

Joint Liquidator's Progress Report**Pursuant to section 92A, 104A, and 192 of the
Insolvency Act 1986****S. 192**

To the Registrar of Companies

Company Number

03978232

Name of Company

(a) Insert full name
of company

(a) BEMROSEBOOTH LIMITED - IN LIQUIDATION

(b) Insert full name(s)
and address(es)We ^(b)David Rubin and Henry Lan both of David Rubin & Partners LLP,
Pearl Assurance House, 319 Ballards Lane, London, N12 8LYThe Joint Liquidator(s) of the Company attach a copy of my/our Progress
Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 15 June 2011 to 14 June 2012

Signed



Date 13 August 2012

Presenter's name,
address and reference
(if any)David Rubin & Partners LLP
Pearl Assurance House
319 Ballards Lane
London N12 8LY

Tel 020 8343 5900

DX Number 57368 DX Exchange Finchley 1

WEDNESDAY

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A07 15/08/2012 #277
COMPANIES HOUSE

IN THE MATTER OF
BEMROSEBOOTH LIMITED - IN LIQUIDATION

AND
THE INSOLVENCY ACT 1986

THE JOINT LIQUIDATORS' FIRST ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 14 JUNE 2012

BEMROSEBOOTH LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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(a) Introduction

The Company entered into Administration on 28 June 2010 pursuant to an application filed at The High Court of Justice Chancery Division. The appointment was made by the Directors of the Company, Messrs Leonard Levie and Jean-Paul Ansel pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986. The Company was subsequently moved into Liquidation on 15 June 2011, pursuant to paragraph 83(7)(a) of the Insolvency Act 1986.

This report provides an update on the progress of the Liquidation for the year ended 14 June 2012.

Rule 4.49C-CVL (5): Progress Report

(b) Statutory Information

Company name	BemroseBooth Limited
Registered office	Pearl Assurance House, 319 Ballards Lane London N12 8LY
Company number	03978232
Trading address	The Company operated from four locations within the United Kingdom as follows
	1 Lincoln and Fly House Stephenson's Way Wyvern Business Park, Derby DE21 6LY
	2 Unit 2, Riverside Road, Pride Park Derby DE21 8HY
	3 Stockholm Road, Suttons Fields, Hull HU1 0YX
	4 72 Jay Avenue, Teesside Industrial Estate, Thornaby, TS17 9LZ

(c) Joint Liquidators' names and addresses:

In the Administrators' formal proposals made under Schedule B1, Paragraph 49, creditors approved that the Joint Administrators, Henry Lan and I, both of David Rubin & Partners LLP Pearl Assurance House 319 Ballards Lane London N12 8LY, become the Joint Liquidators of the Company.

(d) The Joint Liquidators' Remuneration

Basis of remuneration

- 1.1 In accordance with Rule 2.106 the Joint Administrators' fees were fixed by reference to the time properly given by them and their staff in attending to matters arising in the administration but to seek prior approval in tranches of not less than £50,000 from the Pension Protection Fund which constitutes in excess of 50% by value of the unsecured creditors.

Where the Administrators become the Liquidators the basis of remuneration fixed under Rule 2.106 continues to apply in the liquidation as specified by Rule 4.127(5A).

- 1.2 In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of our firm's charge-out rates was issued to creditors at the time the basis of the Joint Liquidators' remuneration was approved. There has not been any material

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increase in the rates during this appointment Our current hourly chargeout rates exclusive of VAT are as follows -

	£
Partners/Office holders	300 - 395
Managers / Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Cashiers and Assistants	120 - 160
Support Staff	110 - 120

Chargeout rates are normally reviewed annually in November when rates are adjusted to reflect such matters as inflation, increases in direct wage costs and changes to indirect costs such as Professional Indemnity Insurance

13 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case The constitution of the case team will usually consist of a Partner Manager, Senior Administrator and two Administrators The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case

We have not utilised the services of any subcontractors in this case

(c) Joint Liquidators' remuneration

Our time costs for the year under review are £129,860.50 This represents 632.06 hours at an average rate of £205.44 per hour I attach as Appendix B a Time Analysis which provides details of the activity during the year analysed by staff grade

To date £83,130 has been paid on account of these time costs

To view an explanatory note concerning Liquidators' remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases using the following log-on details

USERNAME b356 bem@sharesrvr.com PASSWORD meb653B*

Alternatively, please contact this office to arrange for a copy to be sent to you

Included in the work undertaken by Henry Lan, myself and our staff is the following -

- a Proposing the necessary resolutions to enable the Joint Liquidators to fulfil their duties and convening a meeting of creditors under Rule 4.54 to pass the same
- b Dealing with creditors' enquiries both by correspondence and by telephone and noting and agreeing their claims

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Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

- c Carrying out all necessary investigations including the examination of the Company's statutory books and books of accounts and records in order to enable me to prepare and submit the Joint Liquidators' report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986
- d Reviewing all matters relating to book debts including correspondence and telephone attendances with the debtors. In particular, reconciling the ledger with Bemrose Booth Paragon Limited ('Paragon') regarding the final book debt position and Paragon's collection fees
- e Continuing to deal with the disputed claim of Transformer Acquisition Company Limited in respect of its security over the assets which in the view of our solicitors is defective
- f Monitoring the rental payments being received from Paragon for their occupation of the Company's premises at Stockholm Road, Sutton Fields, Hull HU7 0XY
- g Dealing with the review and submission of a claim by the trustees to the Pension scheme to hold preferential status for unpaid employer contributions
- h Discussions with our Agents, Edward Symmons LLP, for the marketing of the Plant and Machinery held at the by at the premises of Caboni Limited ('Caboni') which had been unlawfully sold by the liquidators of Caboni to Lockwoods this is further discussed in section (g) of this report below
- i Dealing with the liquidators of Caboni in order to secure their agreement to consent to the sale of the Plant & Machinery held at the premises in Wednesbury, and subsequently pressing the liquidators for a resolution of the dispute to the title of these assets. This is further discussed in section (g) of this report below
- j Preparation of the Annual Progress Report and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986 and submission of the same to the Registrar of Companies

(f) Joint Liquidators' Expenses

Expenses incurred in the liquidation are explained at (g) below in my comments on the Receipts and Payments Accounts

(g) Details of progress for the period under review:

As you may recall from the Joint Administrators' Final Progress Report, there was a dispute with the liquidators of Caboni over title to certain assets belonging to the Company but used by Caboni in the production of calendars at their premises in Wednesbury. Since the date of this report, the dispute has been settled and the proceeds from the sale of these assets, held by Edward Symmons as stake holders, are expected to be received into the liquidation estate shortly.

I have attached as Appendix A an account of my receipts and payments for the period under review. The contents of the receipts and payments account are discussed further below.

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Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

1. Receipts

1.1 Funds transferred from Administration

As at 15 June 2011 funds in the Administration amounted to £4 494 621 38 which was transferred to the Liquidation estate on the same day

1.2 Book debt ledger

As creditors may recall from the Joint Administrators' Final Progress Report the collection of the Company's book debt ledger was extremely successful with receipts exceeding our initial expectations

There have been additional receipts in respect of the outstanding ledger in the sum of £36 801 88. However, there have been a number of cases where invoices raised by Paragon have been paid by their customer into the Company's old bank accounts during the administration. These transactions amounted to £50 224 77 and have subsequently been returned to the relevant customers or forwarded to Paragon directly. These accounts have now all been closed.

1.3 Rent receivable

The amount of £84,000 has been received from Paragon in respect of rent received for their occupation of the Company's freehold premises at Stockholm Road, Hull.

1.4 Unclaimed employee dividend

One of the employees who received a preferential dividend of £1 81 in the Administration has informed us that she will not be cashing this cheque as it is not cost effective for her to do so.

1.5 Sundry receipts

The sum of £152 has been received from sundry sources.

1.6 Bank interest gross

Interest earned on the funds in hand for the period amounts to £32,154 01.

2 Payments

2.1 Legal fees

The amount of £109 770 27 plus VAT was paid to Norton Rose LLP in respect of their services in carrying out the following work -

	£
The Transformer debenture	93 930 50
Cabot	250 00
Property leases and landlord matters	7 897 50
PPF claim	3,579 50
General administrative issues	1 473 93
Disbursements	2,638 84
Total	<u>109,770.27</u>

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The amount of £3 250 plus VAT was paid to Edwin Coe LLP in respect of their time and advice in relation to the retention of title claim made by Mail Solutions

The amount of £112 plus VAT was paid to Smith Partnership Solicitors in respect the costs associated with the issuing of Court proceedings in connection with collection of the Company's book debt ledger

Each of the above law firms was chosen for its suitability after taking into account the size and complexity of the legal issue that was presented. Norton Rose LLP charges its fees on a time cost basis and they have provided me with an analysis of the time they have spent. Edwin Coe LLP and Smith Partnership Solicitors were paid on a fixed fee basis.

2.2 Agents fees

The amount of £16 761.28 plus VAT was paid to Edward Symmons LLP in respect of their fees for assisting the Joint Liquidators with the sale of the assets held by Lockwoods at Wednesbury and with negotiations in respect of the granting of a new lease to Paragon for their continued occupation of the Company's freehold premises at Stockholm Road, Hull.

The amount of £8,500 was paid to James Owen & Co Limited in respect of their fees relating to the sale of the Company's assets held by Lockwoods at Wednesbury. James Owen & Co were the agents appointed by the liquidator of Caboni and assisted in the sale of the plant and machinery to Lockwoods.

Edward Symmons LLP were selected as agents on the basis of their experience and expertise. Edward Symmons LLP charged its fees on a time cost basis and James Owen & Co Limited's fee was agreed as a percentage of realisations.

2.3 Professional fees

The amount of £520 was paid to ERA Solutions, a specialist firm who provided assistance and advice to employees who were made redundant. ERA dealt with all matters relating to their redundancies and salaries including correspondence with the Redundancy Payment Office and Job Centres.

The amount of £590.30 was paid to Damien Williams for his fee and out of pocket expenses for his attendance at a meeting with Paragon to finalise the Company's book debt position.

2.4 Settlement of ROT claims

An amount of £13 500 plus VAT was paid to Mail Solutions Limited in respect of their successful retention of title claim.

2.5 Bank charges

Bank charges in the sum of £6 have been incurred for sundry banking costs and same-day payment charges relating to the running of the Liquidation.

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2.6 Statutory advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the notice of the appointment of the liquidator and to creditors to submit their claims in the liquidation

2.7 Statutory costs

The amount of £34 was paid in respect of fees for various searches and information obtained from Companies House

2.8 Archiving and storage

My firm uses a commercial archiving company for storage facilities for the Company's records and papers

2.9 Meeting Costs

My firm charged a nominal rental of £150 plus VAT for the provision of the boardroom and ancillary facilities. This was in relation to a meeting we held at our offices with Paragon to discuss and agree the final book debt position and the associated collection fee

2.10 Sundry expenses

The sum of £611.07 was paid to British Gas in respect of their invoice for electricity used during the Joint Administrators' occupation of one of the Company's trading sites

2.11 Joint Administrators' remuneration

Creditors will recall that as at 15 June 2011 when the Company was moved from Administration to Liquidation the Joint Administrators had outstanding time costs in the sum of £198,344. This amount plus VAT, has been drawn in full

(h) Details of any assets that remain to be realised and outstanding matters

As creditors may recall Paragon declined the option to purchase the freehold of the Company's Hull premises for £1 million but still wished to remain in occupation. Paragon has now entered into a two year lease that started on 14 July 2011 paying monthly rent of £7,000 plus VAT per month. We have asked our agents to continue with the marketing of the freehold for sale

(i) [Not used]

(j) Investigation

In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents

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(k) Creditors' rights – Rule 4 49E and Rule 4 131

- i) Within 21 days of the receipt of this report a secured creditor or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provides further information about his remuneration or expenses which have been itemised in this progress report
- ii) Any secured creditor or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive

(l) Any other relevant information

(i) Secured creditors

The Company operated an invoice discounting facility with GE Commercial Finance Limited ("GE") GE hold a fixed and floating charge over the Company's assets present and future which was created on 31 October 2008 and registered at Companies House on 6 November 2008 There is no liability due to GE

As we have reported previously Transformer claim to hold a fixed and floating charge over the Company's assets present and future created on 20 May 2010 and registered at Companies House on 27 May 2010 Our solicitors have advised that the charge is invalid on a number of grounds Opportunities have been given to Transformer to provide evidence to refute our solicitors advice Despite this and despite assurances from the director of Transformer that such evidence would be provided it has not been forthcoming Nor have Transformer withdrawn their claim as requested Proceedings were issued by our solicitors, but these were stayed by agreement whilst we attempted to explore a settlement

A without prejudice meeting was held with Transformer and their legal representatives at which the position was explained to them A further meeting was arranged recently to progress discussions but Transformer cancelled the meeting at short notice and without explanation On our solicitors advice, we have had no choice therefore but to proceed with our existing application to Court, seeking a formal declaration that the charge is invalid As part of that application, we will seek our costs against Transformer Witness statements are being prepared for exchange at the time of preparation of this report Unless Transformer withdraw the matter is likely to come to court for directions in or around October 2012

(ii) Preferential creditors

The Insolvency Service, Redundancy Payments Office have been paid a further sum of £2,907.69 in respect of unpaid wages and holiday pay which they have paid to former employees of the Company under the employment protection legislation They submitted a preferential claim in the Administration for this amount which has been settled in full

There was a balance of preferential claims for those employees who have unpaid wages and holiday pay in excess of the statutory limits paid out by the Insolvency Service Under the provisions of Schedule 6 of the Insolvency Act 1986, any amounts outstanding to employees in respect to unpaid wages (up to a maximum of

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£800) and outstanding annual leave entitlements are afforded priority over the claims of floating charge creditors and ordinary unsecured creditors

There have been sufficient realisations to enable preferential creditors to be paid in full. These claims have now been paid and the payments are shown on the receipts and payments account at Appendix A

(iii) Unsecured creditors

The Joint Liquidators envisage a small dividend being available to the unsecured creditor

We have received claims from 465 creditors, which total £75,686,608.30. This figure includes the Bemrose Group Limited claim in the sum of £13,307,175.85, the National Insurance Fund's claim in the sum of £1,443,868.08 and the Pension Protection Fund's claim in the sum of £54,000,000.

The claims of 458 creditors which do not include the provisional claims of the 3 large creditors, which total £4,860,844.89, have been agreed at £4,793,207.55. This includes 35 agreed nil claims which originally had an estimated value of £215,633.01.

There are approximately 142 creditors with estimated claims totalling £482,524.55 yet to submit a formal proof of debt in the liquidation.

There are 198 employees with unsecured claims of approximately £213,953.93.

I still await formal submission of the final claim from the Pension Protection Fund for the shortfall of scheme assets under Section 75 of the Pensions Act 1995. Although the scheme trustees tell us that the claim is estimated to be in the region of £54 million, the position will not be confirmed until an independent actuary has certified the final claim and the Pension Protection Fund have submitted it. Until this is done, we are unable to make any forecast of the size or timing of any distribution.

(iii) Next Report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact in the first instance my colleagues, David Stephenson and Eveline Mooroven, or their assistants Andrew Reynolds or Robert Cowie.



pp **DAVID RUBIN - JOINT LIQUIDATOR**

DATE: 13 AUGUST 2012

BEMROSEBOOTH LIMITED - IN ADMINISTRATION
JOINT LIQUIDATORS ANNUAL RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 15 JUNE 2011 TO 14 JUNE 2012

	Y/E <u>14-Jun-12</u>	
	£	£
<u>Receipts</u>		
Funds transferred from Administration		4 494,621 38
Book debt ledger		(13,422 89)
Rent receivable		84,000 00
Unclaimed employee dividend		1 81
Sundry Receipt		152 00
Bank interest (gross)		<u>32,154 01</u>
		4 597,506 31
<u>Payments</u>		
Legal fees	113 132 27	
Agents and valuers fees	25 261 28	
Professional fees	1 110 30	
ROT	13,500 00	
Bank charges	6 00	
Statutory advertising	153 00	
Statutory costs	34 00	
Archiving and storage	23 68	
Meeting room	150 00	
Sundry expenses	611 07	
Joint Administrators' fees (balance)	198 344 00	
Joint Liquidators remuneration	<u>83 130 00</u>	
		(435 455 60)
		4 162,050 71
Funds available for Preferential Creditors		
Less: Preferential Dividend Paid (100p in £)		
The National Insurance Fund (Redundancy Payments Office)	2 907 69	
Employees	<u>732 66</u>	
		(3 640 35)
<u>Balance in hand</u>		<u><u>4,158,410 36</u></u>
<u>REPRESENTED BY</u>		
Funds in current accounts	331 594 37	
Funds on deposit	3 806,157 11	
VAT recoverable	<u>20 658 88</u>	
		<u><u>4,158,410 36</u></u>

BEMROSEBOOTH LIMITED - IN LIQUIDATION							
LIQUIDATOR'S TIME COSTS FOR THE PERIOD 15 JUNE 2011 TO 14 JUNE 2012							
SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	02 18	20 42	118 18	19 36	160 54	25 587 50	159 03
Investigations	00 00	01 48	06 00	00 00	07 48	1 548 00	198 46
Realisations of assets	48 00	63 54	69 30	00 00	181 24	46,653 50	257 19
Creditors	03 54	106 12	171 54	00 00	282 00	56,071 50	198 84
Total hours and costs	54 12	192 36	365 42	19 36	632 06	129,860 50	205 44

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Creditors

communications with creditors
creditors claims (including secured creditors, employees and preferential creditors)

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ('Category 2 disbursements' as defined by SIP 9) to the case, where appropriate.

Postage and stationery circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 45p per mile.