

RE: RANKIN GRAPHICS LIMITED ("THE COMPANY")
PROPOSED CREDITORS' VOLUNTARY LIQUIDATION ("CVL")
PREVIOUSLY KNOWN AS: JOINTDEPTH LIMITED & KENNETH RANKIN LIMITED
REGISTERED NUMBER: 03111371
COMPANY ADDRESS: 2 WINNINGTON HALL BUSINESS CENTRE, WINNINGTON LANE,
NORTHWICH, CHESHIRE CW8 4DU
SIP 6 REPORT & STATEMENT OF AFFAIRS

1 STATEMENT OF AFFAIRS

The Statement of the Affairs of the Company as at 21 August 2019, being a date not more than 14 days before the date of the resolution for winding up has been posted to creditors under a separate cover.

2 SIP 6 INFORMATION

John Paul Bell and Toyah Marie Poole of Clarke Bell Limited were instructed on 25 June 2019 to assist in the deemed consent decision procedure in order to be appointed Joint Liquidators of the Company by its director, Carl Bircumshaw.

A total fee of £1,662.50 was paid by the director, Tim Shawcross, in respect of the above instructions to Clarke Bell Limited.

There has been no prior involvement with the Company or its directors that could reasonably be perceived as presenting a threat to John Paul Bell and Toyah Marie Poole's objectivity.

I understand there have been no material transactions conducted by the Company in the preceding 12 months other than in the ordinary course of business

3 TRADING PREMISES

Rankin Graphics Limited initially traded from premises at 250-252 Bradford Rd, Miles Platting, Manchester M40 7BT.

On 31 August 2018, the company moved trading premises to 2 Winnington Hall Business Centre, Winnington Lane, Northwich, Cheshire CW8 4DU whereby trade continued under a monthly rolling lease with an annual rental of £6,600.

4 BUSINESS FINANCE

Aside from creditors, the company has been financed by the following sources:

(a) Bank Overdraft

The company banked with Natwest Bank Plc, ("the Bank") who granted an overdraft facility of £7,500 in 2018.

This facility was secured by way of a personal guarantee provided by the director(s).

The current balance of the overdraft is shown in the attached Statement of Affairs.

(b) Business Loan (1)

The company arranged a business loan in the sum of £25,000 with Natwest Bank Plc, ("the Bank") in 2017.

The monies from the loan were originally used to refinance existing borrowing and to assist with cash flow.

The loan was secured by way of a personal guarantee provided by the director(s).

The current balance of the loan is shown in the attached Statement of Affairs.

(c) Business Loan (2)

The company also arranged a business loan in the sum of £10,000 with Funding Circle in 2017.

The monies from the loan were originally used to update graphic software and stock purchases.

The loan was secured by way of a personal guarantee provided by the director(s).

The current balance due in respect of this loan is detailed in the Statement of Affairs.

(d) Director's Loan

Since incorporation, the director, Timothy Shawcross, has invested funds to assist general cash flow.

The current balance due in respect of director's loan is detailed in the Statement of Affairs.

5 TRADING HISTORY

Rankin Graphics Limited was incorporated on 9 October 1995 and commenced trade supplying artwork services and manufacturing printing plates with immediate effect.

Carl Bircumshaw was jointly responsible for the day to day running of the business, together with Timothy Shawcross.

The first 13 years of trade saw steady growth with turnover increasing year on year. Staff levels over this time increased to 8 members of staff in total.

Around 2008 sales began to drop as the company's regular clients experienced a drop in their own sales. At this time the company's products were also affected by the advances in alternative digital print technology. As a result staff numbers were reduced and pay cuts were also introduced in order to help the business survive.

For the last 10 years the company has further seen a steady decline in sales, with just the occasional upturn to keep the business going.

Due to the Flexo-graphics trade becoming quitter, the company saw its larger competitors become interest in the company's clients. As a result, the company persistently undercut its prices to a point where they could no longer compete.

Over the last 2 years the company has also lost 4 of its largest clients and with competition still very much effecting the business the directors made the decision not to invest any further funds and to seek professional advice.

Therefore, on 25 June 2019, Clarke Bell Limited were approached for independent financial advice and it was recommended that the company be wound up for the benefit of all creditors.

As a result, on 19 July 2019 the company ceased to trade an all employees were made redundant. At this time the company employed 3 members of staff.

A formal meeting of the company's Board was held on 21 August 2019.

The director(s) attributes the cause of failure to the following:

- (i) Insufficient capital investment for ongoing trade;
- (ii) Cash flow difficulties;
- (iii) Competition
- (iv) Loss of a major customers;

6 FINANCIAL INFORMATION

Extracts from the Company's most recent accounting information can be summarised as follows:

Year Ended	Turnover (£)	Gross Profit (£)	Profit/(Loss) After Tax (£)	Reserves (£)	Dividends (£)	Type of Accounts
31/10/2017	135,173	72,859	(16,769)	(19,669)	-	Unaudited

The financial statements referred to above, detail the director(s) have drawn the following remuneration during this period;

Director Name	Dividends (£)	Salary (£)	Benefits (£)	Other (£)
Timothy Shawcross	-	10,960	-	-
Carl Bircumshaw	-	10,960	-	-

7 STATEMENT OF AFFAIRS

Except where specifically detailed, all information has been provided by the director(s) as follows:

ASSETS

(a) Book Debts

As detailed in the Statement of Affairs, the company has outstanding debtors.

The estimated to realise value has been written down to reflect known bad debts and a further provision of 30% has been applied.

LIABILITIES

Secured Creditors

There are no known outstanding secured creditors.

Consequently, there is no known floating charge and as such, I am not required to calculate a prescribed part amount due to creditors under section 176a of the Insolvency Act 1986 on the company's net estate.

Preferential Creditors

It is understood that there are monies due to the employees in relation to arrears of wages and holiday pay.

Based on information received from the Director, it is understood that an amount of £2,900 due, subject to current government limits.

Unsecured Creditors

(a) Taxation

The liability due to the HM Revenue and Customs in respect of VAT is shown in the Statement of Affairs.

It is understood that all returns have been made to date and this is an accurate figure.

(b) Trade and Expense Creditors

The amount shown in respect of trade and expense creditors is taken from the company's accounting records.

Neither the existence of each creditor nor their respective amounts has been validated. This will not prejudice the rights of any creditor to prove in the estate for a different amount.

(c) Director's Loan Account

As detailed in section 4, the director, Timothy Shawcross has introduced monies throughout the course of business.

(d) Bank

As detailed in section 4, there are monies due to the Bank in relation to an overdraft and business loan.

8 DEFICIENCY ACCOUNT

Estimated total Deficiency per Statement of Affairs 132,052

<u>Assets Written Down in the Statement of Affairs:</u>	<u>Book Value</u>	<u>Estimated to Realise</u>	
Book Debts	10,012	3,456	(6,556)

Fixed Assets Written Down From Balance Sheet Not Included in the Statement of Affairs

Plant and Machinery	10,377	Nil	(10,377)
<u>Matters Arising in Insolvency;</u> Redundancy and Notice Pay			(59,488)
Loss Brought Forward at 31 October 2017			<u>(19,669)</u>
Estimated net Deficiency apparently attributable to trading losses for the period 31 October 2017 to 22 August 2019			<u>(38,962)</u>

9 STATUTORY INFORMATION

Registered Number	03111371.		
Registered Name	The company was incorporated on 9 October 1995 as Jointdepth Limited and changed its name to Kenneth Rankin on 14 November 1995. On 11 September 1998 the company once again changed its name to its current name, Rankin Graphics Limited.		
Incorporation Date	The company was incorporated on 9 October 1995.		
Commencement of Trade	The company commenced trade on 9 October 1995.		
Trading Name	The company traded as Rankin Graphics Limited.		
Nature of Trade	The company's primary business was that of printing plates and packaging artwork.		
Principal Trading Address	The company's principal trading address is 2 Winnington Hall Business Centre, Winnington Lane, Northwich CW8 4DU.		
Registered Office	The company's current registered office is 603 Chester Road, Sandiway, Northwich, Cheshire CW8 2EB.		
Shareholdings	The company's shareholding was 120 shares. Made up of 100 ordinary shares, 10 ordinary A shares and 10 ordinary B shares. All of which were issued and fully paid up as follows: Carl Bircumshaw – 50 ordinary shares and 10 ordinary A shares Timothy Shawcross – 40 ordinary shares and 10 ordinary B shares Rhona Rankin – 10 ordinary shares		
Group Structure	The company was not part of a group.		
Current Director(s)	Current Directorship details are as follows: Carl Bircumshaw Appointed: 26 October 1995 Timothy Shawcross Appointed: 21 October 2013		
Other Directorships	Carl Bircumshaw	Synchroprint Ltd	
	Timothy Shawcross	Synchroprint Ltd	

Other Director(s)	According to the Registrar of Companies, there have been no changes in office within the last 3 years.
Company's Accountants	The company's accountants are Frazer Norris Accountants.
Company's Bankers	The company's bankers are Natwest Bank Plc.
Previous Insolvencies	The company and its directors have not been involved in any previous insolvency.