market the Company's business and assets prior to Administration in order to identify any interested parties with which the Joint Administrators could start negotiations after their appointment with a view to completing a sale shortly thereafter.

Details of requests made to potential funders to fund working capital requirements

No requests were made to potential funders. In view of the Company's overall financial position, it was considered unfeasible to seek additional working capital outside of Administration.

Details of registered charges with dates of creation

The charges registered against the Company are as follows:

<u>Name of charge-holder</u>	<u>Type of security</u>	<u>Date created</u>
James Alan Pearson	Debenture	27 May 2011
Aldermore Invoice Finance	Debenture	07 June 2011

Any acquisition of the business or assets from an insolvency practitioner within the previous 24 months (or longer if considered relevant to creditors' understanding)

As far as the Joint Administrators are aware, neither the business nor its assets were acquired from an insolvency practitioner within the previous 24 months.

Marketing of the business and assets

The marketing activities conducted by the Company and / or the Joint Administrators and the effect of those activities, with reference to the marketing essentials

Attached is an explanation, which includes the reasons underpinning the marketing and media strategy used, provided by GTC. The Joint Administrators believe that the business was marketed as widely as possible proportionate to the nature and size of the business and the limited timeframe available. They also believe that the marketing activity was carried out for as long as possible in the circumstances given the constraints on the Company's continued trading as described above. The business was marketed on the internet. The Joint Administrators are also satisfied as to the adequacy and independence of the marketing undertaken in the circumstances.

Valuation of the business and assets

The names and the professional qualifications of the valuers / advisers and confirmation that they have confirmed their independence and that they carry adequate professional indemnity insurance

Iain Gash, with 20 years practical experience, of GTC were instructed to act as independent valuers / advisors. GTC have confirmed their independence and that they carry adequate professional indemnity insurance.

The valuations obtained for the business or its underlying assets

Prior to the commencement of the Administration, GTC carried out an initial valuation of the Company's business and assets on both an in-situ and ex-situ basis. Following the Joint Administrators' appointment, GTC completed its valuation which is summarised as follows:

	In-situ basis £	Ex-situ basis £
Chattel Assets	69,265	37,315
Work In Progress & Order Book	33,500	nil
Goodwill	10,000	nil

The summarised figures above represent the lowest acceptable offer values and not the most desirable sale price.

GTC reviewed the Company's financial and trading history, together with information on its contracts, work in progress, IPR, present circumstances and current market conditions, in order to consider the value of these assets and of the Company's goodwill. Both GTC and the Joint Administrators are satisfied that the realisations from these assets represent the best available outcome in all the circumstances.

No reliance has been placed on any valuations previously obtained by the Company or its lenders. In all respects regarding the sale, the Joint Administrators have sought independent advice from GTC.

A summary of the basis of valuation adopted by the Joint Administrators or their valuers / advisers

The valuation on an in-situ basis reflects the valuers' estimated amount for which the assets could be sold as a whole in their working place(s). The ex-situ basis reflects a sale whereby the assets are removed from the premises at the expense of the purchaser subject to a restricted marketing period that does not allow sufficient time for proper marketing, as would be available under normal market conditions.

The rationale for the basis of the valuations obtained and an explanation of the value achieved of the assets compared to those valuations

The Joint Administrators considered the bases of the valuations appropriate as they enabled them to consider any offer with the objective of selling the business and assets as a going concern, but also to gain an appreciation of the likely realisations in the event that sale negotiations were threatened to collapse and a forced sale of the assets became a real possibility.

The resulting sale represents a significantly improved outcome over that which would have been likely had it been necessary to resort to a forced sale of the assets on an ex-situ basis, particularly when the disposal costs and increased liabilities (e.g. employees' redundancy claims, landlord's claim on surrendering a lease on a vacant property) are factored in.

If no valuation has been obtained, the reason for not having done so and how the Joint Administrators were satisfied as to the value of the assets

All assets apart from the sales ledger were valued. The sales ledger was not valued, as it was not intended to be included in the sale.

The transaction

The date of the transaction

The sale was completed on 5 August 2019.

Purchaser and related parties

The identity of the purchaser

The purchaser is RSS.

Any connection between the purchaser and the directors, shareholders or secured creditors of the Company or their associates

There is no known connection.

The names of any directors, or former directors (or their associates), of the Company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity to which any of the assets are transferred

As far as the Joint Administrators are aware, the Directors are not presently involved in the management, financing or ownership of the purchasing entity.

Further information on transactions impacting on more than one related company (e.g. a group transaction)

Not applicable; the transaction impacted only on the Company.

Whether any directors had given guarantees for amounts due from the Company to a prior financier and whether that financier is financing the new business

Both Mr Charlesworth and Mr Bevington have given a personal guarantee to AIF in respect of the Company's factoring agreement. As far as the Joint Administrators are aware, AIF will not be providing an invoice finance facility to RSS.

Assets

Details of the assets involved and the nature of the transaction

The tangible assets sold were plant and machinery and office furniture & equipment. The intangible assets were goodwill, work in progress, and IPR. The nature of the transaction was a going concern sale.

Sale consideration

The consideration for the transaction, terms of payment and any condition of the contract that could materially affect the consideration

Sale consideration totalled £70,500, of which £23,500 was received on completion and the remainder is to be paid on a deferred basis as follows:

£23,500 on 1 November 2019; and
£23,500 on 1 February 2020.

The consideration disclosed under broad asset valuation categories and split between fixed and floating charge realisations (where applicable) and the method by which this allocation of consideration was applied

The total sale consideration of £70,500 has been provisionally apportioned to the asset categories as follows:

<u>Asset</u>	<u>Apportioned value</u>
Work in progress	£9,000
Tangible Assets	£55,000
Order Book	£5,000
Intellectual property & goodwill	£1,500

The apportionment of these asset categories is subject to confirmation by GTC.

Although the validity of the debentures have yet to be verified, they purport to grant a fixed charge over the book debts, freehold / leasehold property and goodwill and a floating charge over all other assets.

The Joint Administrators will look to allocate the sale consideration between fixed and floating charges when the solicitors have reviewed the security and when the sale consideration has been received in full.

Any options, buy-back agreements, deferred consideration or other conditions attached to the transaction

There are no options, buy-backs or other similar conditions attached to the sale.

The sale consideration is on a deferred basis, payable as follows:

£23,500 paid on completion;
£23,500 payable on 1 November 2019; and
£23,500 payable on 1 February 2020.

Details of any security taken by the Joint Administrators in respect of any deferred consideration

The business and assets were secured by obtaining a personal guarantee from Mr McMurray, a director and shareholder of RSS.

If the sale is part of a wider transaction, a description of the other aspects of the transaction

The sale was not part of a wider transaction.

Connected Party Transactions

Pre-pack pool

As the sale was not a pre-pack to a Connected Party, the pre-pack pool was not approached.

Viability statement

As the sale was not a pre-pack involving a Connected Party, the Joint Administrators have not requested a viability statement.

THE AGENTS' EXPLANATION OF THE SALE PROCESS (MARKETING UNDERTAKEN)

Shades Graphics Limited (In Administration) ("the Company")	
At the point when you received the instruction to value and market the Company's business/assets, were you independent?	Yes
Describe any marketing previously undertaken by the Company or by any party instructed by the Company.	We are not aware of any previous marketing being undertaken.
If this marketing by the Company was considered sufficiently adequate and independent to avoid (or reduce the extent of) further marketing, explain the reasons why.	N/A
Describe any characteristics of the Company's business/assets that significantly impacted on the marketing strategy devised, particularly where widespread and overt marketing was considered inappropriate or disadvantageous.	No characteristics of the business and assets significantly impacted on the marketing strategy other than that of the timescales with respect to the Director appointment and considering the risk and liabilities of trading the business subsequent to your appointment as Administrators.
Describe the marketing strategy undertaken and the reasons why this strategy was followed.	Due to the restrictions of time and with the need to hasten a sale at the earliest opportunity, it was decided to place an advert on our website and send out a market specific mailshot to 958 parties who have registered to be informed of sale opportunities of this type as this would broadcast the sale opportunity to potential buyers in the shortest timeframe.
In what other main ways could a sale of the business/assets have been pursued and why were these options not chosen?	The sale could have been marketed in relevant trade publications. However, as copy deadlines could not be met it was decided to continue as described above.
What exposure was given to the proposed sale on the internet?	The sale was exposed via our website www.gtcappraisals.com .
Were the business/assets marketed via any specialist media? Were particular profiles of potential interested parties targeted?	In relation to the former, no. Please refer to comments above. Interested parties who invest in distressed Companies within the manufacturing sector were the focus of our mailshot.

For how long were the business/assets marketed? Why was this length of time settled on?	<p>The business and assets were marketed for eight days inclusive from the 19th July 2019 culminating in a deadline for offers on 26th July 2019.</p> <p>This length of time was agreed having had regard to considerations of continuing to trade the business and the costs and liabilities arising from doing so.</p>
How many parties: (i) expressed an initial interest in the business/assets; (ii) completed non-disclosure agreements; and (iii) engaged in negotiations?	<p>Four parties expressed an initial interest. Four parties completed non-disclosure agreements. One party engaged in negotiations.</p> <p>Two of the other parties confirmed no interest in the business but to be informed if the chattel assets were to be offered for sale piecemeal.</p>
Describe briefly how interest was progressed and how this led to the final offer(s) being made.	<p>We issued the Company information memorandum to the party which provided salient information with respect to the asset position with recent & historical financial statements of the Company.</p> <p>Following discussions, we and SFP met with the party to answer further detailed questions in relation to the business and facilitated an inspection of the manufacturing plant.</p> <p>Subsequent to answering further information requests, the party tendered an offer which was declined.</p> <p>The Administrators negotiated with the party until an offer was presented which was deemed acceptable.</p>
If more than one offer was received, how was the final purchaser decided upon?	Only one offer was received.
In conclusion, describe how, in your view, the marketing strategy has achieved the best available outcome in all the circumstances.	<p>The marketing strategy was focused on maximizing immediate exposure of the sale opportunity, subject to the restrictions as per previous comments.</p> <p>The marketing has indicated the business & assets is not of appeal to general printers and/or investors due to the antiquatedness of the systems and assets, but to a buy and build business who has the opportunity to take the specialisms of Shades Graphics to complement their existing service offerings.</p> <p>The best outcome was a sale to the party who had the ability to take the business forward from an insolvency process with the preservation of a majority the employees and maximizing the recoveries for the benefit of the Administration.</p>
Completed by:	Iain Gash
Professional qualification(s):	19 years General Practice, 19 years practical experience

Date completed:	31.07.2019
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Note: The Joint Administrators intend including your answers above in the Joint Administrators' Proposals. Therefore it will also be filed at Companies House and thus it will be in the public domain within the next two months. Please explain whether you would recommend that any information provided above should avoid disclosure in this manner.

Shades Graphics Limited (in Administration)

The Statement of Proposals

ATTACHMENT C

- **Estimated Statement of Affairs as at 26 July 2019 / Creditors' Details / Directors' Estimated Statement of Affairs and Statement of Concurrence/ Estimated Outcome Statement**

SHADES GRAPHICS LIMITED (IN ADMINISTRATION)

ESTIMATED STATEMENT OF AFFAIRS AS AT 26 JULY 2019

	Notes	Book Value £	Estimated to realise £
Assets (specifically pledged)			
Sales Ledger	1	281,580	281,580
Less: bad and doubtful debts	1	(28,158)	(28,158)
Less: AIF	1	(193,283)	(193,283)
Less: AIF (charges)	1	<u>(40,915)</u>	<u>(40,915)</u>
Estimated surplus as regards AIF c/d		<u>19,224</u>	<u>19,224</u>
Sale of business and assets (fixed charge)	2	1,500	1,500
Less: Mr Pearson	3	<u>(75,000)</u>	<u>(75,000)</u>
Estimated deficiency as regards Mr Pearson c/d		<u>(73,500)</u>	<u>(73,500)</u>
Assets (not specifically pledged)			
Sale of business and assets (floating charge)	2	69,000	69,000
Cash at bank	4	1,000	Uncertain
Paypal account	5	1,000	Uncertain
Estimated surplus as regards AIF b/d		<u>19,224</u>	<u>19,224</u>
Estimated funds available to creditors		<u>90,224</u>	88,224
Liabilities			
RPO	6		(3,637)
Preferential creditors: employees (11 individuals)	6		<u>(4,880)</u>
Estimated net property available to other creditors	7		79,707
Less: prescribed part			
50% of first £10,000		5,000	
20% of remainder		<u>13,941</u>	
	7		<u>(18,941)</u>
Estimated funds available for floating charge creditor			60,766
Estimated deficiency as regards Mr Pearson b/d			<u>(73,500)</u>
Estimated deficiency as regards floating charge creditor c/d			<u>(12,734)</u>
Add back: prescribed part			18,941
Unsecured Creditors			
HM Revenue & Customs - VAT / PAYE / NIC	8	22,904	
Trade creditors	8	201,702	
RPO	8	131,741	
Employees (11 individuals)	9	<u>5,781</u>	
			(362,128)
Estimated deficiency as regards unsecured creditors			<u>(343,186)</u>
Estimated deficiency as regards floating charge creditor b/d			<u>(12,734)</u>
Estimated total deficiency as regards creditors			<u>(355,921)</u>

NB: subject to the costs and expenses of the Administration

Shades Graphics Limited (in Administration)
Notes to the Estimated Statement of Affairs as at 26 July 2019

1. The Company's sales ledger has been assigned to AIF. As at the date of Administration, AIF's outstanding balance excluding charges was £193,283 with the sales ledger standing at £281,580. AIF's level of charges has yet to be ascertained, however these have been estimated for the purposes of this statement. In the interests of prudence a bad debt provision of 10% has been applied to the ledger.
2. The Company's business and assets were sold to RSS for the sum of £70,500. The apportionment of the sale consideration between fixed and floating charge assets is subject to confirmation by MBV.
3. It is understood that SPL owed Mr Pearson c£250,000 and Mr Pearson was provided a debenture by the Company which was registered at Companies House on 1 June 2011. It is understood that c£175,000 of this debt has been repaid. As such, an amount of c£75,000 remains outstanding. The secured creditors entered into a deed of priority that purports to rank AIF's charges in priority to Mr Pearson's. However, as the estimated realisable value of the sales ledger exceeds AIF's estimated debt, Mr Pearson stands to receive realisation of the Company's fixed charge assets, although this is dependent upon the validity of his security and the costs attributable to the fixed charge realisations.
4. An amount of circa £1,000 is expected to be recovered from the Company's pre-appointment bank account in respect of cash at bank. The Joint Administrators have requested transfer of those funds.
5. It is understood that there is a credit balance of circa £1,000 due to the Company from PayPal. The Joint Administrators will review this matter and request those funds to be transferred to the Company estate account in due course.
6. Although some employees' claims were transferred to RSS as a consequence of TUPE, preferential claims are expected in relation to 11 employees made redundant. These claims are currently being processed by the RPO.
7. As illustrated by this statement, the net property is estimated to be £79,707, which would result in an estimated prescribed part of £18,941. Please note, however, that these estimates are exclusive of the costs of the Administration. Once the costs of the Administration are taken into account, it is anticipated that there will be no net property.
8. These figures have been taken from the Company's records and are subject to change once creditors come forward and submit their proof of debt forms.
9. Non-preferential unsecured claims are expected in respect of employees who were made redundant. These claims are currently being processed by the RPO.

Shades Graphics Limited (in Administration)
Company Creditors

Key	Name	Address	£
CA08	A6 SHUTTERS	154 OXFORD ST WEST, GUIDE BRIDGE, ASHTON-U-LYNE, OL70NB	132.00
CA09	Aalberts Surface Treatment Oot Limited	Unit 8 Lagrange, Litchfield Road Industrial Estate, Tanworth, Staffordshire, B79 7XD	0.00
CA02	ACORN PRODUCT DISTRIBUTION LTD	395 Harrogate Road, LEEDS, LS17 6DJ	702.60
CA01	Aldermore Invoice Finance	1st Floor Block B, Western House Lynchwood, Peterborough, PE2 6FZ	0.00
CA03	ALEXANDER CLEANING SERVICES	25 DOVEDALE ROAD, STOCKPORT, SK2 5DZ	1,872.30
CA04	Alexander Knight	4 Elmsway, Hale Barns, Altrincham, Cheshire, WA15 0DZ	1,872.30
CA05	ALLIANCE LIFT TRUCKS	5 Thorn Drive, Mossnook, MANCHESTER, M22 5LX	1,452.00
CA06	Alistar fuelcard	PO Box 1463, Windmill Hill, Swindon, SN5 6PS	250.92
CA07	AMARI PLASTICS LTD	UNIT A, COBALT WAY, MIDDLETON JUNCTION, MANCHESTER, M24 1NN	819.62
CB06	B & M Waste Services	Iris House, Dock Road, South, Bromborough, CH62 4SQ	0.00
CB00	B&M WASTESERVICES	1 Europa Gate, Trafford Park, Manchester, M17 1DW	510.62
CB05	Barclaycard	1234 Pavilion Drive, Northampton, NN4 7SG	10,000.00
CB01	Bateman Thermotooling Ltd	Hart Street, Blackburn, Lancashire, BB1 1HW	4,104.00
CB02	Belmonte Business Equipment Ltd	Unit 18 Haigh Park, Haigh Avenue, Whitehill Industrial Estate, SK4 1QR	611.20
CB03	Bonnyman	Willowburn Road, Willowyard Industrial estate, Beith, Ayrshire, KA15 1LN	1.20
CB04	BRITISH GAS	PO Box 226, Rotherham, S98 1PB	44.83
CC00	CADILLAC PLASTICS LIMITED	RIVERMEAD DRIVE, SWINDON, WILTSHIRE, SN5 7EX	167.29
CC01	CANON (UK) LTD	CHATHAM WAY, BRENTWOOD, ESSEX, CM14 4DZ	1,021.68
CC02	COLENZO SCREEN SERVICES LTD	2/3 FAIROAK COURT, WHITEHOUSE, RUNCORN, CHESHIRE, WA7 3DX	420.34
CC03	CryoService Limited	Warndon Business Park, Worcester, WR4 9RH	1,225.70
CC04	CUTLER CLEANING SUPPLIES LTD	CLOUGH BANK, GRIMSHAW LANE, BOLLINGTON, MACCLESFIELD, SK10 5NZ	119.94
CD00	DAVIES TURNER & CO LTD	UNIT 8, MIFT, WESTINGHOUSE ROAD, MANCHESTER, M17 1DP	440.00
CD01	Digital 21 Marketing	Lester House, 21 Broad Street, Manchester, BL9 0DA	398.00
CD02	Dual Metalising Ltd	Unit 12/14, The Business Centre, James Road, Tyseley, Birmingham, B11 2BA	214.66
CE00	Eagle Plastics Ltd	3 Highmeres Road, Thurmaston, Leicester, LE4 9LZ	231.00
CE01	ESE-COATINGS (UK) LTD	SUITE 103, 33 GREAT GEORGE STREET, LEEDS, LS1 3AJ	114.00
CE02	EUROPOINT	HUNTSMAN HOUSE, MANSION CLOSE, MOULTON PARK, NORTHAMPTON, NN3 6LA	357.04
CF00	FORD LEASE	OAKWOOD PARK, LODGE CAUSEWAY, FISHPONDS, BRISTOL, BS16 3JA	447.82
CF01	FUTURE RECRUITMENT LTD	MELLOR HOUSE, 1ST FLOOR, 26 MELLOR ROAD, CHEADLE HULME, CHESHIRE, SK8 5AU	6,000.00
CG00	GENERAL FABRICATIONS LTD (GENFAB)	ORPHANAGE ROAD, ERDINGTON, BIRMINGHAM, B24 9HT	426.06
CG01	GK MARKETING SERVICES LTD	UNIT 21 & 22, CROSSFIELD IND ESTATE, LICHFIELD, STAFFS, WS13 6RJ	269.95
CH04	HALEKAVANAGH	5 LISBON SQUARE, LIBSON STREET, LEEDS, LS1 4LY	0.00

CH02	HM Revenue & Custom	Insolvency Operations, 5th Floor, Regian House, James Street, Liverpool, L75 1AD	1,361 00
CH03	HM Revenue & Custom	Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	21,543 32
CH00	HM Revenue & Customs	Insolvency & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	0 00
CH01	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4RS	0 00
CH05	HONDA CONTRACT HIRE	HEATHSIDE PARK, HEATHSIDE PARK ROAD, STOCKPORT, SK3 0RB	326 71
C100	INKTEC EUROPE	UNITS 1 & 2, GLENMORE BUSINESS CENTER, RANGE ROAD, WITNEY, OXON, OX29 0AA	5,247 60
C101	Innotech Ltd	Quantum House, Interlink Way South, Interlink Park, Bardon, LE67 1PG	162 80
C102	Insight direct (Uk) Ltd	The Atrium, 1 Harefield Road, Uxbridge, UB8 1PH	2,400 00
CJ01	James Pearson		0 00
CJ00	JIM COLLINS		155 50
CK00	Kavia Mouldings Ltd	Unit 8/9 Balderstone Close, Heasandford Ind Estate, Burnley, BB10 2TA	7,289 76
CK01	Kavia Tooling Limited	U3 Bancroft Road, Burnley, BB10 2RZ	13,279 20
CK02	Kingdom Ltd	6/10 Bancrofts Road, South Woodham Ferrers, Essex, CM3 5UQ	85 68
CL00	Lambert Smith Hampton	UNITED KINGDOM HOUSE, PROPERTY MANAGEMENT ACCOUNTS, 180 OXFORD STREET, LONDON, W1D	15,024 95
CL02	LEAWOOD MANUFACTURING LTD	14 CURSHAM STREET, SUTTON IN ASHFIELD, NOTTINGHAMSHIRE, NG17 5FD	108 00
CL01	LED TECHNOLOGIES LTD	BACK WAREHOUSE, SCHOOL LANE, MARTON, MACCLESFIELD, CHESHIRE, SK11 9HD	0 00
CL03	LITHO SUPPLIES (UK) LTD	UNIT 1 & 2, ASHBOURNE COURT, MANNERS AVENUE, ILKESTON, DE7 8EF	294 48
CL04	LYSIS TECHNOLOGIES LTD	UNIT 11C, KINGS FARM ESTATE, HORDLE, HAMPSHIRE, SO41 0HD	797 88
CM00	MABRON PLASTICS LTD	UNIT 28, VICTORIA INDUSTRIAL CENTRE, MOUNT STREET, ACCRINGTON, BB5 0PJ	324 00
CM01	MARLOWE GRAPHICS	UNIT 20 ABBOTS BUSINESS PARK, PRIMROSE HILL, KINGS LANGLEY, WD4 8RF	271 80
CM02	MediaCo	Churchill Point, Churchill Way, Trafford Park, M17 1BS	397 88
CM03	Metamark (UK) Ltd	Metamark House, Octimum Business Park, Forsyth Rd, Woking, GU21 5SF	3,109 28
CM04	MiGlass Limited	51 DOWNING STREET, SMETHWICK, WEST MIDLANDS, B66 2PP	581 57
CM05	Mil-Tek Uk	Catharalis Industrial Estate, Brookhill Way, Buckley, Flintshire, CH7 3PS	0 00
CN02	Natwest	Debt Management Operations , Business Recoveries, PO Box 569, Adwick Park, Rotherham, S63 3FB	0 00
CN00	NAZDAR LTD	NAZDAR HOUSE, BATTERSEA ROAD, HEATON MERSEY, STOCKPORT, SK4 3EA	404 28
CN01	NOR-COTE INTERNATIONAL LTD	UNIT 8 WARRIOR PARK, EAGLE CLOSE, CHANDLERS FORD INDUSTRIAL ESTATE, EASTLEIGH, SO53 4N	155 38
CO00	OPTICAL COATING TECHNOLOGIES LTD	UNIT 8, LAGRANGE, TAMWORTH, STAFFS, B79 7XD	1,481 88
CP00	PAPER GRAPHICS	DIVA INNOVATION CENTRE, CROMPTON WAY, RH10 9QR	1,105 94
CP01	Parcelforce Worldwide	Unit A Gemini Business Park, Hornet Way, Beckton, London, E6 7FF	431 03
CP02	PDC ELECTROMECHANICAL	17 MONTGOMERY CLOSE, CHILWELL, NOTTINGHAM, NG69 6NF	400 32
CP03	Penkeths Ltd	Bassendale Road, Croft Business Park, Bromborough, Wirral, CH62 3QL	146 96
CP04	PERSPEX DISTRIBUTION LTD	UNIT 14/15, WALKER PARK INDUSTRIAL ESTATE, WALKER ROAD, GUIDE, BLACKBURN, BB1 2QE	1,394 17
CP05	PLASTICS PLUS LTD	UNIT 6, CENTURION BUSINESS PARK, DABELL AVENUE, BULWELL, NOTTINGHAM, NG6 8WN	61,379 05
CP08	Premium Credit Ltd	Emryn House, Emryn Way, Leatherhead, Surrey, KT22 8UX	0 00
CP06	PULSAR LEISURE	5 LOUISA STREET, IDLE, BRADFORD	150 00
CP07	PYRAMID DISPLAY MATERIALS	UNIT 5 WESTPOINT ENTERPRISE PARK, CLARENCE AVENUE, TRAFFORD PARK, MANCHESTER, M17 1C	4,432 94
CR00	Redundancy Payments Office	PO Box 16685, Birmingham, B2 2LX	131,741 00
CR01	Romero Insurance Brokers Ltd	Romero House, 8 Airport West, Lancaster Way, Yeadon Leeds, LS19 7ZA	0 00
CS02	S I S LTD	UNIT 3 RUGBY PARK, BATTERSEA ROAD, HEATON MERSEY, STOCKPORT, SK4 3EB	7,907 49
CS00	SAGE (UK) LTD	NORTH PARK, NEWCASTLE UPON TYNE, NE13 9AA	1,412 18
CS01	Screenstretch Ltd	Unit F, Prestwich Ind Est, Coal Pit Lane, Atherton, Manchester, M46 0RL	630 90

CS03	Sorac Couriers Limited	23 Wilfred Road, Eccles, Manchester, M30 7LB	396.00
CS04	SOUND SAFETY ADVICE	17 CHURCH FIELDS, NORMANTON, WEST YORKSHIRE, WF16 1EQ	600.00
CS05	Soyang Europe Ltd	Calder House, Metcalfe Drive, Altham, BB5 5TU	73.64
CS06	SPB COMPUTER SERVICES	2 THE WALLED GARDEN, HARMSTON, LINCOLN, LN5 9WG	4,535.00
CS07	STOCKPORT MBC	PO BOX 39, STOCKPORT, SK1 3FP	17,388.00
CS08	STUDIOMACS LTD	SUITE 55, 275 DEANS GATE, MANCHESTER, M3 4EL	2,088.00
CT00	T A ANDERS & CO LTD	UNIT 12 GUINNESS ROAD TRADING ESTATE, GUINNESS ROAD, TRAFFORD PARK MANCHESTER, M17 1	542.04
CT01	Three	Three Customer Services, PO Box 333, Glasgow, G2 9AG	115.15
CU01	UK EUROCONNECT LTD	SHOATS BARN, SHELVIN FARM, SHELVIN, CANTERBURY, KENT CT4 6RL	593.94
CU02	UK POINT OF SALE GROUP LTD	HORSFIELD WAY, BREDBURY PARK IND ESTATE, STOCKPORT, SK6 2TD	520.80
CU00	UNIVERSAL DISPENSE SYSTEMS LTD	UNIVERSAL BUILDINGS, GREEN LANE, HOUNSLOW, TW4 6DF	275.26
CV00	Very Displays Ltd	17 Boston Road, Gorse Hill Industrial Estate, Leicester, LE4 1AW	23.87
CV01	Vink UK Ltd aka Selfadhesive.co.uk	7-9 The Portman Centre, Lovelock Road, Reading, Berks, RG30 1DZ	2,399.67
CW00	Water Plus	PO Box 450, Warrington	3,057.49
CZ00	ZUND UK LTD	UNIT 1, SPRING VALLEY BUSINESS CENTRE, PORTERS WOOD, ST ALBANS, AL3 6PD	3,575.93
89 Entries Totalling			356,346.79

Shades Graphics Limited
(In Administration)

Schedule of Secured Creditors included in the Statement of Affairs

Secured Creditors

Secured creditor's name and address	Amount of claim (estimated)	Details of security	Date security was given	Value of security (per Statement of Affairs)
Mr Pearson,	£75,000	Debenture	27 May 2011	£1,500
Aldermore Invoice Finance, 1st Floor Block B, Western House Lynchwood, Peterborough, PE2 6FZ	£193,283	Debenture	7 June 2011	£281,580

STATEMENT OF AFFAIRS


Name of Company: Shades Graphics Limited	Company number: 07525173
In the High Court of Justice	Court case number: CR-2019-000700

Statement as to the affairs of (a) Shades Graphics Limited of SFP, 9 Ensign House, Admirals Way, Marsh Wall, London, E14 9XQ on 26 July 2019, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at 26 July 2019 the date that the company entered administration.

Full name M. R. CHALLENOR

Signed 

Dated 1/8/19

A1 – Summary of Liabilities

	Estimate £
Estimated total assets available for preferential creditors (carried from page A)	£
Liabilities	
Preferential creditors:-	
Employees (number: _____)	
Estimated deficiency/surplus as regards preferential creditors	£
Estimated prescribed part of net property where applicable (to carry forward)	£
Estimated total assets available for floating charge holders	£
Debts secured by floating charges	£
Estimated deficiency/surplus of assets after floating charges	£
Estimated prescribed part of net property where applicable (brought down)	£
Total assets available to unsecured creditors	£
Unsecured non-preferential claims:-	
Employees (number: _____)	
Consumers who have paid in advance for goods or services (number: _____)	
Other unsecured creditors	
Estimated deficiency after floating charge where applicable (brought down)	
Estimated deficiency/surplus as regards creditors	£
Issued and called up capital	£
Estimated total deficiency/surplus as regards members	£

Signature

[Handwritten Signature]

Date

1/8/18

see xc spreadsheet attached

Assets subject to fixed charge:

Uncharged assets:

Estimated total assets available for preferential creditors

Signature J. Chel Date 1/8/19

see attached ETR sheet

Book Value £	Estimated to Realise £

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
M.R. CHARLESWORTH	c/o Sladen SKS 7137	404		
A.C. BEURTON		376		
A. MARSHAND		60		
A. BARNES		40		
R. VEE		40		
P. WRIGHT		40		
G. TWELLS		40		
TOTALS				

Signature [Signature] Date 21/8/15

COMPANY CREDITORS (excluding employees and consumers)

Note: You must include all creditors and indicate any creditors under hire-purchase, chattel leasing or conditional sale agreements and any creditors claiming retention of title over property in the company's possession.

[illegible]

Signature H. C. C. C.

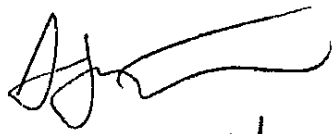
Date _____

please see attached vector edges

Book Debts	280000	
less Aldermore	193000	
	87000	
Bank current account	2800	
Paypal account	1000	
Finished work to ship& invoice	9850	
	100650	100950
Fixed Assets		
Plant & Machinery	198000	
office equipment	1000	
motor vehicle	250	
	199250	199250
Trade Creditors	184000	
Debenture J Pearson	90000	
	274000	274000
Loans rent	68000	
credit card	10000	
Pref Creditors (wages)	8400	
Director Loan Accounts	1525	
	87925	87925
		-61725

Statement of affairs, Shades Graphics Ltd at 26.7.19
M R Charlesworth

AT Bevington


1/8/19

Date: 01/08/2019

Time: 12:21:45

Shades Graphics Ltd

Page: 1

Aged Debtors Analysis (Summary)

Report Date: 01/08/2019
 Include future transactions: No
 Exclude later payments: No

Customer From:
 Customer To: ZZZZZZZZ

** NOTE: All report values are shown in Base Currency, unless otherwise indicated **

A/C	Name	Credit Limit	Turnover	Balance	Future	Current	Period 1	Period 2	Period 3	Older
ACT01	ACTIVITIES DISPLAY	£ 0.00	2,451.54	247.71	0.00	0.00	0.00	0.00	0.00	247.71
AND01	T.A.ANDERS & CO LTD	£ 0.00	1,008.91	219.48	0.00	-79.20	18.00	52.92	0.00	227.76
AP01	Ape Amusement Design Ltd	£ 0.00	3,696.00	2,640.00	0.00	474.00	2,142.00	0.00	24.00	0.00
AXI01	Axtmo Ltd	£ 0.00	650.00	1,350.00	0.00	1,350.00	0.00	0.00	0.00	0.00
BEL01	BELL-FRUIT GROUP LTD	£ 500,000.00	262,917.12	22,901.30	0.00	-8,796.17	3,404.50	26,836.53	588.15	868.29
BJL01	BOYDELL & JACKS LTD	£ 0.00	4,175.75	762.00	0.00	305.00	456.00	0.00	0.00	0.00
BLU02	Blue-i Event Technology	£ 0.00	6,421.50	7,517.40	0.00	0.00	0.00	3,568.80	2,365.80	1,582.80
BMA01	BMAC LTD	£ 15,000.00	15,468.25	433.20	0.00	0.00	-1,684.20	201.00	1,916.40	0.00
BOX01	BOXCITEMENT LTD	£ 0.00	612.80	924.00	0.00	924.00	0.00	0.00	0.00	0.00
BRE01	Brewfitt Limited	£ 0.00	2,140.00	14,148.00	0.00	28,296.00	0.00	0.00	-14,148.00	0.00
BRE03	Cold Black Label Ltd	£ 0.00	835.50	954.00	0.00	457.20	-505.80	0.00	1,002.60	0.00
CLE01	CLEARVISION LIGHTING	£ 0.00	2,164.48	1,273.81	0.00	471.60	134.91	0.00	152.88	514.42
COR01	CORINNE HILLS	£ 0.00	716.00	247.44	0.00	0.00	247.44	0.00	0.00	0.00
DAE01	DAEDALIAN GLASS LTD	£ 0.00	1,844.00	527.11	0.00	-80.40	431.11	176.40	0.00	0.00
ELA01	ELAUT NV	£ 100,000.00	164,849.19	12,530.79	0.00	6,529.52	6,001.27	0.00	0.00	0.00
ELY01	Julia Ely Engraved Glass	£ 0.00	20.00	-9.00	0.00	0.00	0.00	-9.00	0.00	0.00
EUR03	EUROCOIN GAMING	£ 10,000.00	1,038.20	663.50	0.00	610.50	0.00	0.00	0.00	53.00
EVO01	Evolution Aqua Limited	£ 20,000.00	11,251.21	1,376.77	0.00	-14.92	1,391.69	0.00	0.00	0.00
EWG01	EMMA WOOD GLASS	£ 2,000.00	1,588.45	241.38	0.00	174.18	67.20	0.00	0.00	0.00
EWL01	ENGLAND WORTHSIDE LTD	£ 0.00	5,926.75	2,118.00	0.00	2,118.00	0.00	0.00	0.00	0.00
EYE01	Eyeart	£ 0.00	220.00	264.00	0.00	0.00	0.00	0.00	0.00	264.00
FAS01	FASTRAK RETAIL LTD	£ 15,000.00	6,356.40	4,226.40	0.00	0.00	2,460.00	0.00	0.00	1,766.40
FYB01	FYBAGRATE	£ 0.00	0.00	510.18	0.00	0.00	510.18	0.00	0.00	0.00
GHB01	BEER MONKEY BREW CO	£ 0.00	7,145.86	1,983.95	0.00	0.00	0.00	31.80	720.00	1,232.15
GKN01	GKN Autostructures Ltd	£ 0.00	595.95	1,768.14	0.00	1,768.14	0.00	0.00	0.00	0.00
GLA03	Glazeright (Hilton Kitchens)	£ 0.00	870.82	144.00	0.00	0.00	0.00	0.00	0.00	144.00
GRE01	Great Pictures	£ 0.00	568.42	688.80	0.00	646.80	0.00	42.00	0.00	0.00
GUI01	GUISELEY IN BLOOM	£ 0.00	60.00	206.40	0.00	206.40	0.00	0.00	0.00	0.00
HAR01	Adboards Ltd	£ 2,500.00	929.68	460.80	0.00	0.00	340.20	0.00	120.60	0.00
HUG01	HUGHES SAFETY SHOWERS	£ 7,500.00	8,400.56	3,427.20	0.00	2,419.20	1,008.00	0.00	0.00	0.00
HYM01	Hymix Ltd	£ 15,000.00	4,600.50	585.00	0.00	0.00	585.00	0.00	0.00	0.00
ICU01	IMAGE CREATIVE UK LTD	£ 0.00	4,374.89	5,249.87	0.00	0.00	0.00	0.00	0.00	5,249.87
IHL01	IMAGE HOLDERS LTD	£ 0.00	25,073.38	2,846.28	0.00	48.60	1,739.64	999.65	58.39	0.00
JAY01	JAYBOX LTD	£ 2,500.00	3,762.50	1,044.00	0.00	264.00	0.00	0.00	780.00	0.00
LBL01	LITTLE BOOTEEK LTD	£ 0.00	0.00	484.80	0.00	0.00	484.80	0.00	0.00	0.00
LEE01	THE LEEDS BREWERY CO	£ 0.00	3,059.10	347.40	0.00	237.60	0.00	109.80	0.00	0.00
LFM01	L.F.MOON LTD	£ 0.00	249.00	90.00	0.00	0.00	0.00	66.00	24.00	0.00
LIN01	LINEARART	£ 2,500.00	2,126.20	495.10	0.00	359.74	135.36	0.00	0.00	0.00
LLO01	LLOYD STOTT	£ 0.00	6,331.16	2,234.46	0.00	1,500.06	0.00	734.40	0.00	0.00
LUL01	LUXURY LEISURE RAL	£ 5,000.00	12,425.00	9,510.00	0.00	9,510.00	0.00	0.00	0.00	0.00
MAD01	MARDAN PRODUCTS LTD	£ 0.00	1,381.75	904.50	0.00	0.00	0.00	0.00	0.00	904.50
MAN02	MANCHESTER GLASS LTD	£ 0.00	35.00	57.07	0.00	57.07	0.00	0.00	0.00	0.00
MAY03	Mayura Print - 07885634473	£ 0.00	762.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MDA01	MDA Ltd	£ 0.00	35.00	3,954.00	0.00	600.00	3,312.00	42.00	0.00	0.00
MED02	Media Village	£ 0.00	630.00	756.00	0.00	0.00	0.00	756.00	0.00	0.00
MIC01	MAC IVORS CIDER CO	£ 0.00	406.84	98.00	0.00	0.00	98.00	0.00	0.00	0.00
MID01	Miglass limited	£ 20,000.00	14,365.40	12,672.00	0.00	0.00	2,239.92	813.12	1,297.92	8,321.04
MOW01	Mowden Controls Ltd	£ 0.00	568.50	141.60	0.00	0.00	141.60	0.00	0.00	0.00
NAM01	BANDA: NAMCO	£ 25,000.00	5,481.40	204.24	0.00	0.00	0.00	0.00	0.00	204.24
NIR01	NIRVANA BREWERY	£ 0.00	254.00	90.00	0.00	90.00	0.00	0.00	0.00	0.00
NOR01	Nortek Electronic Circuits	£ 0.00	0.00	552.60	0.00	552.60	0.00	0.00	0.00	0.00
PAN01	Pan Amusements	£ 2,500.00	682.75	573.42	0.00	144.00	112.32	108.00	209.10	0.00
PET02	Tvs Supply Chain Solutions	£ 50,000.00	13,760.75	1,908.00	0.00	0.00	1,908.00	0.00	0.00	0.00
PFP01	PASSION FOR PRINT LTD	£ 0.00	158.33	380.58	0.00	33.48	347.10	0.00	0.00	0.00
PLA01	PLASTICS PLUS LTD	£ 10,000.00	8,273.40	1,093.80	0.00	967.80	126.00	0.00	0.00	0.00
RAF02	Rafael Gazzl	£ 0.00	120.50	144.60	0.00	0.00	0.00	0.00	144.60	0.00
RED01	Red Monkey Play Ltd	£ 0.00	7,795.31	2,460.00	0.00	2,460.00	0.00	0.00	0.00	0.00
REE01	Reed Exhibitions	£ 0.00	0.00	204.00	0.00	204.00	0.00	0.00	0.00	0.00
REF01	REFLEX GAMING LTD	£ 100,000.00	25,824.71	2,163.90	0.00	5.40	648.60	594.90	915.00	0.00
ROB03	ROBIN ROSS	£ 0.00	342.50	84.60	0.00	0.00	84.60	0.00	0.00	0.00
ROL01	Roll-A-Ball Ltd	£ 0.00	4,090.00	822.00	0.00	0.00	822.00	0.00	0.00	0.00
RPL01	REPLAN	£ 0.00	11,434.64	1,476.00	0.00	0.00	0.00	0.00	1,476.00	0.00
SCR01	SPP DIGITAL LTD	£ 1,000.00	373.50	190.20	0.00	0.00	190.20	0.00	0.00	0.00
SEG01	SEGA AMUSEMENTS	£ 50,000.00	29,141.14	9,908.40	0.00	160.80	9,747.60	0.00	0.00	0.00
SHA01	SHARP LTD	£ 200,000.00	310,440.70	112,049.17	0.00	-7,575.40	7,529.01	28,782.72	39,676.29	43,636.55
SIB03	Sibani Plastics Ltd	£ 0.00	2,130.15	841.32	0.00	0.00	0.00	370.08	0.00	471.24
SIS01	SCREEN INK & SOLVENT	£ 1,000.00	1,338.33	900.00	0.00	480.00	180.00	240.00	0.00	0.00

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Date: 01/08/2019
Time: 12:21:45

Shades Graphics Ltd
Aged Debtors Analysis (Summary)

Page: 2

<u>A/C</u>	<u>Name</u>	<u>Credit Limit</u>	<u>Turnover</u>	<u>Balance</u>	<u>Future</u>	<u>Current</u>	<u>Period 1</u>	<u>Period 2</u>	<u>Period 3</u>	<u>Older</u>
SOU01	SOUND LEISURE	£ 30,000.00	35,837.51	7,985.49	0.00	-1,597.29	5,298.47	1,746.67	1,419.24	1,118.40
STO04	STOREY GROUP	£ 0.00	295.50	132.60	0.00	0.00	0.00	0.00	0.00	132.60
STR02	Stralght Manufacturing Ltd	£ 20,000.00	29,260.57	6,112.46	0.00	833.42	1,487.28	3,593.76	0.00	198.00
SUP01	JONES SUPERNOVA GAMES	£ 25,000.00	6,650.45	1,065.24	0.00	0.00	0.00	75.00	612.00	378.24
SUZ01	SUZO INTERNATIONAL	£ 10,000.00	0.00	90.00	0.00	90.00	0.00	0.00	0.00	0.00
SUZ02	SUZO-HAPP GROUP	\$ 0.00	1,457.97	138.78	0.00	0.00	0.00	138.78	0.00	0.00
SWD01	SWD GAMES	£ 20,000.00	32,663.44	181.96	0.00	181.96	0.00	0.00	0.00	0.00
TAL02	Talos Architectural Ltd	£ 0.00	1,344.36	108.00	0.00	108.00	0.00	0.00	0.00	0.00
TAY01	S TAYLOR & SONS	£ 3,000.00	1,557.67	464.88	0.00	186.94	166.20	111.74	0.00	0.00
TBE01	TREVOR BOLTON	£ 0.00	3,013.66	304.12	0.00	0.00	304.12	0.00	0.00	0.00
TOM01	TOM CHANDLEY	£ 20,000.00	2,516.04	96.00	0.00	96.00	0.00	0.00	0.00	0.00
TVS01	TVS SUPPLY CHAIN	£ 0.00	62,566.18	339.43	0.00	0.00	0.00	-198.24	0.00	537.67
UDS01	Universal Dispense Systems	£ 0.00	5,714.70	-81.60	0.00	0.00	0.00	0.00	0.00	-81.60
UKP01	UK POINT OF SALE GROUP	£ 0.00	6,542.16	2,420.81	0.00	300.00	1,392.00	134.21	487.80	106.80
WEL01	WHARTON ELECTRONICS	£ 0.00	0.00	504.00	0.00	0.00	504.00	0.00	0.00	0.00
WYL01	WICKED YARNS LTD	£ 0.00	0.00	696.60	0.00	696.60	0.00	0.00	0.00	0.00
Totals:			<u>1,206,172.</u>	<u>282,822.44</u>	<u>0.00</u>	<u>48,776.23</u>	<u>56,006.32</u>	<u>70,119.04</u>	<u>39,842.77</u>	<u>68,078.08</u>

n/i

Date: 01/08/2019

Shades Graphics Ltd

Page: 1

Time: 12:22:42

Aged Creditors Analysis (Summary)

Report Date: 01/08/2019

Supplier From:

Include future transactions: No

Supplier To:

Exclude Later Payments: No

ZZZZZZZZ

**** NOTE: All report values are shown in Base Currency, unless otherwise indicated ****

A/C	Name	Credit Limit	Turnover	Balance	Future	Current	Period 1	Period 2	Period 3	Older
ACO01	ACORN PRODUCT	£ 0.00	3,089.00	702.60	0.00	0.00	0.00	702.60	0.00	0.00
ALE02	Alexander Knight	£ 0.00	7,895.00	1,872.30	0.00	0.00	0.00	0.00	-3,056.40	4,928.70
ALL01	ALLIANCE LIFT TRUCKS	£ 0.00	3,290.00	1,452.00	0.00	0.00	0.00	0.00	528.00	924.00
ALL02	Allstar fuelcard	£ 0.00	10,974.28	250.92	0.00	250.92	0.00	0.00	0.00	0.00
AMAO1	AMARI PLASTICS LTD	£ 0.00	1,652.73	819.62	0.00	0.00	538.09	127.78	153.75	0.00
AND01	T A ANDERS & CO LTD	£ 0.00	1,004.09	542.04	0.00	223.58	223.58	0.00	94.88	0.00
ASIO1	A6 SHUTTERS	£ 0.00	110.00	132.00	0.00	0.00	0.00	0.00	0.00	132.00
B&M01	B&M WASTESERVICES	£ 0.00	4,907.71	510.62	0.00	0.00	510.62	0.00	0.00	0.00
BAT02	Bateman Thermotooling Ltd	£ 0.00	3,420.00	4,104.00	0.00	0.00	0.00	0.00	0.00	4,104.00
BEL01	Beimonte Business	£ 0.00	894.96	611.20	0.00	0.00	521.70	89.50	0.00	0.00
BON01	Bonnyman	£ 0.00	424.84	1.20	0.00	0.00	0.00	0.00	1.20	0.00
BUS01	BRITISH GAS	£ 0.00	4,511.54	44.83	0.00	44.83	0.00	0.00	0.00	0.00
CAD01	CADILLAC PLASTICS LIMITED	£ 10,000.00	1,012.95	167.29	0.00	0.00	0.00	167.29	0.00	0.00
CAN01	CANON (UK) LTD	£ 0.00	11,226.13	1,021.68	0.00	0.00	351.36	670.32	0.00	0.00
CEL01	Celloglas	£ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CLY01	Clyde & Co	£ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COL01	COLENSO SCREEN SERVICES	£ 10,000.00	596.09	420.34	0.00	0.00	0.00	0.00	231.08	189.26
CRO01	CryoService Limited	£ 0.00	4,723.12	1,225.70	0.00	0.00	693.58	429.53	102.59	0.00
CUT01	CUTLER CLEANING SUPPLIES	£ 0.00	251.65	119.94	0.00	60.60	0.00	59.34	0.00	0.00
DAV01	DAVIES TURNER & CO LTD	£ 1,000.00	1,694.71	440.00	0.00	-221.20	247.20	171.60	242.40	0.00
DIG01	Digital 21 Marketing	£ 0.00	740.00	398.00	0.00	0.00	0.00	0.00	0.00	398.00
DUA01	Dual Metallising Ltd	£ 0.00	535.08	214.66	0.00	0.00	0.00	0.00	0.00	214.66
EAG01	Eagle Plastics Ltd	£ 0.00	248.14	231.00	0.00	0.00	0.00	231.00	0.00	0.00
ESE01	ESE-COATINGS (UK) LTD	£ 0.00	95.00	114.00	0.00	0.00	0.00	0.00	0.00	114.00
EUR02	EUROPOINT	£ 5,000.00	3,316.80	357.04	0.00	99.60	25.01	149.64	0.00	82.79
FOR01	FORD LEASE	£ 0.00	4,834.14	447.82	0.00	0.00	447.82	0.00	0.00	0.00
FUT01	FUTURE RECRUITMENT LTD	£ 0.00	7,500.00	6,000.00	0.00	0.00	0.00	0.00	0.00	6,000.00
GEN01	GENERAL FABRICATIONS	£ 10,000.00	2,035.14	426.06	0.00	0.00	426.06	0.00	0.00	0.00
GKM01	GK MARKETING SERVICES	£ 0.00	969.10	269.95	0.00	0.00	0.00	0.00	269.95	0.00
HAL01	HALEKAVANAGH	£ 0.00	15,442.53	-2,618.30	0.00	0.00	-2,618.30	0.00	0.00	0.00
HON01	HONDA CONTRACT HIRE	£ 0.00	3,701.00	326.71	0.00	0.00	326.71	0.00	0.00	0.00
HOR01	Lambert Smith Hampton	£ 0.00	13,945.01	15,024.95	0.00	0.00	0.00	0.00	0.00	15,024.95
INK01	INKTEC EUROPE	£ 70,000.00	21,919.50	5,247.60	0.00	0.00	0.00	2,252.40	2,995.20	0.00
INN01	Innotech Ltd	£ 0.00	135.66	162.80	0.00	0.00	0.00	0.00	0.00	162.80
JIM01	JIM COLLINS	£ 0.00	8,855.50	155.50	0.00	0.00	0.00	0.00	0.00	155.50
KAV01	Kavia Mouldings Ltd	£ 0.00	15,847.80	7,289.76	0.00	-4,247.40	4,515.34	2,755.10	2,210.40	2,056.32
KAV02	Kavia Tooling Limited	£ 0.00	11,066.00	13,279.20	0.00	0.00	0.00	13,279.20	0.00	0.00
KIN01	Kingdom Ltd	£ 0.00	861.50	85.68	0.00	0.00	0.00	0.00	0.00	85.68
LEDT001	LED TECHNOLOGIES LTD	£ 0.00	492.00	-165.60	0.00	0.00	-165.60	0.00	0.00	0.00
LEW01	LEAWOOD MANUFACTURING	£ 0.00	539.79	108.00	0.00	0.00	0.00	0.00	108.00	0.00
LIT02	LITHO SUPPLIES (UK) LTD	£ 2,000.00	2,324.99	294.48	0.00	294.48	0.00	0.00	0.00	0.00
LYS01	LYSIS TECHNOLOGIES LTD	£ 5,000.00	1,329.80	797.88	0.00	0.00	0.00	0.00	797.88	0.00
MAB01	MABRON PLASTICS LTD	£ 10,000.00	450.00	324.00	0.00	180.00	0.00	0.00	144.00	0.00
MAR01	MARLOWE GRAPHICS	£ 0.00	1,326.50	271.80	0.00	120.00	120.00	31.80	0.00	0.00
MED01	MediaCo	£ 0.00	1,057.33	397.88	0.00	0.00	0.00	289.88	108.00	0.00
MET01	METALOR TECHNOLOGIES	£ 10,000.00	4,459.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MET02	Metamark (UK) Ltd	£ 0.00	10,004.50	3,109.28	0.00	810.12	936.00	1,272.10	0.00	91.06
MID01	MIDLAND INDUSTRIAL	£ 100,000.00	88,879.01	581.57	0.00	800.86	-9,997.79	9,778.50	0.00	0.00
MIL01	Mil-Tek Uk	£ 0.00	808.65	-61.24	0.00	0.00	-81.00	0.00	-48.64	68.40
NAZ01	NAZDAR LTD	£ 0.00	901.83	404.28	0.00	753.80	0.00	-349.52	0.00	0.00
NOR01	NOR-COTE INTERNATIONAL	£ 0.00	1,560.65	155.38	0.00	155.38	0.00	0.00	0.00	0.00
NWW01	Water Plus	£ 0.00	6,786.72	3,057.49	0.00	0.00	0.00	0.00	1,210.30	1,847.19
OPT01	OPTICAL COATING	£ 5,000.00	6,675.84	1,481.88	0.00	0.00	0.00	0.00	1,198.74	283.14
PAP01	PAPER GRAPHICS	£ 0.00	6,355.41	1,105.94	0.00	0.00	0.00	433.94	672.00	0.00
PAR03	Parcelforce Worldwide	£ 0.00	4,458.49	431.03	0.00	431.03	0.00	0.00	0.00	0.00
PDC01	PDC ELECTROMECHANICAL	£ 0.00	1,036.72	400.32	0.00	0.00	0.00	400.32	0.00	0.00
PEN01	Penkeths Ltd	£ 0.00	1,820.82	146.96	0.00	0.00	0.00	146.96	0.00	0.00
PER01	PERSPEX DISTRIBUTION LTD	£ 10,000.00	11,199.92	1,394.17	0.00	0.00	1,232.34	161.83	0.00	0.00
PLA01	PLASTICS PLUS LTD	£ 0.00	192,201.08	61,379.05	0.00	0.00	23,604.17	9,726.16	28,048.72	0.00
PUL01	PULSAR LEISURE	£ 0.00	100.00	150.00	0.00	0.00	0.00	0.00	0.00	150.00
PYR01	PYRAMID DISPLAY	£ 0.00	25,029.85	4,432.94	0.00	443.28	880.22	2,269.77	839.67	0.00
ROM01	Romero Insurance Brokers Ltd	£ 0.00	317.01	-127.88	0.00	-127.88	0.00	0.00	0.00	0.00
SAG01	SAGE (UK) LTD	£ 0.00	2,565.00	1,412.18	0.00	0.00	1,581.38	0.00	-279.82	110.62
SCR03	Screenstretch Ltd	£ 0.00	805.75	630.90	0.00	0.00	0.00	0.00	600.90	30.00
SFP01	SFP Ltd	£ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SIS01	S.I.S.S. LTD	£ 0.00	23,593.79	7,907.49	0.00	97.45	4,844.27	1,792.39	822.33	351.05

Date: 01/08/2019
Time: 12:22:42

Shades Graphics Ltd
Aged Creditors Analysis (Summary)

Page: 2

A/C	Name	Credit Limit	Turnover	Balance	Future	Current	Period 1	Period 2	Period 3	Older
SOR01	Sorac Couriers Limited	£ 0.00	65.00	396.00	0.00	396.00	0.00	0.00	0.00	0.00
SOU02	SOUND SAFETY ADVICE	£ 0.00	1,500.00	600.00	0.00	0.00	0.00	0.00	0.00	600.00
SOY01	Soyang Europe Ltd	£ 0.00	0.00	73.64	0.00	0.00	73.64	0.00	0.00	0.00
SPB01	SPB COMPUTER SERVICES	£ 0.00	4,535.00	4,535.00	0.00	0.00	0.00	0.00	0.00	4,535.00
STO02	STOCKPORT MBC	£ 0.00	28,980.00	17,388.00	0.00	0.00	0.00	0.00	0.00	17,388.00
STU01	STUDIOMACS LTD	£ 0.00	1,440.00	2,088.00	0.00	0.00	0.00	0.00	0.00	2,088.00
THR01	Three	£ 0.00	1,190.00	115.15	0.00	0.00	0.00	115.15	0.00	0.00
UDS01	UNIVERSAL DISPENSE	£ 0.00	521.00	275.26	0.00	0.00	0.00	0.00	0.00	275.26
UKE01	UK EUROCONNECT LTD	£ 5,000.00	1,056.42	593.94	0.00	0.00	0.00	369.12	224.82	0.00
UKP01	UK POINT OF SALE GROUP	£ 0.00	86.40	520.80	0.00	0.00	520.80	0.00	0.00	0.00
VER01	Very Displays Ltd	£ 0.00	317.88	23.87	0.00	0.00	0.00	23.87	0.00	0.00
VIN02	Vink UK Ltd aka	£ 0.00	1,328.98	2,399.67	0.00	0.00	0.00	0.00	0.00	2,399.67
ZUN01	ZUND UK LTD	£ 0.00	6,978.63	3,575.93	0.00	82.68	81.89	3,411.36	0.00	0.00
Totals:			<u>618,806.48</u>	<u>184,456.15</u>	<u>0.00</u>	<u>648.13</u>	<u>29,839.09</u>	<u>50,958.93</u>	<u>38,219.95</u>	<u>64,790.05</u>

Jim Pearson - c £90k
Barclay card - £10000

4/1 CML

The Insolvency Act 1986
Statement of Concurrence

Name of Company Shades Graphics Limited	Company number 07525173
In the High Court of Justice (full name of court)	Court case number CR-2019-000700

(a) Insert full name and address of registered office of company to which statement of affairs relates

(b) Insert date statement of truth on the statement of affairs was made.

(c) Insert full name of person who made the statement of truth on the statement of affairs being concurred with.

With regards to the Statement of Affairs of (a)
Shades Graphics Limited
(‘the company’)

made on (b) 1/8/19

by (c) M. Charlesworth (Martin Robert Charlesworth)

Statement of Truth

(d) Insert full name and address of person making statement

*Delete as applicable

I (d) Adrian Terry Bevington
1, Redcar Close, Hazel Grove, Stockport SK7 4SD

*concur with the Statement of Affairs of the above company and I believe that the facts stated in the Statement of Affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

~~OR~~

~~*concur with the Statement of Affairs of the above company, subject to the following qualifications~~

(e) Please list matters in the statement of affairs which you are not in agreement with, or which you consider to be erroneous or misleading, or matters to which you have no direct knowledge and indicate reason for listing them.

~~(e)~~

and believe that, subject to these qualifications, the facts stated in the statement of affairs are a full, true and complete statement of the affairs of the company on the date that it entered administration.

Full name

ADRIAN TERRY BEVINGTON

Signed



Dated

1/8/19

Shades Graphics Limited (in Administration)

Estimated Outcome Statement as at 13 September 2019

	Notes	Statement of Affairs (book value) £	Actual position as at 13 Sep 19 £	Estimated future £	Final outcome £
Assets Specifically Pledged					
Sale of Business and Assets (fixed charge)	1	1,500	-	1,500	1,500
Less Mr Pearson	2	(75,000)	-	(75,000)	(75,000)
Estimated deficiency as regards Mr Pearson		(73,500)	-	(73,500)	(73,500)
Sales Ledger	3	281,580	130,230	151,350	281,580
Less bad and doubtful debts	4	(28,158)	-	(28,158)	(28,158)
Less AIF	5	(193,283)	(63,053)	(130,230)	(193,283)
Less AIF (charges)	5	(40,915)	(10,894)	(30,021)	(40,915)
Estimated surplus		19,224	56,283	(37,059)	19,224
Assets not Specifically Pledged					
Sale of Business and Assets	1	69,000	23,500	45,500	69,000
PayPal account	6	Uncertain	-	1,000	1,000
Cash at Bank	6	Uncertain	-	1,000	1,000
Rent Receivable	7	-	15,928	7,910	23,838
Bank interest gross		-	3	Uncertain	Uncertain
Estimated total surplus available to creditors		88,224	95,711	18,351	114,062
Expenditure					
Costs incurred pre-Administration					
Pre-Appointment Joint Administrators' Costs	8		(66)	-	(66)
Agents/Valuers' Fees	9		(5,660)	-	(5,660)
Legal Fees	10		(5,137)	-	(5,137)
Costs incurred during Administration					
SFP Property Fees and Expenses	11		(1,548)	(3,202)	(4,750)
Joint Administrators' Remuneration	11		(39,085)	(34,046)	(73,130)
Joint Administrators' other Category 1 Expenses	12		(1,405)	(292)	(1,697)
Joint Administrators' other Category 2 Expenses	12		(147)	(53)	(200)
Agents/Valuers' Fees	9		(9,680)	(500)	(9,180)
Legal Fees	10		(4,834)	(2,000)	(6,834)
Debt Collection Agency	13		-	(3,845)	(3,845)
Statutory Advertising	14		-	(88)	(88)
Insurance	15		-	(1,500)	(1,500)
Pension Costs	16		-	(500)	(500)
Storage and Destruction of Company's Records	17		(876)	(300)	(1,176)
Rent Payable	7		(15,928)	(7,910)	(23,838)
Total expenditure			(83,366)	(54,236)	(137,601)
Estimated total surplus/(deficit) to creditors			12,346	(35,885)	(23,539)

NB All figures are subject to change and exclude VAT

Notes

- A sale of the Company's business and assets to RSS was completed on 5 August 2019. The allocation of sale consideration between fixed and floating charges is subject to confirmation of the agents and solicitors.
- According to a deed of priority, Mr Pearson's debenture ranks second to AIF's. However, as it is anticipated that AIF's debt will be discharged in full from the sales ledger, it appears that the sale consideration allocated to fixed charge assets (less costs) may be available to Mr Pearson, subject to a review of the validity of his security. In the event that the sales ledger recoveries are insufficient to discharge AIF's debt in full, the fixed charge sale consideration (less costs) may be payable to AIF under its prior ranking fixed charge.
- The Company's sales ledger stood at £281,580 as at the date of the Joint Administrators' appointment.
- In the interests of prudence, a bad debt provision of 10% has been applied to the remaining ledger.
- The Company held an invoice discounting agreement with AIF, which was owed £193,283 as at the date of Administration. The level of charges has not yet been ascertained, although it is anticipated that the sales ledger recoveries may be sufficient to discharge AIF's debt in full.
- The Company held a bank account with Barclays Bank. It also held a PayPal account. The total funds held in the accounts total c£2,000. These will be collected for the benefit of the Administration estate.
- RSS is required to make payments under a licence to occupy the Trading Premises, which the Joint Administrators will then pass to the landlord.
- See the body of the accompanying report for further information regarding the work carried out prior to Administration.
- GTC's costs for conducting a valuation of the business and assets, marketing them for sale, and providing assistance with any third party claims. Their future costs have been estimated.
- The Joint Administrators instructed solicitors, Freeths, to assist in placing the Company into Administration, undertake a general validity review and assist with any sale documentation. Their future costs have been estimated.
- The 'Actual position' column includes costs incurred, whether or not they have been drawn. The 'Estimated future' column includes costs anticipated to be incurred in finalising the case. The Joint Administrators instructed SFP Property Limited to assist them with property matters arising in the Administration. As the Joint Administrators' work relates to both fixed and floating charge realisations, their fees will be allocated between fixed and floating charges in due course. A similar exercise will be carried out in relation to other parties' costs where appropriate.
- See the body of the accompanying report for further information on the Joint Administrators' disbursements.
- The Joint Administrators have agreed a debt collection agency agreement with RSS for a fee of 20% of all book debts collected after the sales ledger is re-assigned to the Company.
- Statutory advertising services are provided by Courts Advertising.
- Insurance services are provided by Aon Risk Solutions and the amount has been estimated. An invoice will be received in due course.
- The Joint Administrators may instruct pension specialists to assist in addressing pension matters.
- The Joint Administrators have instructed JG Collection Services Limited to collect, inventory and store the Company's records.

Shades Graphics Limited (in Administration)

The Statement of Proposals

ATTACHMENT D

- **The Joint Administrators' Receipts and Payments Account to 13 September 2019**

SHADES GRAPHICS LIMITED
(IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 26 JULY 2019 TO 13 SEPTEMBER 2019

	Notes	Statement of Affairs £	From 26 Jul 19 to 13 Sep 19 £
RECEIPTS			
Book Debts	1	20,724.00	40,827.50
Sale of Business and Assets		70,500	23,500.00
Paypal account		Uncertain	-
Cash at Bank		1,000	-
Rent Receivable		-	15,928.00
Bank interest gross			2.94
TOTAL RECEIPTS		<u>92,224.00</u>	<u>80,258.44</u>
PAYMENTS			
Mail Redirection	2		313.00
Rent Payable			15,928.00
Storage and Destruction Costs			876.00
TOTAL PAYMENTS			<u>17,117.00</u>
BALANCE IN HAND			<u>63,141.44</u>
REPRESENTED BY			
VAT Receivable			175.20
Interest Bearing Current Account			62,966.24
BALANCE IN HAND			<u>63,141.44</u>

NOTES TO THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Notes

- 1 An amount of £40,827.50 has been received in respect of books debts and the Joint Administrators will transfer those funds to AIF accordingly.
- 2 Details of material disbursements/expenses incurred to date are as follows:

Bond premium	£313.00
Mail redirection	£313.00
Postage	£11.95
Subsistence	£47.48
Travel	£384.20
Fuel for printing machines	£10.00
Ink Cartridge	£325.73
Send out costs	£146.56

Shades Graphics Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX II

- **Breakdown of Pre-Administration Time Costs for SFP**

SHADES GRAPHICS LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PRE APPOINTMENT PERIOD

CLASSIFICATION OF WORK FUNCTION	Time spent over the pre appointment period					Total Costs £
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours Incurred	
Statutory and General Administration	12.80	15.70	0.30	3.20	32.00	10,537.00
Investigations	0.00	0.00	0.00	0.70	0.70	87.50
Realisation of assets	0.00	0.50	0.00	0.00	0.50	150.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	1.00	0.00	0.00	0.00	1.00	400.00
Total	13.80	16.20	0.30	3.90	34.20	11,174.50

See Appendix for Summary Charge Out Rates for staff

Shades Graphics Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX III

- **Charge-out Rates and Bases of Expenses**



Charge-out rates for office holders and their staff and bases of calculation of associated expenses

Time costs of office holders and their staff are recorded in 6-minute units at the charge-out rates shown. The office holders may be assisted by self-employed individuals engaged to fill temporary or infrequent gaps in the firm's permanent staff resources. Such individuals operate in a manner similar to other members of staff and their time spent on case administration is recorded at whichever rate shown here is appropriate to the role they perform.

These rates are reviewed periodically and are subject to inflationary or other adjustments. Up-to-date schedules of charge-out rates will be provided in all future reports.

For further information regarding fees, please download the relevant Guide at <http://panel.sfggroup.com/> or a hard copy will be provided on request.

Further information regarding insolvency processes in general is available at www.creditorinsolvencyguide.co.uk

SFP Restructuring Limited	
Grade	Rate £/hr
Director 2	550
Director 1	500
Associate Director	400
Senior Manager 2	375
Senior Manager 1	350
Manager 2	325
Manager 1	300
Assistant Manager	275
Senior Administrator 2	260
Senior Administrator 1	240
Administrator 2	200
Administrator 1	175
Assistant	125
Data Store Administrator	75

SIP9 provides definitions of Category 1 and 2 disbursements. These definitions have been extended, as set out below, to include expenses that are discharged directly from the insolvent estate.

Category 1 Expenses
Category 1 expenses are costs that can be specifically identified as relating to the administration of the case. These are charged to the estate at cost with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums and properly reimbursed expenses. Postage directly incurred on the case is also charged at cost as a Category 1 expense. Legislation provides that office holders may discharge Category 1 expenses from the funds held in the insolvent estate without further recourse to creditors.

Category 2 Expenses																																		
Category 2 expenses are costs that are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 expenses after the relevant creditors (or committee) have approved the bases of their calculation. Set out below are the bases of the office holders' expenses in this category.																																		
<u>Stationery / Photocopying – standard charge</u>	<u>Stationery / Photocopying – exceptional charge</u>	<u>Mileage</u>																																
A single charge will be made to cover the initial mail-out to creditors and members. The charge therefore is dependent upon the type of insolvency and the number of creditors and members.	In the event that an exceptional circular (i.e. not including expected circulars such as notices of appointment) is sent to at least 100 recipients, it will be charged on the following basis:	(Note: if, as an alternative to using the pool or personal car, public transport is used, the costs will be charged as a Category 1 disbursement.)																																
<table><thead><tr><th></th><th>Charge per creditor / member (£)</th></tr></thead><tbody><tr><td>Administration ("ADM")</td><td>0.24</td></tr><tr><td>CVL (following ADM)</td><td>0.16</td></tr><tr><td>CVL (not following ADM)</td><td>0.20</td></tr><tr><td>CVA</td><td>0.20</td></tr><tr><td>Compulsory Liquidation (note only creditors charged)</td><td>0.22</td></tr><tr><td>Bankruptcy</td><td>0.22</td></tr></tbody></table>		Charge per creditor / member (£)	Administration ("ADM")	0.24	CVL (following ADM)	0.16	CVL (not following ADM)	0.20	CVA	0.20	Compulsory Liquidation (note only creditors charged)	0.22	Bankruptcy	0.22	<table><thead><tr><th></th><th>Per page / envelope (£)</th></tr></thead><tbody><tr><td>1 page of headed paper</td><td>0.12</td></tr><tr><td>1 page of continuation paper</td><td>0.10</td></tr><tr><td>1 page of photocopying paper</td><td>0.02</td></tr><tr><td>Envelopes (all sizes)</td><td>0.10</td></tr></tbody></table>		Per page / envelope (£)	1 page of headed paper	0.12	1 page of continuation paper	0.10	1 page of photocopying paper	0.02	Envelopes (all sizes)	0.10	<table><thead><tr><th></th><th>Per mile (£)</th></tr></thead><tbody><tr><td>Pool car</td><td>1.10</td></tr><tr><td>Director's / staff's personal car</td><td>0.45</td></tr><tr><td>Additional cost for each passenger in colleague's personal car</td><td>0.05</td></tr></tbody></table>		Per mile (£)	Pool car	1.10	Director's / staff's personal car	0.45	Additional cost for each passenger in colleague's personal car	0.05
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Pool car	1.10																																	
Director's / staff's personal car	0.45																																	
Additional cost for each passenger in colleague's personal car	0.05																																	

Category 2 Expenses (continued)			
Charges for Record Archiving		SFP Property Limited	
<p>In most cases, the office holders' staff arrange for collection of the company's books and records and create an inventory. The records are then delivered to the storage facilities of an independent agent, who will then be responsible for the records' ongoing storage, responding to retrieval requests and the records' eventual destruction (usually 12 months after the company's dissolution). SFP charges on the following bases (exclusive of staff time costs and the costs of the independent agents):</p>		<p>SFP Property Limited is an entity associated with the office holders. Time is charged on 6-minute units at the rates listed below.</p>	
	<u>Charge</u>	<u>Grade</u>	<u>Rate £/hr</u>
Provision of archive boxes	£5 per box	Director	350
Retrieval costs from site	£1.10 per mile	Senior Manager 2	275
Same Day Delivery (up to 10 items)	£22.50	Senior Manager 1	250
Per item thereafter	£1.50	Manager 2	225
Delivery to third party offices (up to 10 items)	£15.00	Manager 1	200
Per item thereafter	£1.50	Senior Administrator 2	175
		Senior Administrator 1	155
		Administrator 2	135
		Administrator 1	115
		Assistant	100
		<p>SFP Property Limited may also incur direct expenses, such as Land Registry fees, which will be charged to the insolvent estate at cost.</p>	

Shades Graphics Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX IV

- **Breakdown of Time Costs for SFP**



SHADES GRAPHICS LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 26 JULY 2019 TO 13 SEPTEMBER 2019

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 26 JULY 2019 TO 13 SEPTEMBER 2019					Total Time spent 26 JULY 2019 TO 13 SEPTEMBER 2019		
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour
Statutory and General Administration	0.00	0.00	0.00	0.50	0.50	50.00	0.50	100.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of assets	4.10	0.00	0.20	0.40	4.70	1,498.00	4.70	318.72
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	4.10	0.00	0.20	0.90	5.20	1,548.00	5.20	297.69

1,548.00

See Appendix for Summary Charge Out Rates for staff

Shades Graphics Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX V

- **Breakdown of Time Costs for SFP Property**

SHADES GRAPHICS LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 26 JULY 2019 TO 13 SEPTEMBER 2019

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 26 JULY 2019 TO 13 SEPTEMBER 2019					Total Time spent 26 JULY 2019 TO 13 SEPTEMBER 2019		
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour
Statutory and General Administration	0.20	38.50	17.30	16.40	72.40	16,912.00	72.40	233.59
Investigations	0.00	0.50	0.00	17.20	17.70	2,300.00	17.70	129.94
Realisation of assets	1.20	25.10	0.20	3.30	29.80	8,582.50	29.80	288.00
Trading	0.00	2.10	0.00	0.00	2.10	630.00	2.10	300.00
Creditors and Members	0.00	31.20	3.00	10.60	44.80	10,660.00	44.80	237.95
Total	1.40	97.40	20.50	47.50	166.80	39,084.50	166.80	234.32

16,912.00

2,300.00

8,582.50

630.00

10,660.00

39,084.50

See Appendix for Summary Charge Out Rates for staff

Shades Graphics Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX VI

- **The Joint Administrators' Fees Estimate**

Shades Graphics Limited (in Administration)

The Joint Administrators' Fees Estimate as at 13 September 2019

Below is the Joint Administrators' fees estimate in respect of the above case for the purpose of obtaining approval of the basis of the office holders' fees. The total time costs estimated to be incurred is £73,130 for 270.10 hours at an average hourly rate of £270.75. Please note that this estimate includes time costs already incurred, details of which are provided at **Appendix III**.

This firm's current charge-out rates may be found at **Appendix II**.

Legislation requires fees estimates to detail the work that the office holders propose to undertake and the time that they estimate the work will take to complete. For the sake of completeness, this estimate lists all the tasks that the Joint Administrators and their staff may undertake (including those already undertaken), but the estimate of hours reflects only the time that the Joint Administrators anticipate is *likely* to be incurred, given the circumstances of the case as they are understood at present. To assist creditors in understanding the most material tasks that the Joint Administrators expect to undertake, please refer to the document to which this forms an appendix.

This estimate of time covers the work anticipated to be undertaken to the completion of the Administration, subject to the assumptions listed in Section 6 of the document to which this forms an appendix. The Joint Administrators do not anticipate that it will be necessary to seek approval for fees in excess of this estimate. However, should additional work be necessary beyond what is contemplated, further approval may be sought from the relevant creditors.

Time cost categories	Tasks included	No. of hours estimated to be incurred
Statutory and General Administration	(including 72.40 hours spent to date)	90
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, team members, SFP Property and independent advisers to consider practical, technical and legal aspects of the case Receiving and considering progress reports from SFP Property Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks	
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment Support staff's creation of standard letters and forms Entering creditors' names and addresses onto database	
Appointment notification	Statutory notices and advertisements on appointment Initial meeting with company officers Notifying insurers, bank and other third parties	
Records of insolvent and office holder	Collecting the company's books and records Seeking delivery of books and records from third parties Creating an inventory of the company's books and records Retrieving and reviewing books and records from storage Maintaining office holders' files, filing electronic and hard copy correspondence Support staff's processing of the teams' instructions to issue letters Completing checklists Maintaining statutory and case progression task lists and diaries	
Statutory duties	Preparing, circulating and filing Proposals and statutory fee-related information Where a vote is conducted by correspondence: Preparing and issuing notices and voting forms Collating and examining proofs and votes to conclude decisions Responding to queries and questions regarding Proposals and voting process Issuing and filing statutory notice on conclusion of voting process Where no votes from unsecured creditors are sought: Liaising with secured creditors (and preferential creditors, where appropriate) to seek approval of statutory matters Responding to queries and questions regarding Proposals Issuing and filing Notice of Approval of Proposals In the event that creditors requisition a physical meeting: Preparing and issuing meeting notices and voting forms Advertising meeting Collating and examining proofs and proxies Responding to queries and questions regarding Proposals and meeting Holding meeting and completing minutes Issuing and filing statutory notice on conclusion of meeting Preparing, circulating and filing six monthly progress reports, final report and associated statutory notices Seeking approval of extension from relevant creditors and issuing notice of extension (where appropriate) In the event that a court extension is required: Preparing application to court for an extension and accompanying witness statement with	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> the assistance of solicitors Liaising with solicitors regarding the application and court order Issuing and filing notice of extension Posting all statutory reports and notices to the firm's website for access 	
Estate accounting	<ul style="list-style-type: none"> Correspondence regarding opening and closing accounts Requesting bank statements Bank account reconciliations Raising fee and disbursement invoices Reviewing suppliers' invoices and approving for payment Banking remittances and issuing cheques/BACS payments Maintaining the estate cash book and journalising transactions Periodic reviews of the summary of receipts and payments to ensure its accuracy 	
Post-appointment tax	<ul style="list-style-type: none"> Calculating corporation tax due on post-appointment disposals and submitting tax returns Arranging VAT de-registration Completing VAT returns and applying for VAT refunds after de-registration Dealing with tax-related correspondence 	
Compliance	<ul style="list-style-type: none"> Completing statutory due diligence checks and an ethics review regarding the appointment Pursuing relevant parties for evidence of identity Seeking solicitors' advice on the validity of the appointment Carrying out periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery threats and safeguards Arranging the statutory bond and periodically reviewing its adequacy Assessing the options for exiting the Administration and obtaining internal clearance for closure and the exit route chosen Periodically reviewing the cash book receipts and payments account for accuracy 	
Information technology	IT department's support of the case administration team as regards maintaining, and extracting data from, the company's computer systems	
Investigations (including 17.70 hours spent to date)		55
Case preparation	Pursuing the return of directors' questionnaires	
Initial review	Reviewing questionnaires submitted by creditors and directors	
Investigations	<ul style="list-style-type: none"> Correspondence to request information on the company's dealings and to make further enquiries of third parties Reviewing the company's books and records to identify inconsistencies or unusual transactions Review of specific transactions and exchanges with directors and accountants regarding certain transactions Undertaking background searches Liaising with the committee or (major) creditors about further action to be taken 	
Pursuing claims identified	<ul style="list-style-type: none"> In the event that one or more causes of action are identified for pursuit Liaising with solicitors regarding examinations Attendance at examination Reviewing examination transcripts Liaising with solicitors regarding outcome of examinations and further actions available Meetings internally to discuss progress and strategy of litigation Seeking funding from creditors Instructing agents to assist in investigations Reviewing terms of solicitors' conditional fee agreements Preparing brief to solicitors/Counsel Liaising with solicitors regarding recovery actions Dealing with ATE insurers Attending to negotiations Attending to settlement matters and agreements Pursuing settlement and other payments 	
Reports	<ul style="list-style-type: none"> Preparing and submitting statutory reports to the Insolvency Service Liaising with the Insolvency Service Assisting the Insolvency Service with its investigations 	
Administrative work	<ul style="list-style-type: none"> Other correspondence Support staff's assistance with correspondence and maintaining files 	
Handling and examining records	<ul style="list-style-type: none"> Extracting data from the company's computer systems Collecting the company's books and records for investigation purposes Travelling associated with the above 	
Strategy and planning	Internal meetings to discuss findings, potential actions and strategies for further investigations	

Time cost categories	Tasks included	No. of hours estimated to be incurred
Realisation of Assets (including 29.80 hours spent to date)		38
Identification, securing, insuring assets	<ul style="list-style-type: none"> Identifying assets by consulting with directors, employees and third parties Reviewing fixed asset register and other company records Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Seeking insurance refunds Correspondence with previous brokers/insurers Terminating insurances and agreeing final bills Depending on the existence, location and condition of physical assets <ul style="list-style-type: none"> Physical examination of company premises Investigating the company's security arrangements and arranging changes where appropriate Reviewing and amending where appropriate the security and viability of the company's computer systems Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews Identification of potential issues requiring attention of insurance specialists 	
Retention of title	<ul style="list-style-type: none"> In the event of receiving retention of title claim(s): <ul style="list-style-type: none"> Dealing with initial notifications of creditor's intention to claim Liaising with agents to process claims Meeting claimant on site to identify goods Examining retention of title claim documentation and adjudicating on claims Exchanges with solicitors in deciding complex claims and dealing with disputes Correspondence with claimant notifying of the outcome of adjudication and dealing with additional responses Settlement of claim, where appropriate 	
Property - negotiations	<ul style="list-style-type: none"> Depending on the property interests in existence: <ul style="list-style-type: none"> Instructing agents as regards valuations and proposed marketing strategies Discussing and agreeing strategies with office holders, teams and SFP Property/agents Undertaking oral and written negotiations with interested parties Dealing with tenant issues (if any) Liaising with secured creditors, landlords and any LPA Receivers Reviewing draft sale documentation Liaising with SFP Property, agents and solicitors Undertaking work regarding utilities and business rates, including seeking refunds where possible Liaising with HMRC as regards option to tax 	
Property – professional advice	<ul style="list-style-type: none"> Depending on the property interests in existence <ul style="list-style-type: none"> Agreeing method statement with SFP Property/agents Reviewing valuation report Invoicing for and collection of rent from tenants or licensees Reviewing updates from SFP Property/agents Discussions and meetings with the office holders, teams and SFP Property/agents regarding strategies Reviewing completion statement 	
In-situ sale	<ul style="list-style-type: none"> In the event that an in-situ sale is progressed: <ul style="list-style-type: none"> Instructing and liaising with agents as regards valuations and marketing strategies Considering agents' updates on efforts to sell business and assets, reviewing strategies and discussing offers received Liaising with potential purchasers Agreeing licences to trade/occupy Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Compiling information for SPA Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures) Exchanges with solicitors to agree the terms of the SPA Pursuing deferred sale consideration 	
Asset sale and other realisations	<ul style="list-style-type: none"> In the event that assets are sold ex-situ: <ul style="list-style-type: none"> Instructing and liaising with agents as regards valuations and marketing strategies Liaising with landlords as regards access to and ownership of assets Considering agents' updates on efforts to sell assets, reviewing strategies and discussing offers received Liaising with potential purchasers Assessment and review of offers received Negotiating with intended purchaser Liaising with secured creditors and seeking releases Compiling information for SPA (if any) 	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> Reviewing drafts of SPA and supporting documents (e.g. personal guarantees, debentures) Exchanges with solicitors to agree SPA Pursuing sales consideration Depending on the existence of relevant assets Liaising with agents and owners/lessors of leased assets Reviewing stock values Analysing the value in WIP and costs to complete Contracting with service-providers/suppliers to complete WIP Arranging for post-appointment sales invoices to be issued and pursuing payments Liaising with insurance companies and directors to pursue insurance claims Examining company records to support tax refunds Exchanges with HMRC regarding tax refunds Pursuing transfer of credit balances from banks 	
Debt collection - reporting	<ul style="list-style-type: none"> Depending on the existence of book debts Discussions with office-holders, teams, agents and solicitors regarding collection strategies 	
Debt collection – communications	<ul style="list-style-type: none"> Depending on the existence of book debts Correspondence with debtors Receiving updates from any factoring companies Where relevant, agreeing debt collection agency agreements and monitoring agents' progress Submitting VAT bad debt relief claims Responding to factoring company's queries and providing documents/information to support debts Liaising with debt collectors and solicitors Resolving disputes, including communicating with directors/former staff Pursuing credit insurance claims 	
Debt collection – review of sales ledger	<ul style="list-style-type: none"> Monitoring monies received into pre-appointment bank account and seeking transfer to office holders' account Collecting and reviewing supporting documentation including associated travelling Reconciling debtors' accounts with reference to monies received pre and post appointment Reviewing and assessing debtors' ledgers Dealing with any reassignment of ledger 	
Trading (including 2.10 hours spent to date)		2.10
Planning	<ul style="list-style-type: none"> Collecting information on the company's asset and trading positions to devise an initial strategy Analysing work in progress Meetings to discuss trading position and decide trading-on strategies Assessing security of premises, computer system, equipment and stock Taking steps to address security risks, e.g. changing locks, access to computer systems Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews Identification of potential issues requiring attention of insurance specialists 	
Management and monitoring	<ul style="list-style-type: none"> Liaising with management and staff Site supervision Organising wind-down and closure of business operations (where a business sale has not been achieved) or an orderly hand-over with purchaser 	
Customers	<ul style="list-style-type: none"> Concluding any completed work / WIP by Liaising with customers to confirm orders and secure undertakings Authorising the release of goods Managing the sales invoicing process 	
Suppliers	<ul style="list-style-type: none"> Concluding any completed work / WIP by Liaising with suppliers to secure supplies and credit terms Providing undertakings where necessary Negotiating with ransom creditors Establishing new accounts with utility providers Authorising purchase orders Approving the delivery of goods Dealing with retention of title claims where these impact on work in progress 	
ERA	<ul style="list-style-type: none"> Arranging for the election of employee representatives Consultation with staff, employee and Union representatives and sub-contractors Contacting absent/remote-working staff by telephone Liaising with the Pensions Regulator regarding auto-enrolment Liaising with accountants/book-keepers regarding arrangements for setting up a new PAYE scheme with HMRC and submitting online payroll returns Instructing accountants/book-keepers to process payroll Arranging payment of tax and pension contributions Deciding on and making redundancies where necessary Updating staff as material events occur 	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	Dealing with employee queries and issues arising, e.g. disciplinary actions, Employment Tribunals and complaints Liaising with RPO and Job Centre Plus regarding redundancies Concluding payroll and issuing forms P45 when trading ceases/transfers Seeking legal advice to assist with employee matters, where necessary	
In addition, the tasks in the sections below are relevant only where the Company has traded in Administration		
Planning	Periodic meetings to revisit trading position and agree further strategies	
Management and monitoring	Meetings with company officers and staff to provide updates and implement strategies and controls Maintaining master schedules of customer and supplier undertakings Reviewing sales and purchases order books Seeking and securing necessary funding Providing updates to secured lenders Maintaining and reviewing purchase order registry Updating office holders' records as regards sales, purchase orders, receipts and payments Reviewing cash book Terminating and clearing accounts with suppliers when trading ceases/transfers	
Customers	Liaising with customers to confirm orders and secure undertakings Dealing with production and service issues Arranging processes and authorising the release of goods Managing and monitoring sales invoicing process	
Suppliers	Liaising with suppliers to secure supplies and credit terms Providing undertakings where necessary Negotiating with ransom creditors Establishing new accounts with utility providers Authorising purchase orders Approving the delivery of goods Dealing with retention of title claims where these impact on trading activities	
Property - negotiations	Where a property is required for ongoing trading Instructing agents as regards valuations and proposed marketing strategies Discussing and agreeing strategies with office holders, teams and SFP Property/agents Undertaking oral and written negotiations with interested parties Dealing with tenant issues (if any) Liaising with secured creditors, landlords and any LPA Receivers Reviewing draft sale documentation Liaising with SFP Property, agents and solicitors Undertaking work regarding utilities and business rates, including seeking refunds where possible Liaising with HMRC as regards option to tax	
Property – professional advice	Where a property is required for ongoing trading Agreeing method statement with SFP Property/agents Reviewing valuation report Invoicing for and collection of rent from tenants or licensees Reviewing updates from SFP Property/agents Discussions and meetings with the office holders, teams and SFP Property/agents regarding strategies Reviewing completion statement	
Accounting for trading	Reviewing company's budgets and financial statements Preparing budgets and cash flow forecasts Preparing weekly financial reports Finalising trading profit and loss accounts Maintaining cash book, recording receipts and payments	
Corporate taxation	VAT returns Corporation tax returns PAYE/NIC and CIS returns Seeking advice on complex tax matters Settling all liabilities and seeking clearance from HMRC	
ERA	Review of staffing requirements for trading period Continuing consultation with and updating staff periodically	
Creditors (including 44.80 hours spent to date)		85
Communication with unsecured creditors	Respond to creditors' enquiries by telephone, post and email Correspondence with creditors and their representatives, insurers etc Updating database regarding creditors' contact details In the event that a Creditors' Committee is formed Holding an initial meeting of the Committee Reporting to Committee members	

Time cost categories	Tasks included	No. of hours estimated to be incurred
	<ul style="list-style-type: none"> Seeking the Committee's approval on case strategy and statutory matters Calling and holding meetings of the Committee as required and as the circumstances of the case dictate Completing statutory filing 	
Creditor claims	<ul style="list-style-type: none"> Recording claims onto database, marking as admitted, pending adjudication etc Filing of claims and supporting documentation In the event that one or more distributions are paid in the Administration <ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting submission of claims Adjudicating claims Requesting further information from claimants regarding claims Preparation of correspondence to claimants advising of the outcome of adjudication Dealing with any appeals to rejections of claims Seeking solicitors' advice on the validity and quantity of complex claims Preparation of correspondence to creditors advising of intention to declare distribution Advertisement of notice of intended distribution Preparation of distribution calculation, including where appropriate calculations of the statutory net property and prescribed part Preparation of correspondence to creditors announcing declaration of distribution Preparation of cheques/BACS to pay distribution Preparation of correspondence to creditors enclosing payment of distribution Seeking unique tax reference from HMRC, submitting information on PAYE/NI deductions from employee distributions and paying over to HMRC Dealing with unclaimed dividends 	
ERA	<ul style="list-style-type: none"> Where the following have not been carried out as part of trading activities and any staff remain employed by the company on the Joint Administrators' appointment <ul style="list-style-type: none"> Arranging for the election of employee representatives Consultation with staff, employee and Union representatives and sub-contractors Contacting absent/remote-working staff by telephone Liaising with the Pensions Regulator regarding auto-enrolment Where any post-appointment wages are paid, liaising with accountants/book-keepers regarding arrangements for setting up a new PAYE scheme with HMRC and submitting online payroll returns Instructing accountants/book-keepers to process payroll Arranging payment of tax and pension contributions Deciding on and making redundancies when and where necessary Updating staff periodically and as material events occur Dealing with employee queries and issues arising, e.g. disciplinary actions, Employment Tribunals and complaints Liaising with RPO and Job Centre Plus regarding redundancies Concluding payroll and issuing forms P45 on redundancies/transfers Seeking legal advice to assist with employee matters, where necessary In all cases: <ul style="list-style-type: none"> Assisting employees to pursue claims via the RPO Corresponding with the PPF, the Pensions Regulator, pension Trustees and pension administrator Instructing specialists to review pension obligations Reviewing professional advice regarding status of pension Dealing with the pension to conclude the office holders' obligations 	
Property - negotiations	<ul style="list-style-type: none"> Liaising with landlord to mitigate claims Agreeing landlord's claims, where a dividend is anticipated Dealing with tenants' and other third party claims 	
Property – professional advice	<ul style="list-style-type: none"> Where a dividend is anticipated: <ul style="list-style-type: none"> Reviewing dilapidations claims Adjudicating on landlords' claims and other claims related to the property with the assistance of agents and/or solicitors where necessary 	
Communication with secured creditors	<ul style="list-style-type: none"> Depending on the existence and distribution prospects of secured creditors: <ul style="list-style-type: none"> Providing oral and written updates to secured creditors on progress of the insolvency and prospects of recovery Seeking solicitors' advice on the validity of secured creditors' claims Agreeing allocation of realisations and costs between fixed and floating charges Paying distributions to secured creditors and seeking confirmation of discharged claims 	
Pre-appointment taxation	<ul style="list-style-type: none"> Reviewing HMRC's claims Submitting pre-appointment VAT, corporation tax and PAYE/NI/CIS returns and/or appealing assessments, where a dividend to non-preferential unsecured creditors is anticipated 	
Estimated total hours		(including 166.80 hours spent to date) 270.10
Estimated total fee		(at an average charge-out rate of £270.75 per hour) (including £39,084.50 incurred to date) £73,130

Shades Graphics Limited (in Administration)

The Joint Administrators' Proposal

APPENDIX VII

- **The Joint Administrators' Expenses Estimate**

Shades Graphics Limited (in Administration)

The Joint Administrators' Expenses Estimate as at 13 September 2019

Below is the estimate of the Joint Administrators' expenses that have been, or are likely to be, incurred in administering the insolvent estate. These expenses comprise Category 1 and Category 2 expenses. Office holders are entitled by statute to discharge Category 1 expenses from the insolvent estate. Category 2 expenses may be paid from the estate provided that the relevant creditors have authorised their payment. Further information regarding this approval process is provided in the report to which this forms an attachment.

Expenses Category 1	Estimate of total
Agents / Valuers (providing a valuation, assisting with a sale of the Company's business and assets and assisting with any ROT and HP creditors)	£9,180
Solicitors (providing advice and assistance in respect of ROT, the validity of security, sale of the business, potential rights of action)	£6,834
Debt Collection Agency agreed with RSS to collect the Company's book debts at 20% of collections once the sales ledger has been re-assigned to the Company from AIF	£3,845
Statutory advertising	£88
Insurance	£1,500
Pension costs	£500
Storage and eventual destruction (if the exit is by dissolution) of the Company's books and records (independent agents)	£1,176
Rent payable	£23,838
Bonding	£313
Postage	£300
Mail redirection	£313
Subsistence whilst attending on-site	£50
Travel (excluding own vehicle use)	£385
Administration Expenses (Ink cartridge and fuel necessary for the maintenance of printing machines during negotiation period)	£336
Total	£48,658

Expenses Category 2 (for details of the bases on which these expenses are calculated, see Attachment B)	Estimate of total
SFP Property (assisting with all property-related matters)	£4,750
Stationery / photocopying	£200
Total	£4,950

SFP Property Summary of work that has been, or likely will be, undertaken		
Time cost categories		Tasks undertaken
Statutory and General Administration		
Case planning	Discussions regarding strategies to be pursued Meetings with office holders, their team members and independent advisers to consider practical, technical and legal aspects of the case Organising tasks and updating team members and office holders Travelling to/from company premises to initiate the insolvency process and perform statutory and general administration tasks	
Administrative set-up	Setting up appointment on internal systems and databases Creating files and informing departments of appointment	
Appointment notification	Notifying insurers	
Post-appointment tax	Establishing position with HMRC regarding option to tax premises	
Realisation of Assets / Trading		
Identification, securing, insuring assets	Undertaking and/or instructing specialists to undertake risk assessments, environmental and health and safety reviews Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies	
Property - negotiations	Undertaking initial instruction work as regards valuations and proposed marketing strategies Researching comparable property data/desktop property research Researching property status and condition Discussing and agreeing strategies with office holders Undertaking oral and written negotiations with interested parties Dealing with tenant issues (if any) Liaising with secured creditors, landlords and any LPA Receivers Where there is a property interest to be sold Reviewing draft sale documentation Liaising with agents and solicitors Undertaking work regarding utilities and business rates, including seeking refunds where possible	
Property – professional advice	Finalising method statement with office holders, opening files Drafting and finalising valuation report Providing updates to the office holder Concluding the office holders' involvement in the property, business rates and utilities Depending on company's interest in property Undertaking work regarding dilapidations and property repairs Site visits to monitor property Invoicing for and collection of rent from tenants or licensees Agreeing assignment, surrender or disclaimer of lease Reviewing completion statement	
Estimated total time costs		£4,750
ESTIMATED TOTAL COSTS TO BE INCURRED BY SFP PROPERTY (including costs to date of £1,548)		£4,750