

The Insolvency Act 1986
Administrator's progress report

Name of Company
Centreprint UK Limited

Company number
03720117

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

Court case number
8227 of 2013

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

I (a)
David Bennett
Grant Thornton UK LLP
Colmore Plaza
Colmore Circus
Birmingham
B4 6AT

Administrator of the above company attach a progress report for the period

(b) Insert date

From
(b) 15 May 2013

To
(b) 14 October 2013

Signed

Administrator

Dated

19/12/13

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

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

David Bennett
Grant Thornton UK LLP
Colmore Plaza
Colmore Circus
Birmingham
B4 6AT
DX Number 0121 212 4000
DX Exchange

SATURDAY



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A93 21/12/2013 #333

COMPANIES HOUSE

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When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



Our Ref DJB/PAM/KLM/TXA/C01765/

To the creditors

18 December 2013

Dear Sirs

Advisory

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6405
www.grant-thornton.co.uk

Centreprint UK Limited - In Administration (the Company)
High Court of Justice, Chancery Division, Birmingham District
Registry
Case Number 8227 of 2013

1 Introduction

1.1 Following my appointment as administrator of the above Company by the Directors on 15 May 2013, I now report on the progress of the administration to 14 October 2013 and attach

- Appendix A, Form 2.24B, together with an account of my receipts and payments for the period from 15 May 2013 to 14 October 2013
- Appendix B, a statement of the remuneration charged by the administrator in the period 15 May 2013 to 14 October 2013 and a statement of expenses incurred in the period
- Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)

1.2 Please note that I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner

1.3 Paul Addison was also appointed as joint administrator on 15 May 2013 but has now left the firm and was removed from this case by order of the Court with effect from 14 October 2013

2 Statutory information

2.1 The Company's statutory details are as follows

Registered number 03720117

Registered office Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

Chartered Accountants

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Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

3 Progress report

Assets

Book Debts

- 3 1 RBS Invoice Finance Limited (RBSIF) provided a confidential invoice discounting (CID) facility to the Company and holds a fixed and floating charge over the Company's assets. At the date of appointment RBSIF was owed £630,341 excluding charges and termination fees.
- 3 2 At the date of appointment, the outstanding debtors ledger totalled £854,292 and JP Associates were instructed to collect outstanding debtor accounts. Debtor realisations up to 14 October 2013 total £607,303. Debtor receipts are paid directly into the Company's confidential invoice discounting CID facility and therefore do not appear in the administrator's receipts and payments account (Appendix A). Collection of outstanding debtor accounts is ongoing, including legal action where appropriate.

Chattel Assets

- 3 3 GVA Limited were appointed to act as my agent to dispose of the chattel assets: motor vehicles, printing equipment, computer equipment and stock.
- 3 4 As per our previous report, following a period of marketing, we completed a private treaty sale of the unencumbered plant and machinery on 14 June 2013 to a third party for £33,565 (excluding VAT). The sale proceeds are shown in Appendix A.
- 3 5 The computer equipment had limited realisable value as all operating systems had been removed from it, this is in line with our obligations under the Data Protection Act. In view of this, our agents recommended acceptance of an offer of £2,000 which we subsequently completed.
- 3 6 The vehicles were not included in the private treaty sale and were sold piecemeal to trade buyers. Realisations for unencumbered vehicles were £9,800 (excluding VAT). The Company also owned two vehicles subject to hire purchase agreements. A review of the hire purchase agreements showed that there was a small amount of equity in these vehicles. A sale of the two vehicles was completed for £12,300 (exclusive of VAT) against agreement settlement costs of £9,181 (net realisations £3,119).
- 3 7 As set out in my previous report, the majority of stock remaining on site at the time of my appointment was subject to retention of title claims and could not be sold. £1,005 was realised in respect of a quantity of scrap metal stock on site.

Customer List

- 3 8 As set out in my previous report, in May 2013 a sale of the Company's customer list for £7,500 was completed.

Directors' Loan Accounts

- 3 9 The Company records indicated that as at 15 May 2013 £334,253 was due to the Company from the Directors in respect of outstanding loan account balances.

- 3 10 A series of meetings have been held with the Directors regarding the outstanding balances due. We are still in negotiations with them in respect of their proposals as to the quantum and timing of payment.

Liabilities

Secured Creditors

- 3 11 As reported above, RBSIF provided a CID facility to the Company and holds a fixed and floating charge over the Company's assets.
- 3 12 National Westminster Bank Plc (NatWest) provided an overdraft facility to the Company and holds a debenture with fixed and floating charges over the assets of the Company. The amount due to NatWest as at 15 May 2013 was £54,740, prior to accrued interest and charges.
- 3 13 At this stage, it is uncertain whether there will be sufficient funds available to enable the secured creditors to be repaid in full.

Preferential Creditors

- 3 14 Employees of the Company have preferential claims in respect of holiday pay and arrears of wages. It is estimated that total preferential claims are £31,945, however, I have not yet received the Insolvency Service's final preferential claim in this matter.
- 3 15 At this stage, it is uncertain whether there will be sufficient funds available to pay the preferential creditors in full.

Unsecured Creditors

- 3 16 The Directors' statement of affairs estimates unsecured creditor claims of £1,369,243. At this time, it is uncertain as to whether there will be sufficient funds available to make a distribution to unsecured creditors including by virtue of a prescribed part.

4 Administrator's remuneration and expenses

- 4 1 If there are insufficient funds available to make a distribution to the unsecured creditors other than by virtue of the prescribed part, the basis of the administrator's fees will be agreed by the secured and preferential creditors.
- 4 2 You will note from the SIP 9 table attached at Appendix C that time costs to date in this matter are £84,438 representing 319 hours at an average hourly rate of £264. In addition, I have incurred expenses of £608 relating to travel costs and insolvency bonding as set out in Appendix B. To date, I have not drawn any fees in respect of this matter.
- 4 3 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.

5 Other expenses incurred by the administrator

- 5.1 I have provided in Appendix B a summary of our expenses incurred and accrued during the administration to 14 October 2013 and I set out below an explanation as to the most significant costs
- 5.2 Murphy Salisbury acted as the Company's accountants and have been paid £2,000 in respect of their fees in assisting the Directors with the compilation of the statement of affairs.
- 5.3 ERA Solutions Limited are an Employment Rights Act specialist and attended the Centreprint offices on 15 May 2013 to provide workshops for employees in order to assist them in completing their claims to the Redundancy Payments Office. They have been paid fees of £1,925 (excluding VAT) in regard to this work.
- 5.4 Jardine Lloyd Thompson act as my insurance brokers in this matter and insurance premiums paid up to 14 October 2013 were £3,200

6 Other matters

- 6.1 If you should require any further detailed information in respect of the contents of this report, please contact my colleague Matthew Drinkwater on 0161 953 6900

Yours faithfully
for and on behalf of
Centreprint UK Limited



David Bennett
Administrator

The affairs, business and property of Centreprint UK Limited are being managed by David Bennett appointed as administrator on 15 May 2013

David Bennett acts as an agent of the Company and contracts without personal liability

Enc

Centreprint UK Limited - in administration

Receipts and payments account

from 15 May 2013 to 14 October 2013

	Statement of affairs £	Total £
Receipts		
Customer list	7,500 00	7,500 00
HP Asset realisations		12,300 00
Plant & Machinery		33,565 00
Stock	47,716 00	1,005 00
Computer equipment		2,000 00
Motor Vehicles		9,800 00
Bank/ISA Interest Gross	-	13 08
Misc Refunds	-	210 01
VAT on Sales		8,974 00
	<u>55,216 00</u>	<u>75,367 09</u>
Payments		
Heat & Light	-	432 48
Insurance	-	3,200 11
Repairs & Maintenance	-	280 00
Net Wages	-	197 15
HP settlements	-	9,181 12
Professional Fees	-	2,235 00
ERA Professionals fees	-	1,925 00
Storage Costs	-	165 80
Re-Direction of Mail	-	120 00
Statutory Advertising	-	84 60
Other Property Expenses	-	780 00
VAT on Purchases	-	1,110 05
	<u>-</u>	<u>19,711 31</u>
Balance - 14 October 2013	<u>-</u>	<u>55,655 78</u>
Made up as follows		
Floating Current Account N I B 23 10 13	-	55,655 78
	<u>-</u>	<u>55,655 78</u>

B Remuneration charged and expenses incurred by the administrator in the period

	Charged/incurred in period 15/05/2013 to 14/10/2013	Cumulative charged/incurred to 14/10/2013	Of which paid up to 14/10/2013
	£	£	£
Administrator's fees	84,438	84,438	Nil
Time costs			
Administrator's Expenses	608	608	Nil
Property Holding costs			
E On UK Plc	336	336	336
British Gas	97	97	97
Net wages	197	197	197
Professional fees			
Douglas Dyer (Repairs)	280	280	280
Murphy Salisbury	2,000	2,000	2,000
Secure IT Disposals Limited	235	235	235
ERA Solutions Limited	1,925	1,925	1,925
Other			
Cintas Storage	166	166	166
Courts Advertising Limited	85	85	85
Royal Mail	120	120	120
C O'Keefe (Locksmith)	180	180	180
GMS Legal Services Ltd	600	600	600
Jardine Lloyd Thompson	3,200	3,200	3,200

C SIP 9 information

Introduction

The following information is provided in connection with the administrator's remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/12	From 01/07/13
	£	£
Partners up to	580	600
Managers up to	440	455
Administrators up to	310	320
Assistants and support staff up to	210	220

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.

Centreprint UK Limited - in Administration - C30201765 - SIP 9 TIME COST ANALYSIS

Appendix C

Transaction period 15/05/2013 to 14/10/2013

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning	6 75	3,022 50	447 78	17 60	5,621 00	319 38	31 50	6,843 75	217 26	43 67	6,204 30	142 07	99 52	21,691 55	217 96
Creditors	4 00	1,775 00	443 75	59 50	18,723 00	314 67	6 20	1,428 00	230 32	9 60	1,444 50	150 47	79 30	23,370 50	294 71
Hiatus period													00	00	
Investigations				1 40	448 00	320 00	1 15	276 00	240 00	2 50	387 50	155 00	5 05	1,111 50	220 10
Realisation of Assets	9 50	4,255 00	447 89	60 00	19,117 00	318 62	52 85	12,146 50	229 83	9 05	1,396 00	154 25	131 40	36,914 50	280 93
Trading													00	00	
Taxation				4 50	1,350 00	300 00							4 50	1,350 00	300 00
Total	20 25	9,052 50	447 04	143 00	45,259 00	316 50	91 70	20,694 25	225 67	64 82	9,432 30	145 52	319 77	84,438 05	264 06

Total fees billed to date (Time) · £ Nil

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specifyand may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration