

The Insolvency Act 1986

Administrator's progress report

Name of Company MRGB Realisations Limited	Company Number 01008301
In the High Court of Justice, Companies Court (full name of court)	Court case number 10644 of 2011

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

We (a) David Robert Baxendale and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London
Riverside, London, SE1 2RT

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

from

to

(b) 5 December 2011

(b) 28 May 2012

Signed

Joint Administrator

(b) Insert dates

Dated

15th May 2012

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.

Conal McPhillips	
PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT	
	Tel
DX Number	DX Exchange

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





**MRGB Realisations Limited – in Liquidation (formerly in Administration)
High Court of Justice, Companies Court
Case No. 10644 of 2011**

The former Joint Administrators' first and final progress report

15 June 2012

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1. The former Joint Administrators' first and final progress report

Introduction

The former Joint Administrators (the "Administrators") are pleased to provide their first and final progress report on the Administration of MRGB Realisations Limited (formerly Manroland Great Britain Ltd) (the "Company") pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 ("IR86").

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1) IR86, which is shown in Section 2 to this report. The Administrators are also required to provide a summary of their proposals as modified and agreed by creditors at the meeting on 10 February 2012, which are shown in Section 3.

On 29 May 2012, in line with the Administrators' Proposals dated 26 January 2011 (the "Proposals"), Zelf Hussain and I were appointed as Joint Liquidators (the "Liquidators"). At this point the Administration ceased. Details of the steps taken during the Administration, assets still to be realised in the liquidation and the outcome of the Administration are set out below.

Background

The Company's principal activities comprised the sale, installation and service of webfed and sheetfed printing presses, and the supply of associated consumables, all sourced primarily from its parent, Manroland AG, a company incorporated in Germany.

The Administrators' appointment arose as a consequence of Manroland AG entering an insolvency process on 25 November 2011. Manroland AG had provided a guarantee to the Company in respect of its defined benefit pension scheme (the "Scheme") liability. Once Manroland AG had entered the insolvency process the Company could no longer rely on this guarantee in respect of the Scheme. The deficit in the Scheme meant that the Company was balance sheet insolvent.

Furthermore, there were potential restrictions on the availability of key parts from Manroland AG, and from other key suppliers once they became aware of the position of Manroland AG.

Following an initial review, the Administrators concluded that the most appropriate strategy for the Company was to continue to trade whilst a purchaser of the business was sought.

Steps taken during the Administration

Activities in the Administration focused on the following work-streams

- 1 Sale of business
- 2 Trading
- 3 Other assets
- 4 Dealing with creditor related matters
- 5 Inter-company claims

Each of these is discussed in turn below

- 1 Sale of business

The Administrators are pleased to report that the Company's two main business units were sold in separate transactions in March 2012. Unfortunately, the unit that dealt with the supply of consumable products (as explained later under "Supply of consumable products") had to be closed as there was no viable prospect of a sale.

On 6 March 2012 all parts of the sheetfed business were sold to Manroland (UK) Ltd ("MUK") for £645,131. The sale included the outstanding debtors ledger for which £522,470 was received. As part of the sale and purchase agreement, a lease of part of the premises at Morden Road was granted to MUK. 37 employees transferred to MUK under Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

On 9 March 2012 the webfed business was sold to Manroland Web Systems (UK) Ltd ("MWS") for £40,412, which included the goodwill, equipment, customer contracts, intellectual property and work in progress. The outstanding debtors ledger was not included in the sale, and these debts will continue to be collected by the Liquidators. Eight employees transferred to MWS under TUPE.

1. The former Joint Administrators' first and final progress report

2. Trading

Repair and service work

Creditors will recall from the Proposals that at the time of the Administrators appointment, Manroland AG was not supplying machine parts to the Company and had restricted the access of the Company's main logistics supplier to its warehouse

The Administrators therefore contacted the insolvency administrators of Manroland AG and reached an agreement for the continued supply of parts and access to the warehouse. This enabled the Company to continue trading and fulfil outstanding customer orders prior to the sale of the business

Supply and installation of printing presses

As at 5 December 2011, the Company had three large ongoing machine installation contracts with a total value of £1.6million. Further work was required to complete each of these machines before the respective customers would sign the necessary acceptance documentation, confirming that their machine was operational. The balances on account from each of the customers became payable to the Company only once the customer had accepted the machine as operational

The pre-conditions for the acceptance of the machines have been met during the course of the Administration, and substantial recoveries of c £1.5million have been made in this regard

Service maintenance contracts

The Company continued to fulfill all maintenance contracts, or otherwise negotiate separate arrangements with individual customers up to the sale of the business

Employees

In late January / early February 2012, 13 employees, including those in the consumable products business, were made redundant. At this time a sale of the business appeared unlikely, and redundancies were required in order to maintain the Company's ability to continue trading

Supply of consumable products

The Company continued to supply consumable products to customers from its existing stock holding during the course of trading. However, this stock was not replenished due to the high level of duress payments demanded by suppliers to this part of the business which, if paid, would erode the return to creditors as a whole.

In addition, a significant amount of the stock was supplied through a German subsidiary of Manroland AG, which has also entered insolvency proceedings and with whom the Administrators were unable to reach a commercial agreement to secure continued supply.

Consequently, it was believed that there was no viable business to trade or sell, and following the sale of remaining stock this part of the business was wound down and all print consumable employees were made redundant on 28 February 2012

Trading deficit

As shown in the receipts and payments account a trading deficit of c £600k was incurred

Trading the business allowed the administrators to pursue sales of the two key business units. This mitigated all preferential claims and allowed 45 employees to transfer under TUPE to MUK and MWS

Furthermore, continuing to trade allowed the company to complete the three large installation contracts mentioned previously, together with enhancing pre appointment debtor recoveries. Realisations would have been significantly lower had the company ceased to trade immediately following the Administrators appointment

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Pre-appointment debtors

At the date of the Administrators' appointment, the Company's records showed a debtor's ledger with a book value of circa £4.4 million. This was written down by £1.1 million by the directors in their statement of affairs, however the Administrator's decision to trade the Company and negotiations with certain customers have facilitated the collection of a large proportion of these book debts. Recoveries during the trading period totalled c £4.02 million.

3 Other assets

Freehold property

The Company owns the freehold interest in its land and former office premises in Mitcham, which was valued in the directors' statement of affairs at c.£2.4 million.

As at the date of appointment, in addition to the Company's own occupation, there were two tenants in certain buildings on the site. Both leases continued, and following the sale of the Sheetfed business MUK entered into a lease for the office space previously occupied by the Company. The building therefore remains fully occupied.

The annual rental income is now £301,724. Rent falling due since the date of appointment totals £97,712 and this has been collected during the period of the Administration.

Marketing to realise the Company's freehold interest in the property is expected to commence shortly.

Web debtors

As part of the sale agreement of the Webfed business, the Company retained the outstanding debtors relating to this part of the business. Collection of these debts has continued since the sale, and the net position as at 28 May 2012 was as follows:

	£
Book debts collected	230,815
Amounts written off *	12,880
Value of book debts still to be collected	256,007

* The amount shown as written off relates to debtor companies which have entered into administration.

Other recoveries

Since their appointment, the Administrators have recovered money due in respect of an insurance claim of £12,780.

4. Dealing with creditor related matters

Whilst the claims adjudication process has not yet commenced, claims received to date are in line with those estimated in the Directors' Statement of Affairs.

Creditors are reminded to submit their statement of claim, together with supporting evidence, as soon as possible.

5 Inter-company claims

It is anticipated that two group companies, Manroland AG and Werner Lies, will be submitting claims against the Company. These will be adjudicated in the liquidation.

Modification to the Administrators' proposals

You may recall that at the initial meeting of creditors on 10 February 2012, the Administrator's proposals were modified by creditors, and that the modified proposals were accepted at the same meeting.

This modification to the proposals related to the Administrators' hourly charge-out rates. Revised rates were proposed and these were accepted by the creditors and the Administrators at the meeting.

1. The former Joint Administrators' first and final progress report

A Notice of the result of meeting of creditors was filed with the Court and with the Registrar of Companies on 20 February 2012, together with a copy of the modified proposals

Final receipts and payments account

An account of the final receipts and payments in for the period of the Administration from 5 December 2011 to 28 May 2012 is set out in section 4 to this report

Statement of expenses

A statement of the expenses incurred but not yet paid by the Administrators in the period 5 December 2012 to 28 May 2012 is included at Section 5

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend upon the position at the end of the tax accounting period.

The Administrators' accrued and unpaid expenses will be met from funds held by the liquidator in accordance with Paragraph 99 of Schedule B1 to the Insolvency Act 1986

Resolutions approved at the initial meeting of creditors

The following resolutions in respect of the Administrators' remuneration and expenses were approved by creditors

"That the unpaid pre-administration costs detailed at Appendix A of the administrators' proposals dated 26 January 2012 are approved for payment as expenses of the administration."

"That the administrators' fees be fixed by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature less a 20% discount, and that the administrators be authorised to draw such fees from time to time"

"That the administrators be authorised to draw disbursements for services provided by their own firm (Category 2 disbursements) as follows: Photocopying - charged for circulars to creditors and other bulk copying only at 4p per sheet; mileage - at a maximum of 67p per mile (up to 2,000 cc) or 80p per mile (over 2,000cc) from time to time. These rates may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost."

Administrators' remuneration

As noted above, the Administrators' remuneration was approved on a time costs basis by the creditors, following which remuneration totalling £442,972 28 plus VAT has been drawn to date.

The time costs incurred in the period covered by this report are £616,201 44. In accordance with the requirements of Statement of Insolvency Practice No 9, a full analysis of the Administrators' total time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012 is provided in Section 6 of this report

Pre-Administration costs

Information regarding the pre-Administration costs previously detailed in the Administrators' proposals and approved for payment by the creditors can be found in Section 7 of this report

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out in Section 8 of this report

Outcome for creditors

There are no secured or preferential creditors

Surplus funds in the Administration will become available for non-preferential unsecured creditors and will be passed to the Liquidators in due course

1. The former Joint Administrators' first and final progress report

The return for unsecured creditors is currently uncertain. The final level of funds available for unsecured creditors is largely dependent on the proceeds realised from the sale of the freehold property, and the eventual dividend will also depend on the level of creditor's claims admitted in the estate.

If you have not already submitted your claim, please do so using the form enclosed with this report.

Exit route from Administration

In accordance with the proposals approved by creditors, the Company entered into creditors' voluntary liquidation ("CVL") on 29 May 2012.

There having been no alternate nominations, David Robert Baxendale and Zelf Hussain were appointed as Joint Liquidators ("Liquidators").

Having met the statutory criteria to enable the move into CVL, this was considered the most appropriate strategy to most effectively deal with the sale of the property and the subsequent anticipated distributions to creditors.

Discharge

As the Administrators' appointment was made pursuant to an Order of the Court, an application will be made for the Administrators to be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as Administrators.

Next report

This is the first and final report to creditors by the Administrators.

The first progress report by the Liquidators will be issued in approximately 12 months time.



D R Baxendale
Joint Liquidator
Former Joint Administrator

David Robert Baxendale and Zelf Hussain were appointed as Joint Liquidators of MRGB Realisations Limited on 29 May 2012. David Robert Baxendale and Zelf Hussain are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidation.

2. Statutory and other information

Court details for the Administration:

Full name:

High Court of Justice, Chancery Division, Companies Court

Trading name:

MRGB Realisations Ltd

Registered number:

Manroland Great Britain Ltd

Registered address:

01008301

Company directors:

7 More London Riverside, London, SE1 2RT

Dirk Van Asselberghs (resigned 01/12/11), Gerhard Walter Gocsek (resigned 24/02/12), Peter Kuisle (resigned 09/02/12), Christopher John Marks, Norman Frank Revill, Erik Robert Verborg (resigned 08/02/12), Christopher Ian Wells

Company secretary:

Christopher Ian Wells

Shareholdings held by the directors and secretary:

None

Date of the Administration appointment:

5 December 2011

Former Administrators' names and addresses:

David Robert Baxendale and Zelf Hussain, both of Pricewaterhouse Coopers LLP, 7 More London Riverside, London, SE1 2RT

Changes in office holder:

None

Appointors / applicant's name and address:

The High Court of Justice, Chancery Division, Company's Court, on application of the directors of the Company of 110-112 Morden Road, Mitcham, Surrey, CR4 4XB

Objective being pursued by the Administrators:

Achieving 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)

Division of the former Administrators' responsibilities:

During the period for which the administration order is in force any act required or authorised under any enactment to be done by either or both of the administrators may be done by any one or more of the persons for the time being holding that office

Extensions to the period of the Administration:

None

End of the Administration:

The Company entered Creditors Voluntary Liquidation on 29 May 2012

Estimated dividend for unsecured creditors:

Uncertain

Estimated values of the prescribed part and the company's net property:

N/A -- there is no Qualifying Floating Charge holder

Whether and why the Administrators intended to apply to court under Section 176A(5) IA86:

No

The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):

The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Summary of the former Joint Administrators' proposals – as modified and agreed

The Administrators' modified proposals for achieving the purpose of the Administration as agreed by creditors are:

- i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving 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)
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Acts 1985, 2006, IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors).
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86
- v) A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- vi) The Administrators will consult with the creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension if a creditors' committee is not appointed
- vii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances -
 - (a) Once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that David Robert Baxendale and Zelf Hussain be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either any or both of them. In accordance with Paragraph 83(7) Sch B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved, or
 - (b) Alternatively, once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which the Company will be dissolved three months later. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court, or

3. Summary of the former Joint Administrators' proposals – as modified and agreed

- (c) If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later or apply to court under Paragraph 79 Sch.B1 for the Administration to be ended and for the Company to be placed into compulsory liquidation.
- viii) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration. If the meeting of creditors elects a creditors' committee it will be for the creditors' committee to approve payment of the unpaid pre-Administration costs as expenses of the Administration. If no committee is appointed, it will be for the general body of creditors to approve these instead
- ix) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature, less a 20% discount, and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy as set out in Appendix D. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment

4. Final receipts and payments account for the period 5 December 2011 to 28 May 2012

	Estimated to realise per directors' Statement of Affairs	£	£	£	Notes
Receipts					
Book debt recoveries	3,247,400	4,020,042	-		
Cash balance at bank	702,746	691,952	-		
Insurance recoveries	23,780	12,780	-		
Plant & Machinery		2,042	-		
Goodwill		8	-		
Stock		114,679	-		
Work in Progress		46,387	-		
Rental income		97,712	-		
Net third party funds		34,531	-	1	
Interest received		2,789	2		
Transfer from Sterling account		-	132,500		
Total receipts		5,022,922	132,502		
Payments					
Trading deficit (see below)		(529,955)	(129,144)		
Postage stationary and printing		(3,245)	-		
Storage costs		(2,583)	-		
Bank charges		(1,896)	(94)		
Transfer to Euro account		(110,354)	-		
Registrars fees		(52)	-		
Joint Administrators' remuneration		(442,972)	-		
Total payments		(1,091,057)	(129,238)		
Net funds before VAT		3,931,865	3,264		
Net VAT payable / (receivable)		(183,830)			
Balance in hand		3,748,035	3,264	2	
Represented by balances * held at					
Barclays (£)		3,669,477			
HSBC (£)		78,558			
		3,748,035			
Barclays (£)		3,264			

Notes

- 1 Net third party funds are due to be paid over to MUK.
- 2 Funds are held in interest bearing accounts

4. Final receipts and payments account for the period 5 December 2011 to 28 May 2012

Trading account as at 28 May 2012

	£	€	Notes
Revenue			
Sales	608,461	-	
Sale of book debts	522,470	-	1
Total revenue	1,130,931	-	
Expenditure			
Trading purchases	(315,671)	(114,688)	
Duress Payments	(275,227)	(9,354)	2
Wages and employers' NIC	(828,970)	-	3
Employee related costs	(27,198)	-	
Employee expenses	(47,649)	-	
Employer's pension costs	(11,595)	-	
Lease and hire charges	(74,919)	-	4
IT costs	(21,495)	-	
Motor and travel expenses	(19,515)	-	
Professional fees	(1,524)	-	
Security costs	(6,475)	-	
Repairs and maintenance	(1,137)	-	
Office costs and utilities	(27,293)	-	
Bank charges	(15)	(112)	
Storage costs	(866)	-	
Postage stationary and printing	(1,337)	-	
Subcontractors	-	(4,990)	
Total expenditure	(1,660,886)	(129,144)	
Overall trading surplus / (deficit)	(529,955)	(129,144)	

Notes

- 1 The sale of book debts on 6 March 2012 to MUK included debtors in relation to sales made during the administration
- 2 Duress payments were made so as to enhance the book debt recoveries
- 3 Includes payments made for arrears of wages which would otherwise rank as a preferential creditor
- 4 Fleet vehicle charges incurred from the date of sale will be recharged to the purchasers of the sheetfed and webfed businesses

5. Statement of expenses incurred from 5 December 2011 to 28 May 2012

Certain expenses have been incurred but not yet paid by the Administrators are listed below

All trading expenses have been paid with the exception of insurance costs, for which the Administrators are awaiting final invoices

Expenses incurred	Unpaid amount (£)	Paid amount (£)
Administrators' remuneration	173,229	442,972
Disbursements	1,989	-
Legal Fees (McGure Woods)	118,965	-
Total (excluding VAT)	294,183	442,972

6. Analysis of the former Administrators' time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Time costs summary for the period 5 December 2011 to 28 May 2012

MRGB Realisations Limited - 5 December 2012 to 28 May 2012							
Classification of Work	Partner / Director (Hrs)	Senior Manager / Manager (Hrs)	Senior Associate (Hrs)	Associate / Support (Hrs)	Total Hours (Hrs)	Time Cost (£)	Average Hourly rate (£)
Accounting and Treasury	0 55	19 75	132 65	348 70	501 65	96,878 88	193 12
Claims Agreement / Distributions and Creditor Enquiries		0 50	9 70	4 20	14 40	3,205 28	222 59
Employees	13 50	140 30	54 25		208 05	70,693 20	339 79
Investigations (CDDA)	0 25		0 70	7 80	8 75	1,673 00	191 20
Other Assets		1 20	13 90	0 70	15 80	4,028 00	254 94
Pensions	11 50	14 80	11 00	9 75	47 05	23,681 20	503 32
Property	5 50	17 15	7 60	38 00	68 25	17,418 16	255 21
Reporting		23 60	41 20	16 30	81 10	19,660 24	242 42
Sale of Business	72 25	57 25	65 20		194 70	78,832 12	404 89
Statutory and Other Compliance	5 00	25 45	99 20	48 40	178 05	43,356 48	243 51
Strategy, Planning and Administration	40 50	95 65	16 80	5 20	158 15	60,947 84	385 38
Tax / VAT	1 70	27 55	42 20	19 20	90 65	30,576 56	337 30
Trading	32 50	116 80	336 20	83 70	569 20	165,250 48	290 32
Total Hours (Hrs)	183 25	540 00	830 60	581 95	2,135 80	616,201.44	288.51
Total Time Cost (£)	101,204 84	205,494 36	206,606 24	102,896 00			
Average Hourly Rate: (£)	552.28	380.55	248.74	176.81			

Office holder's charging and disbursement policy

The time charged to the Administration is by reference to the time properly given by the Administrators and their staff in attending to matters arising

It is the Administrators' policy to delegate tasks in the Administration to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves.

Set out below are the relevant charge-out rates per hour worked for the grades of the Administrators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

6. Analysis of the former Administrators' time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Charge-out rate summary for the period 5 December 2011 to 28 May 2012

Administration Team:

Grade	Discounted rate per hour (£)
Partner	584
Director	513
Senior manager	395
Manager	332
Senior associate – qualified	278
Senior associate – unqualified	206
Associate	177
Support staff	88

Specialist Team:

Grade	Discounted rate per hour (£)
Partner	823
Director	748
Senior manager	698
Manager	458
Senior associate	311
Associate	181
Support staff	88

Specialist departments within the Administrators' firm such as Tax, VAT, Property and Pensions may charge a number of hours if and when the Administrators require their expert advice. Such specialists' rates do vary but the figures above provide an indication of the maximum rate per hour.

6. Analysis of the former Administrators' time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Narrative of work carried out for the period 5 December 2011 to 28 May 2012

The key areas of work have been as follows:

Accounting and Treasury

- Opening Administration bank accounts,
- Processing receipts and payments to / from Administration account, and updating accounting system,
- Liaison with Company's pre-appointment bankers to ensure the Company's account are frozen from the perspective of payments but that remittances continue to be received;
- Arranging sweeps of the receipts in the pre-administration account to the Administration,
- Updating the Company's accounting records and making enquiries of them

Claims Agreement / Distributions and Creditor Enquiries

- Recording claims received and dealing with general creditor enquiries,
- Discussions with key creditors

Employees

- Attending the Company's premises and advising the employees of the effects of the Administration;
- Dealing with all employee queries,
- Liaising with retained staff to procure their co-operation to bring the Company records up to date and assist with trading and maximising debtor recoveries,
- Preparing statutory and other correspondence to former and retained employees,
- Consulting and effecting redundancies,
- Effecting TUPE transfers following sale of business

Investigations (CDDA)

- Complying with the Administrators' obligations under the Company Directors' Disqualification Act 1986,

6. Analysis of the former Administrators' time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Other Assets

- Dealing with third party owners of leased vehicles,
- Co-ordinating the return of the leased fleet following the sale of business.

Pensions

- Collation of pension scheme information and search of Payment Protection Fund ("PPF") database,
- Preparation and circulation of initial statutory notifications regarding the appointment,
- Calls with pension scheme members regarding the initial assessment period,
- Liaison with company staff regarding employee pension and other benefits,
- Liaison with the PPF and trustees

Property

- Instructing agents, Croft Capital, to assess the value of the Company's business and assets, and the value of the Company's freehold interest;
- Considering and agreeing strategy for collection of the Company's book debts, subsequent book debt collection
- Working with Company staff to collate information regarding customer accounts,
- Entering into correspondence with the Company's debtors,
- Monitoring book debt collection and resolving disputes,
- Review of tenants leases and collection of rent,
- Recovery of insurance claim

Reporting

- Initial information collation in anticipation of preparing the Administrator's proposals,
- Drafting, proofing and despatching the Administrator's proposals,

Sale of Business

- Discussions with the Manroland AG insolvency administrator regarding a disposal of the group business,
- Negotiating with potential purchasers,
- Completing sale of the Company's businesses.

6. Analysis of the former Administrators' time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Statutory and Other Compliance

- Preparation and circulation of statutory notices and letters;
- Preparing and issuing a press release advising of the appointment;
- Liaison with the Company's accountants regarding the financial position;
- Safeguarding the Company's hard copy books and records;
- Liaising with the directors regarding the preparation and submission of the statutory statement of affairs;
- Arranging statutory bonds for the Administrators;
- Liaison with brokers and previous insurers regarding insurance cover for the Company's assets;
- Preparing and holding initial creditors' meeting;
- Reviewing the insurance position following sale of assets and return of fleet lease vehicles

Strategy, Planning and Administration

- Discussions and meetings with company management / directors following appointment;
- Preparation and periodic updating of strategy documents for review and discussion by the Administrators;
- Regular review of the decision to trade and pursuing sale of the business;
- Ongoing review of the status of individual tasks;
- Review of junior staff correspondence;
- Sundry tasks not covered under other headings.

Tax / VAT

- Notifying the taxation authorities of the Administrators' appointment;
- Tax planning following appointment;
- Meeting with the Company's accountants to discuss appointment and future strategy;
- Reviewing the Company records in relation to Tax and VAT;
- Sourcing documents in support of final pre-appointment corporation tax returns;
- Assessing possibility of terminal loss relief claim and likely level of claims for unpaid PAYE / NIC and / or other Crown liabilities;
- Preparing and submitting the first post appointment VAT return.

6. Analysis of the former Administrators' time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Trading

- Implementing control procedures over the Company's purchase and invoice functions,
- Securing and backing up electronic data;
- Briefing staff on trading and sales strategy of the business,
- Corresponding with key suppliers to ensure continued supply of goods and services to the business, issuing undertakings where required,
- Successfully negotiating with Manroland AG resumption of supply of machine parts and access for the Company's main logistics supplier to its warehouse,
- Discussions with an associated company in an effort to procure supply of consumable products,
- Corresponding with the relevant utility suppliers to ensure continuity of supplies following Administration whilst on site,
- Reviewing and negotiating warranties and service contracts to preserve book debt value and customer goodwill,
- Supervising completion of the machine installations and ensuring that acceptance documentation confirming the machines are in operation is received,
- Preparing and reviewing cash flow and other trading projections;
- Assessing retention of title claims,
- Assessing the financial position of Manroland group intercompany accounts

6. Analysis of the former Administrators' time costs and Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Category 2 disbursements for the period 5 December 2011 to 28 May 2012

Photocopying	At 4 pence per sheet copies, only charged for circulars to creditors and other bulk copying
Mileage	At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc).

The Administrators' incurred the following Category 2 disbursements (excluding VAT) during the period 5 December 2011 to 28 May 2012:-

	£
Category 1 Disbursements	1,772 08
Category 2 Disbursements	
Mileage	34 87
Printing & Photocopying	182 43
Total	1,989.38

The Category 2 disbursements were approved in line with resolutions mentioned earlier in this report

Summary of legal and other professional firms instructed in the period 5 December 2011 to 28 May 2012

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	McGuire Woods LLP	Industry knowledge	Time costs
Independent agents	Croft Capital	Industry knowledge	Set fee

McGuire Woods LLP is required to submit time costs analyses and narrative in support of invoices rendered

7. Approval of unpaid pre-administration costs

The following unpaid pre-Administration costs which were incurred prior to the appointment of the Administrators, but with a view to the Company entering administration were approved on 10 February 2012

	Unpaid amount (£)	Paid amount (£)
Fees charged by the Administrators (excluding VAT)	4,754	-
Expenses incurred by the Administrators-in-waiting -	-	-
- PwC expenses		
- McGuire Woods LLP, legal fees (excluding VAT)		19,490
Fees charged by other persons qualified to act as an insolvency practitioner	-	-
Expenses incurred by other persons qualified to act as an insolvency practitioner	-	-
Total (excluding VAT)	4,754	19,490

McGuire Woods LLP fees were paid using pre-appointment funds they held on account

8. Statement of creditors' rights

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant provisions are as follows. -

Rule 2.48A Creditors' request for further information

(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”

8. Statement of creditors' rights

Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive

(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 sufficient 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 specify,

and 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.