

AM23

Notice of move from administration to dissolution



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

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 Court details

Court name High Court of Justice

Court number C R - 2 0 1 9 - 0 0 0 7 0 0

3 Administrator's name

Full forename(s) Daniel

Surname Plant

4 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

AM23

Notice of move from administration to dissolution

5	Administrator's name ①	
Full forename(s)	Simon Franklin	
Surname	Plant	
		① Other administrator Use this section to tell us about another administrator.
6	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.
7	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date	
Administrator's signature	Signature X	
Signature date	d 2 2 m 0 7 y 2 0 y 2 1	

**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 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)

Final Progress Report to Creditors

**Daniel Plant
MIPA FABRP**

**Simon Franklin Plant
MIPA FABRP**

**SFP
9 Ensign House
Admirals Way
Marsh Wall
London
E14 9XQ**

Tel: +44 (207) 5382222

Fax: +44 (207) 5383322

This report has been written and presented for the sole purpose of complying with the relevant provisions of the Insolvency Act 1986. It may not be disclosed, disseminated or copied without our prior written permission, other than to those entitled under statute or otherwise as ordered by the Court, and no liability will be accepted to any other person or party who acts or refrains from acting on its contents.

CONTENTS

1. Introduction
2. Asset Realisations
3. Statutory and General Administration
4. Investigations
5. Creditors
6. The Joint Administrators' Costs
7. Conclusion

APPENDICES

- I. Definitions
- II. Statutory Information
- III. Schedule of Agreed Proposals
- IV. The Joint Administrators' Final Receipts and Payments Account
- V. Breakdown of the Joint Administrators' Fees
- VI. Breakdown of SFP Property Limited Fees
- VII. SFP's Charge-out Rates and Bases of Expenses

1. Introduction

- 1.1 This Final Report is prepared pursuant to the Act and Rules in relation to the Company.
- 1.2 This report provides a summary of the steps taken during the administration together with the outcome in comparison with the Joint Administrators' Statement of Proposals.
- 1.3 Attached at **Appendix I** are definitions of the terms used in this report; at **Appendix II** is a summary of statutory information on the administration; and at **Appendix III** is a schedule of the Joint Administrators' Statement of Proposals that were deemed approved on 4 October 2019.
- 1.4 As explained in the Statement of Proposals, it was envisaged that the second administration objective, being to achieve a better result for creditors as a whole than would be likely if the company were wound up (without first being in administration), might be achieved. As explained below, this objective may have been achieved, but the Joint Administrators have achieved the third administration objective of realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.5 As there has been no dividend to non-preferential unsecured creditors, it is uncertain whether the result for creditors as a whole has been better than it would have been had the Company been wound up (without first being in administration). It is arguable that this objective has been achieved because of the improved result for a number of creditors, most notably the employees whose claims were borne by the purchaser of the Company's business and the landlord whose claims were mitigated by the purchaser's occupation of the Company's former Trading Premises and the secured creditor whose recoveries of the Company's sales ledger were enhanced and who received a return under its fixed charge. Nevertheless, given that the secured creditor has benefitted from asset realisations, the third administration objective has been achieved.
- 1.6 The Joint Administrators are moving the Company from administration to dissolution as they have completed the administration and do not anticipate any further recoveries.

2. Asset Realisations

The Sale of the Business and Assets

- 2.1 A sale of the Company's business and assets to RSS was completed on 5 August 2019.
- 2.2 Sales consideration has been received in full.
- 2.3 Efforts were made to maximise realisations net of costs. The ultimate financial benefit achieved for creditors from these efforts is explained further below.

Debtors

- 2.4 At the date of placing the Company into Administration, the Company's sales ledger had been assigned to AIF. AIF's outstanding balance, excluding charges was £193,283 with the sales ledger standing at £281,580.13.
- 2.5 AIF advised that they would collect the ledger in house and accordingly to assist, the Team attended the Trading Premises in order to glean copy invoices, supporting documentation and obtain system back-ups.
- 2.6 During AIF's collection period, the Joint Administrators received a total of £40,827.50 in relation to book debts secured by factoring agreement. The funds were subsequently forwarded to AIF
- 2.7 AIF has recovered its commitment (including charges applied) in full and reassigned the sales ledger to the Company together with a surplus of £37,570.80 for the estate. The charges applied by AIF have been

analysed and the Joint Administrators are satisfied that they are in line with the agreements made with the Company.

- 2.8** Following the reassignment, the Joint Administrators instructed RSS to assist with collecting the remaining book debts (totalling £67,159.90) given their historical knowledge of the ledger and existing relationships with the debtors. In return for their assistance, it was agreed between RSS and the Joint Administrators that RSS would be entitled to 20% of all recovery proceeds achieved by them.
- 2.9** In total, RSS have collected £13,046.66 (£3,641.78 collected since the Last Report) entitling RSS to a fee of £2,609.33 for their assistance.
- 2.10** The remainder of the book debts are subject to valid debtor disputes, largely concerning contra claims and quality issues and are therefore considered to be uncollectable by the Joint Administrators.
- 2.11** In light of the above, the Joint Administrators have now proceeded to close their files in relation to debt collections.
- 2.12** Overall a total of £50,617.46 has been collected with regard to book debts. This comprises of the surplus of £37,570.80 sent by the AIF and £13,046.66 collected by RSS.
- 2.13** Furthermore, since the Last Report, a VAT refund totalling £199.54 which relates to AIF charges has been collected by the estate.
- 2.14** The Joint Administrators have incurred time costs in the region of £14,632 in relation to book debt collections. This was primarily because collections have not been as great as originally anticipated mainly because several significant debtors have disputed debts which appear to have been validated. In addition, significant time costs have been incurred in liaising with the Director to monitor their progress with collections, examine the Company's records and seeking additional information in order to respond to debtors' disputes and queries.
- 2.15** The Joint Administrators' efforts have assisted AIF in recovering its commitment in full so that the ledger could be re-assigned to the Company. Subsequently, some recoveries have been achieved for the benefit of the creditors since re-assignment.
- 2.16** Although the Joint Administrators were aware that book debt recoveries would prove difficult, the decision was made to expend material efforts to pursue recovery given the quantum of the outstanding sales ledger.
- 2.17** The Joint Administrators' efforts have generated a recovery in the region of £10,437.33 net of the associated costs. This positive result has enabled the Joint Administrators to discharge other costs incurred in the Administration.

The Company's Trading Premises

- 2.18** At the date of administration, the Trading Premises was occupied by the Company subject to a lease which was set to expire on 13 February 2027.
- 2.19** SFP Property were instructed to provide the Joint Administrators with a valuation of the Company's leasehold interest, together with an appropriate disposal strategy.
- 2.20** A licence to occupy the Trading Premises was granted to RSS and in total, licence fees of £15,928 have been collected from RSS and remitted to the landlord of the premises.
- 2.21** The Trading Premises were vacated by RSS as of 3 April 2020.

- 2.22** SFP Property contacted the landlord to offer a surrender of the lease and were subsequently advised that the landlord would not accept a surrender and intended to market the Trading Premises. SFP Property continued to contact the landlord and were later informed of a potential dilapidation liability which had accrued during the period of the license to occupy that was granted to RSS. SFP Property sought legal guidance from Trethowans regarding this matter in anticipation that a claim may be submitted. As at the date of this report, no claims have been submitted or communicated by the landlord to SFP Property.
- 2.23** SFP Property were informed that the landlord had sold the freehold of the Trading Premises around September 2019. SFP Property received no details of the new landlord. SFP Property have been endeavouring to contact the current landlord to ascertain whether they wish to take a surrender of the lease, currently without success.
- 2.24** As such, and based upon the foregoing, the Joint Administrators do not propose to take any further action and the lease will vest in the Crown as bona vacantia upon dissolution of the Company.
- 2.25** Regrettably, this work has not generated any financial benefit to creditors. However, in view of the fact that the other asset realisations have not generated sufficient funds to enable a dividend to be paid to unsecured creditors, neither has undertaking this work had a detrimental effect on creditors' dividend prospects. Nevertheless, it was necessary to undertake this work to explore whether any value for the Joint Administrators interest in the property could be achieved and to draw the matter to an orderly conclusion.

Other Assets

- 2.26** The Joint Administrators have received a total of £1,615.27, which relates to a business rates refund from Stockport Council.
- 2.27** A total of £3,110.34 cash at bank has been received in relation the balances held in the Company's pre appointment bank accounts.
- 2.28** A pre appointment credit balance of £1,030.67 was refunded by PayPal.
- 2.29** Bank interest totalling £2.04 has accrued since the Last Report, with a total of £47.83 accruing throughout the course of the Administration.
- 2.30** Efforts were made to maximise realisations net of costs. The ultimate financial benefit achieved for creditors from these efforts is explained further below.

3. Statutory and General Administration

- 3.1** At the date of the Last Report, no threats to compliance with the Code of Ethics had been identified. A further review of ethical issues has been carried out and no threats have been identified in respect of the management of the insolvency appointment since the Last Report.
- 3.2** Since the Last Report, the Joint Administrators have carried out the following material tasks in this category:
- 3.2.1** deciding on an appropriate exit route from the administration;
 - 3.2.2** consulting with and instructing staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - 3.2.3** consulting with staff, SFP Property and external agents to receive updates on their progress and to agree strategies;
 - 3.2.4** 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;
 - 3.2.5** conducting periodic case and bond reviews to ensure that the administration is progressing efficiently, effectively and in line with the statutory requirements;

- 3.2.6 maintaining and updating the estate cash book and bank account, including regular bank reconciliations and processing receipts and payments;
- 3.2.7 completing periodic tax returns and settling any associated liabilities;
- 3.2.8 obtaining clearance from HMRC, the Insolvency Service and other relevant parties to enable the Joint Administrators to proceed to closure;
- 3.2.9 completing a final case review to ensure that the case is ready for closure; and
- 3.2.10 drafting this final progress report.

4. Investigations

- 4.1 In accordance with the Joint Administrators' duties, investigations have been made into the conduct of the Company directors. The requisite report was submitted to the Insolvency Service. All information contained in the report is strictly confidential and the Joint Administrators are not permitted to divulge details of their report to the Insolvency Service.
- 4.2 The Joint Administrators have carried out an investigation into the Company's affairs prior to it being placed into Administration to examine whether there were any potential claims arising from transactions made by the Company prior to Administration that might give rise to an action for recovery.
- 4.3 The Joint Administrators' investigations are now complete and they have concluded that there is no prospect of a recovery.
- 4.4 Although these investigations have not generated any financial benefit to creditors, it was necessary to incur the costs in carrying out this work in order for the Joint Administrators to meet their statutory and regulatory requirements.

5. Creditors

- 5.1 Since the Last Report, the following main tasks in this category have been carried out:

- 5.1.1 responding to creditors' queries and logging their claims and supporting information; and
- 5.1.2 maintaining the database as regards creditors' contact details and claims.

Secured Creditors

- 5.2 On 6 July 2021, a distribution of £1,500 was made to Mr Pearson pursuant to his fixed charge.

Preferential Claims

- 5.3 11 employees of the Company were made redundant on 31 July 2019.
- 5.4 Employees have submitted applications to the RPO in order to receive their entitlements and the remaining employees were transferred to RSS pursuant of TUPE following completion of the sale of business and assets on 5 August 2019.

Outcome for Creditors

- 5.5 As reported in the Proposals, it was anticipated that that no dividend to any class of unsecured creditor would be likely. That has remained the case. Once the costs of the administration had been taken into account, there was no net property. Therefore, no distribution of the prescribed part has been made.
- 5.6 There have been insufficient realisations to enable a dividend to be paid to unsecured creditors, as the funds realised have been used for paying the expenses of the administration, and the administration is now being concluded.

6. The Joint Administrators' Costs

- 6.1 At **Appendix IV** is the Joint Administrators' Final Receipts and Payments Account as at 22 July 2021. This is in the main self explanatory.
- 6.2 At **Appendix V** is a breakdown of the time costs incurred by the Joint Administrators' firm since the Last Report, a summary of the time costs for the administration period as a whole and the total fees drawn. A Guide to Administrators' Fees is available from <http://panel.sfggroup.com> or a hard copy will be provided on request.
- 6.3 The attached breakdown shows that a significant proportion of the time costs incurred since the Last Report relate to statutory and general administration. Whilst these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.
- 6.4 The remuneration charged by the Joint Administrators (i.e. the total time costs incurred by the Joint Administrators and their staff to conclusion of the administration) has exceeded the fees estimate. The main reason for this is the fees estimate had been drafted on the basis that the Administration would be completed within one year, but an extension has proved necessary in view of the need to make further investigations, and deal with complex Property matters as explained above. In view of the limited realisations, the Joint Administrators have not sought to draw fees in excess of the estimate.
- 6.5 When instructing third parties to provide specialist advice and services, the Joint Administrator must ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. SFP maintains an approved supplier list and reviews these annually to ensure best value. Before instructing specialists on an assignment, the Joint Administrator assesses whether the instruction is warranted and which approved supplier is appropriate. If the Joint Administrator prefers to use a specialist that is not on the approved supplier list, that specialist undergoes an assessment process to ensure that best value and service is anticipated. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to the insolvency appointment. Periodically throughout the Administration, the performance and fees of the specialists have been reviewed to assess the value and service provided. The processes were formalised after the current Insolvency Code of Ethics came into force on 1 May 2020.
- 6.6 SFP Property has shareholders in common with SFP. SFP Property has been established to perform functions that either the Joint Administrators or outside agencies could undertake. It is considered that by virtue of SFP Property's specialist nature, it achieves better results than the Joint Administrators or their team would be able to accomplish. In addition, in view of SFP Property's proximity to SFP, including the sharing of resources such as office space and finance and compliance staff, it is considered that SFP Property provides better value than any outside agencies. Although, of course, this arrangement benefits the common shareholders, it should be remembered that in this case as realisations were limited SFP Property has not received payment for its time costs incurred.
- 6.7 **Appendix VI** provides a breakdown of the time costs incurred by SFP Property since the Last Report, a summary of the time costs for the administration period as a whole and the total fees paid from the insolvent estate.
- 6.8 In addition, the Joint Administrators' Final Receipts and Payments Account attached at **Appendix IV** provides a summary of the expenses incurred by the Joint Administrators, whether directly or by reason of their instructions to other parties.

6.9 At **Appendix VII** is a schedule of SFP's charge-out rates and bases of calculation of certain expenses. The bases of these costs were subject to approval in the same manner as the Joint Administrators' fees, as detailed in **Appendix II**.

6.10 The following expenses exceeded the details given to creditors along with the Joint Administrators' Proposal:

Party / description	Total expense incurred	Explanation
Joint Administrators' expenses (Category 1)	£2,032.83	Costs for travel, accommodation and subsistence were previously underestimated.
Storage and Destruction of Company's Records	£1,782.88	Additional costs incurred due to the volume of records recovered.
Monies sent to Factor	£40,827.50	This expense was not previously estimated as it related to debtor funds, secured by a factor agreement, which were subsequently forwarded to AIF.
Legal Fees and Disbursements	£9,969.26	Costs incurred in relation to the assistance of solicitors were slightly underestimated.
Miscellaneous Expense	£1,365.00	Funds forwarded to the Company in error. These have subsequently been forwarded to RSS.
SFP Property	£4,752.00	This expense was previously underestimated as unforeseen complications have arisen relating to the surrender of the lease.

6.11 Creditors will note from the Final Receipts and Payments Account that realisations in this case have been insufficient to discharge the Joint Administrators' costs in full.

7. Conclusion

7.1 The requisite form to dissolve the Company is now in the process of being filed at Companies House.

7.2 Should any creditor have any questions or queries in relation to the above, please contact the Administrator dealing with this matter, George Flowers, on 020 7538 2222 or by email to enquiries@sfggroup.com.

Dated this 22 July 2021

Daniel Plant
Joint Administrator

In accordance with paragraph 45 of Schedule B1 of the Insolvency Act 1986, notice is hereby given that the affairs, business and property of Shades Graphics Limited (in Administration) are being managed by Daniel Plant and Simon Franklin Plant of SFP, acting as Joint Administrators. Pursuant to paragraph 69 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators act as agents of the company and without personal liability

Shades Graphics Limited (in Administration)

Final Progress Report to Creditors

APPENDIX I

- **Definitions**

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)

Final Progress Report to Creditors

APPENDIX II

- **Statutory Information**

Shades Graphics Limited (In Administration)

Statutory Information for Final Progress Report

Court Reference:	High Court of Justice CR-2019-000700
Company Number:	07525173
Registered Office:	9 Ensign House Admirals Way Marsh Wall Docklands London E14 9XQ
Joint Administrators appointed on:	26 July 2019
Joint Administrators' functions:	May be exercised by either of the Joint Administrators
Extensions to Administration period:	

A twelve-month extension was granted by the secured creditor on 25 May 2020.

Basis of the Joint Administrators' fees and certain expenses:

The Joint Administrators' fees were fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration. This basis was approved by the secured creditors 4 October 2019. The bases of the Joint Administrators' Category 2 expenses, including the costs of SFP Property, similarly were approved by these creditors. In addition, set out below are the pre-administration costs that were unpaid at the time of the Joint Administrators' Proposals, which were approved for payment by these creditors on 4 October 2019.

SFP's disbursements	£66.23
GTC	£5,660.00
Freeths	£5,137.10

Creditors' rights to further information and challenge:

Rule 18.9 of the Insolvency (England & Wales) Rules 2016: Within 21 days of receipt of a progress report, a creditor may request the Administrator to provide further information about the remuneration and expenses set out in the report. A request must be made in writing and may be made by either a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors or by any unsecured creditor with the permission of the court.

Rule 18.34 of the Insolvency (England & Wales) Rules 2016: Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors or the permission of the Court, may apply to the Court on the grounds that the remuneration or other expenses are excessive. Any such application must be made no later than 8 weeks after receipt of the relevant report.

Shades Graphics Limited (in Administration)

Final Progress Report to Creditors

APPENDIX III

- **Schedule of Agreed Proposals**

**Schedule of Agreed Proposals of
Shades Graphics Limited (in Administration) ("the Company")
in accordance with the Insolvency Act 1986 ("the Act") and the Insolvency (England & Wales) Rules 2016 ("the Rules")**

1. The following summary Statement of Proposals was deemed approved by creditors on 04 October 2019:
 - 1.1 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:
 - 1.1.1. 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;
 - 1.1.2. 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
 - 1.1.3. 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.
 - 1.2 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.
 - 1.3 The Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
 - 1.3.1. 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
 - 1.3.2. 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 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; or
 - 1.3.3. 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.

Shades Graphics Limited (in Administration)

Final Progress Report to Creditors

APPENDIX IV

- **The Joint Administrators' Final Receipts and Payments Account**

SHADES GRAPHICS LIMITED
(IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FROM 26 JANUARY 2021 TO 22 JULY 2021

	Notes	Statement of Affairs £	From 26/01/2021 to 22/07/2021 £	From 26/01/2019 to 22/07/2021 £
RECEIPTS				
Book Debts		19,224.00	3,641.78	50,617.46
Book debts secured by factoring agreement		-	-	40,827.50
Sale of Business and Assets	1	70,500.00	-	70,500.00
Paypal account		1,000.00	-	1,030.67
Cash at Bank		1,000.00	-	3,110.34
Rent Receivable		23,838.00	-	15,928.00
Miscellaneous Refund		-	-	1,615.27
VAT Refund		-	199.54	199.54
Bank Interest Gross		-	2.04	47.83
TOTAL RECEIPTS		115,562.00	3,843.36	183,876.61

		Expenses incurred (whether or not paid)		Payments made	
	Joint Administrators' Fees and Expenses Estimate £	From 26/01/2021 to 22/07/2021 £	From 26/01/2019 to 22/07/2021 £	From 26/01/2021 to 22/07/2021 £	From 26/01/2019 to 22/07/2021 £
PAYMENTS / EXPENSES					
Fixed Charge Distribution Payment	-	-	-	1,500.00	1,500.00
Pre-Administration Costs (agents and solicitors)	2	-	-	-	10,797.10
Joint Administrators' Remuneration	96,382.90	24,575.00	105,640.50	32,933.23	87,933.23
Joint Administrators' Other Category 1 Expenses	1,697.00	-	2,032.83	2,034.39	2,034.39
Joint Administrators' Other Category 2 Expenses	200.00	-	30.24	-	-
SFP Property Fees and Expenses	4,750.00	702.50	4,752.00	1,000.00	3,000.00
Agents' / Valuers' Fees and Disbursements	9,180.00	-	4,340.00	-	4,340.00
Legal Fees and Disbursements	6,834.00	2,967.36	9,969.26	2,967.36	9,969.26
Statutory Advertising	88.00	-	87.48	-	87.48
Insurance of Assets	1,500.00	476.04	1,389.44	1,389.44	1,389.44
Storage and Destruction of Company's Records	1,176.00	296.96	1,782.88	296.96	1,782.88
Monies sent to Factor	-	-	40,827.50	-	40,827.50
Re-direction of Mail	313.00	-	313.00	-	313.00
Rent Payable	23,838.00	-	15,928.00	-	15,928.00
Miscellaneous Expense	-	-	1,365.00	-	1,365.00
Debt Collection Agency	3,845.00	2,609.33	2,609.33	2,609.33	2,609.33
TOTAL PAYMENTS / EXPENSES	149,803.90	31,627.19	191,067.46	44,730.71	183,876.61

BALANCE IN HAND

REPRESENTED BY

Interest Bearing Current Account
VAT Receivable

BALANCE IN HAND

NOTES TO THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

Notes

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

<u>Asset</u>	<u>Apportioned value</u>
Chattel Assets (floating charge)	£55,000.00
Work in progress (floating charge)	£9,000.00
Order Book (floating charge)	£5,000.00
Goodwill (fixed charge)	£1,500.00

- 2 A breakdown of all costs incurred prior to Administration was included in the Joint Administrators' Proposals and their payment has been approved by the relevant creditors.

Shades Graphics Limited (in Administration)

Final Progress Report to Creditors

APPENDIX V

- **Breakdown of the Joint Administrators' Fees**

SFP
■■■■■



SHADES GRAPHICS LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 26 JANUARY 2021 TO 22 JULY 2021

	Time spent over the period under review 26 JANUARY 2021 TO 22 JULY 2021						Total Time spent 26 JULY 2019 TO 22 JULY 2021			
CLASSIFICATION OF WORK FUNCTION	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour	Total Costs £	Total per fees estimate £
Statutory and General Administration	0.30	1.50	64.10	6.20	72.10	15,655.00	240.20	219.27	52,669.00	47547.25
Investigations	0.30	0.00	0.50	0.00	0.80	295.00	40.10	235.22	9,432.50	9337.29
Realisation of assets	0.00	0.50	21.70	0.00	22.20	5,825.50	87.40	261.48	22,853.00	20359.56
Trading	0.00	0.00	0.00	0.00	0.00	0.00	2.10	300.00	630.00	630
Creditors and Members	0.20	0.40	9.20	1.60	11.40	2,800.00	88.00	227.91	20,056.00	18508.8
Total	0.80	2.40	95.50	7.80	106.50	24,575.50	457.80	230.76	105,640.50	96,382.90
Average rate per fees estimate (£/hour)										270.75

Fees drawn on account 87,933.23

See Appendix for Summary Charge Out Rates for staff

Shades Graphics Limited (in Administration)

Final Progress Report to Creditors

APPENDIX VI

- **Breakdown of SFP Property Limited Fees**



SHADES GRAPHICS LIMITED (IN ADMINISTRATION)

SUMMARY OF TIME INCURRED FOR THE PERIOD 26 JANUARY 2021 TO 22 JULY 2021

CLASSIFICATION OF WORK FUNCTION	Time spent over the period under review 26 JANUARY 2021 TO 22 JULY 2021						Total Time spent 26 JULY 2019 TO 22 JULY 2021			Total per fees estimate £
	Directors (all)	Managers (all)	Administrators (all)	Assistant	Total Hours incurred	Total Costs £	Total hours incurred	Average rate £/hour	Total Costs £	
Statutory and General Administration	0.30	0.00	0.00	0.00	0.30	105.00	0.80	193.75	155.00	750
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Realisation of assets	1.00	0.00	0.50	1.70	3.20	597.50	24.80	185.36	4,597.00	4000
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Creditors and Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Total	1.30	0.00	0.50	1.70	3.50	702.50	25.60	185.63	4,752.00	4,750.00
Average rate per fees estimate (£/hour)										270.75

Fees drawn on account 3,000.00

See Appendix for Summary Charge Out Rates for staff

Shades Graphics Limited (in Administration)

Final Progress Report to Creditors

APPENDIX VII

- **SFP's 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. 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.sfpgroup.com/> or a hard copy will be provided on request.

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

<u>Grade</u>	<u>Rate £/hr</u>
Director 2	550
Director 1	500
Associate Director	450
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 expenses. They are always directly attributable to the estate to which they are charged. In general terms, office holders may discharge Category 1 expenses from the funds held in the insolvent estate, whereas the relevant authorising body must approve the basis of any Category 2 expenses before they may be charged to the estate. The relevant authorising body is whoever has the statutory right to approve the basis of the office holders' fees. This is usually the general body of creditors or a class of them. Please note that reports or fee-related documents issued by the office holder before 1 April 2021 may have described the office holders' expenses in a different manner to reflect the version of SIP9 that was effective at the time. If you require information on the policies applicable to earlier periods, please contact this office.

Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder.

Category 2 Expenses

Category 2 expenses are payments to associates or which have an element of shared costs. Set out below are the bases of the office holders' expenses in this category. The report accompanying this appendix may detail other Category 2 expenses specific to the appointment in question.

SFP Property Limited

SFP Property is a surveying practice, which provides property valuation and sales services. SFP Property has shareholders in common with SFP. Although the office holders and their staff could undertake some of the work carried out by SFP Property, e.g. liaising with landlords, tenants and interested parties, it is considered more effective and efficient to arrange for SFP Property to deal with all matters relating to properties. In addition, in view of SFP Property's proximity to SFP, including the sharing of resources such as office space and finance staff, it is considered that SFP Property provides better value than any outside agencies. Although, of course, this arrangement benefits the common shareholders, it should be remembered that in the event that realisations are limited, SFP Property will not receive full payment for its time costs incurred.

SFP Property's fees are charged on the basis of the time costs incurred at the following rates:

<u>Grade</u>	<u>Rate £/hr</u>	<u>Grade</u>	<u>Rate £/hr</u>
Director	350	Senior Administrator 2	175
Senior Manager 1	275	Senior Administrator 1	155
Senior Manager 2	250	Administrator 2	135
Manager 2	225	Administrator 1	115
Manager 1	200	Assistant	100

SFP Property may also incur direct expenses, such as Land Registry fees, which will be charged to the insolvent estate at cost.

Category 2 Expenses (continued)**Charges for mileage**

SFP pays its employees (including directors) for using their own vehicles in travelling to/from locations (other than SFP's offices) as required for the administration of cases. At present, employees are paid at the following rates and consequently the charge made to the estate will be at these rates, although these may change in future especially to reflect any changes to HMRC's approved mileage rates.

Use of personal car: 45p per mile

Additional cost for each passenger: 5p per mile

Sub-contractors

Office holders may sub-contract other work that could otherwise be carried out by them or their staff. The following explains what typically is sub-contracted out and why. Please refer to the accompanying documents for information on the specific circumstances of the case and on how much this work will, or has, cost.

Pension Specialists

Where a pension scheme exists, pension specialists are instructed to conclude all pension scheme matters, which can involve winding up schemes and applying to the Redundancy Payment Service for payment of pension contribution arrears. Although these matters could be carried out by the office holders or their staff, it is appropriate to draw on the substantial knowledge and expertise of the pension specialists, who are also able to operate in a cost-effective manner.

Debt Collection Agents

In some cases, office holders will engage other parties to pursue payment of outstanding sales invoices. Sometimes specialist debt collection agents, who have knowledge and experience in collecting the debts of a particular industry will be instructed. In other cases, the office holders may engage individuals (whether in their personal capacity or by engaging with the individuals' new employer or company) who were previously employed by the insolvent entity to do this work. In both these circumstances, because of the debt collectors' specialist knowledge and often their relationships with the debtors, they are likely to achieve better results than the office holders or their staff. In some cases, office holders may decide to instruct a debt collection agent on the basis that it will be cheaper than the staff to carry out the work at their standard charge-out rates.

Storage Agents

In most cases, the office holders will instruct independent storage agents to box up the insolvent entity's relevant books and records, create an inventory of those records, transport them to their storage facilities and store the records until such time as they can be destroyed or delivered to any subsequent office holder. The storage agents may also store the office holders' files until they too can be destroyed. It is far more cost-effective for this work to be carried out by the selected storage agent.

Advertising Agents

In all cases, legislation requires office holders to have statutory notices published in the London or Edinburgh Gazette. Although it is possible for the office holder to submit such requests directly to the Gazette, they use specialist advertising agents. For a small additional fee, the advertising agents check the submissions for obvious errors and omissions and can ensure that notices requiring urgent attention are dealt with swiftly.

Press Agents

In a few cases, it is valuable to the administration of the case for press agents to be engaged to assist in publicising the insolvency. For example, publicising may assist in bringing the insolvency event to the attention of unknown creditors or parties who may be interested in purchasing the business or assets. Press agents have the knowledge and expertise to determine how best to publicise matters and are more effective than the office holders or their staff would be.