



**MEQ Realisations Limited (formerly Mint Equities Limited) – in Creditors’  
Voluntary Liquidation**

**Joint Liquidators’ progress report to members and creditors for the year  
ended 16 August 2012**

**10 October 2012**

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## 1. Executive summary

Company	MEQ Realisations Limited (formerly Mint Equities Limited)	
Registered Number	05071454	
Registered Address	7 More London Riverside, London SE1 2RT	
Type of Insolvency	Creditors' Voluntary Liquidation	
Date of Appointment	17-Aug-11	
Appointees	David Christian Chubb and Peter Norman Spratt	
Address	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT	
Dividend Prospects:	Current estimate p in £	Previous estimate p in £
	Preferential 100p	100p
	Unsecured 4p	less than 10p
	<i>Please note that the guidance on dividend prospects is indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.</i>	

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2012

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### Introduction

Pursuant to Rule 4.49C of the Insolvency Rules 1986 ("IR'86"), I am pleased to present the Joint Liquidators' ("Liquidators") first progress report to members and all known creditors on the conduct of the Liquidation of MEQ Realisations Limited ("the Company").

### Background to the Liquidation

On 19 August 2010, David Christian Chubb and Peter Norman Spratt of PricewaterhouseCoopers LLP were appointed Joint Administrators ("Administrators") of the Company. The Administration was concluded on 17 August 2011, being the date the Company moved into Creditors' Voluntary Liquidation.

### Assets still to be realised

The Company's assets to be dealt with in the Liquidation were:

- (i) Certain book debts which were over 120 days old at the date of Administration

These debts were specifically excluded from the sale of the business to BGC Partners LP ("BGC") in the Administration. The total book value of these debts at the date of the Administration was approximately £827k (sterling equivalent). Under the sale and purchase agreement ("SPA"), BGC continued to collect the debts as the Company's agent and was entitled to deduct commission of 30% for collecting these debts.

The agency collection arrangement with BGC was terminated by the Administrators in February 2011 and we instructed our solicitors, Lester Aldridge LLP to pursue the remaining debts.

The Liquidators experienced significant difficulties in reconciling the residual sums due to the Company from debtor receipts which were either paid to BGC directly or into one of the Company's pre-appointment bank accounts. However, sufficient information has now been received from BGC to progress the reconciliation of these monies and it has been agreed

in principle with BGC that further net realisations totalling approximately £237k are due to the Company.

There is approximately £588k of third party monies held in the Company's remaining pre-appointment bank account which is under the control of the Liquidators. A significant proportion of these monies comprise debtor realisations belonging to BGC. Once all outstanding issues have been resolved with BGC, the Liquidators propose to allocate monies due to the Company from this account and transfer the remaining balance to BGC.

During the Liquidation, Lester Aldridge LLP has recovered the sum of £21k net of costs and has advised us that the remaining debts being circa 50% of the total book value at the date of Administration; are likely to be irrecoverable as there is insufficient information in the Company's records to pursue these debts. Many of these debts arose as long ago as 2007 and 2008 and are due by overseas debtors where there are jurisdictional issues and significant cost implications when pursuing such debts via legal means. Therefore, the Liquidators do not consider that there will be any further realisations in this regard, and work to collect these debts has ceased.

- (ii) Other trade debtors

Under the sale agreement, the Company is entitled to receive half of any recoveries over 80% of the book debts under 120 days old at the time of the Administration, received within a year of the Administration. BGC has confirmed that this threshold has been reached and the amount due to the Company will be approximately £13k.

- (iii) Disputed amount

The Liquidators are continuing to liaise with BGC regarding monies in the estate totalling approximately £130k where ownership is in dispute. Once this has been resolved, the Liquidators can conclude the debtor reconciliation exercise with BGC and allocate the monies due to the Company and BGC from the pre-appointment bank account.

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2012

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### (iv) Inter-company debtors

The Company is owed approximately £920k from two related companies incorporated in the USA ("Mint USA"). The debt appears to comprise salaries and invoices paid by the Company on behalf of Mint USA. Further to actions we took to pursue this debt, the Company has received the sum of \$6,647.00 (£4,154.63) in part payment of the debt. It is unlikely that there will be any further realisations as Mint USA is insolvent.

As stated in the directors' statement of affairs, the sum of approximately £848k is owed to the Company by Mint Partners Limited – in Liquidation ("MPL"). The Liquidators have performed an investigation into this debt and are preparing to lodge a claim against MPL. However, the realisable value of the claim remains uncertain at this stage, and this has been discounted in full when calculating the final estimated outcome for creditors.

### Retention of title ("ROT") claims

The Liquidators are aware of at least five potential ROT claimants not all of whom have submitted supporting documentation in respect of their claim. Claims received to date have been dealt with in conjunction with BGC and where necessary, our solicitors. We have assumed that given the time that has elapsed, these remaining potential claims will not be pursued.

### Investigations

The Liquidators continued with the investigations commenced by the Administrators into certain pre-appointment transactions entered into by the Company. These investigations have now concluded and the Liquidators confirm that the statutory requirement to consider the directors' conduct and to submit a confidential return/ report to the Insolvency Service has been complied with.

### Receipts and payments account

#### (i) Administrators' final receipts and payments

An account of the Administrators' final receipts and payments for the period 28 July 2011 to 16 August 2011 is set out in Section 3.

#### (ii) Liquidators' receipts and payments account

An account of the receipts and payments in the Liquidation to 16 August 2012 is set out in Section 4.

The Liquidators have included a separate statement regarding movements in third party monies held in the Company's remaining pre-appointment bank account. These monies are under the control of the Liquidators, a significant proportion of which belong to BGC as a result of post-appointment debtor receipts paid into the account in error. The Liquidators will deduct the monies that BGC owes the Company from this account once the debtor reconciliation exercise has concluded.

### Expenses statement

A statement of the expenses incurred by the Liquidators but not paid to 16 August 2012 is included in Section 5. Certain legal costs are stated as they stood at 23 August 2012.

The Administrators' accrued and unpaid expenses will be met from funds held by the Liquidators in accordance with Paragraph 99 of Schedule B1 to the Insolvency Act 1986 ("IA'86").

### Outcome for creditors

#### (i) Secured Creditor

HSBC, the secured creditor was repaid in full under its fixed and floating charges over the Company and MPL's assets in the Administration. The balance paid by the Company was £390,823.

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2012

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### (ii) Preferential Creditors

The only preferential creditors are expected to be the employees based in the French branch, as all other employees were transferred under TUPE regulations to the purchaser. The liability for holiday pay and wage arrears (pursuant to the Employments Right Act 1996 and IA'86) for the employees based in France is expected to be paid in full subject to UK statutory limits.

We have written to the 12 former employees inviting them to submit their preferential claims directly, but have only received two formal responses. In view of the imminent Tribunal hearing discussed below, we propose to adjudicate these claims (and those of the remaining employees) once the outcome of the hearing has been determined.

### (iii) French Branch Employees

The employees have submitted revised claims to the French Tribunal totalling €3.8m against the Company and BGC. It is envisaged that part of the claim may comprise preferential elements as described above.

An initial Tribunal hearing took place on 24 March 2011 and the Liquidators anticipated that the employee claims would be determined at the Tribunal hearing originally scheduled for 1 December 2011. However, the Court postponed the hearing to 19 October 2012 due to late filings of evidence by the employees.

As the level of claims could adversely affect the dividend prospects for unsecured creditors, the Liquidators have instructed local solicitors to defend the proceedings.

### (iv) Unsecured creditors

As at 16 August 2012, the Liquidators had admitted or are ready to admit 97 unsecured claims from trade and other creditors with a total value of £11.3m.

So far, 65 claims with a total value of £3.5m have been withdrawn or rejected in whole or in part, which will result in an enhanced dividend to those creditors whose claims have been admitted.

To date, all claims submitted to the Liquidators with the exception of the French employee claims have been adjudicated. However, there remain 109 creditors identified in the directors' statement of affairs as being owed approximately £1.2m who have yet to submit claims, despite various reminders to do so. Creditors who do not submit claims will be excluded from any dividend once the assets in the estate have been distributed.

The Liquidators anticipate that there will be funds available for distribution to the Company's unsecured creditors by virtue of the prescribed part and through a nominal dividend to unsecured creditors.

The prescribed part applies to situations where there are floating charge realisations, net of costs. In this case, an amount of funds will be set aside for distribution to unsecured creditors. The prescribed part is calculated as follows:

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

The Liquidators currently anticipate that a dividend (including the prescribed part) of circa 4p in the £ will be paid to unsecured creditors. However, the timing of the dividend is uncertain due to the need to resolve and conclude the outstanding matters described in this report.

### Key reasons for the overall reduction in dividend prospects

Upon appointment, the Administrators' initial circular to creditors dated 19 August 2010 estimated that a dividend of 12p in the £ would be payable to unsecured creditors. Dividend prospects have been significantly reduced due to various unforeseen problems that have arisen that have resulted in additional costs being incurred such as:

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2012

- Further investigation work that the Administrators and Liquidators carried out at the request of your Committee and in responding to queries from regulatory authorities.
- French branch employee claims as described above. In view of the level of the claims, it was necessary to instruct lawyers to defend the proceedings; provide advice on the possibility of adjudicating such claims prior to the hearing and the priority of claims which are being determined in an overseas jurisdiction in a UK insolvency process.
- Trade debtors due to the Company. More costs have been incurred than originally envisaged due to the difficulties and delays experienced in reconciling the ledger. This initially resulted in the Administrators terminating the agency collection arrangements with BGC and instructing solicitors to pursue the remaining debts. Work is ongoing to reconcile and collect the final sums due to the Company by BGC.

- Adjudication of other creditor claims. There were complications in this area and lengthy delays caused by claims being received in the name of Mint Partners or just Mint; further enquiries having to be made in respect of payments made by BGC to certain creditors and the fact that many of the claims received were of a contractual nature and so required further investigation.

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

### **Professional Advisers**

On this assignment, the Liquidators have engaged the professional advisers listed below:

Name of Professional Adviser	Nature of Work	Basis of Fee Arrangement
Nabarro LLP	Legal	Time costs
Hadef & Partners	Legal (overseas property issue)	Time costs
Lester Aldridge LLP	Legal (book debts)	Fixed costs
Fasken Martineau (superceded by KL Gates)	Legal (overseas employee issue)	Time costs

The Liquidators' choice was based upon their perception of the advisers experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

### **Officeholders' time costs**

#### **(i) Administrators' time costs**

The Administrators' remuneration has been approved on a time costs basis by the Creditors' Committee. The Administrators' total time costs from the date of appointment to 16 August 2011 total £735,747 plus VAT which represents 2,149.10 hours at an average hourly rate of £342.35.

Of these costs, the Administrators had drawn remuneration totalling £551,526 plus VAT as reported in their final progress report. This sum represented time costs incurred by the Administrators to 13 March 2011.

Since 13 March 2011, the Administrators have incurred further costs of £184,221 plus VAT of which £40,000 plus VAT has been drawn since the appointment of the Liquidators. The balance will be drawn in due course. In accordance with Rule 4.49 IR'86 a full analysis of the Administrators' time costs for the period 14 March 2011 to 16 August 2011 is included in Section 6.

Part of the costs incurred by the Administrators, the Liquidators and their legal advisers are recoverable by the Company from BGC under the terms of the SPA.

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2012

(ii) Administrators' time costs attributable to PwC Paris

The Administrators' total time costs above include the sum of €53,000 (€47,645) attributable to PwC Paris for dealing with branch and employee issues. An analysis of the time costs incurred to 24 September 2010 totalling €34,280 was provided in the Administrators' proposals. A full analysis of the balance of the time costs €18,720 is also included in Section 6.

(iii) Liquidators' time costs

In accordance with Rule 4.127 IR'86, the basis of remuneration agreed in the Administration will continue in the Liquidation.

The Liquidators have incurred time costs of £308,634 plus VAT to 16 August 2012. This represents 1,225.40 hours at an average hourly rate of £251.86. Against these costs, £100,000 has been drawn and the balance will be drawn in due course. A full analysis of these time costs is included in Section 7.

### Officeholders' disbursements

(i) The Administrators have incurred Category 1 disbursements of £2,613 during the period 19 August 2010 to 16 August 2011. Category 1 disbursements are those expenses invoiced by third parties but paid directly by the Insolvency Practitioners' firm.

(ii) The Liquidators have incurred Category 1 disbursements of £358 during the period 17 August 2011 to 16 August 2012.

The above disbursements are reimbursed at cost although no further amounts have been drawn to date.

### Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone Diane Adebowale on 020 7212 3515 who will be pleased to deal with such enquiries. However,

any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E IR'86).

In addition, should any creditor consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR'86. The Liquidators' next report to creditors will be circulated at the earlier of the conclusion of the Liquidation or in approximately 12 months.



David Chubb  
Joint Liquidator  
MEQ Realisations Limited (formerly Mint Equities Limited)

*DC Chubb and PN Spratt have been appointed as Joint Liquidators of MEQ Realisations Limited (formerly Mint Equities Limited). Both 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.*



### 3. Summary of the Joint Administrators' receipts and payments for the period 28 July 2011 to 16 August 2011

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	£
Balance of funds stated in the Administrators' final progress report dated 8 August 2011	1,221,568
<b>Final receipts during Administration</b>	
Net debtor receipts	5,711
Contribution towards professional costs (received from BGC)	83,833
VAT payable	16,766
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<b>Final payments during Administration</b>	1,327,878
Release of funds to Liquidator	(1,327,878)
	<hr/>
<b>Cash in hand</b>	-
	<hr/>

## 4. Summary of the Joint Liquidators' receipts and payments for the period 17 August 2011 to 16 August 2012

Receipts	£	Notes
Funds received from the Joint Administrators	1,327,878	
Net debtor receipts	21,363	
Contribution towards costs (received from BGC)	31,086	1
Mint USA	4,155	
Refunds	911	
Third party funds	36,549	
VAT receipts	14,682	
VAT payable	5,445	
	<u>1,442,069</u>	
<b>Payments</b>		
Administrators' remuneration	40,000	
Liquidators' remuneration	100,000	
Legal and other professional costs	160,844	
Statutory advertising	147	
Storage costs	37	
Bank charges	493	
Irrecoverable VAT	50,351	2
VAT receivable	9,591	2
	<u>361,463</u>	
	<u>1,080,606</u>	
<b>Cash in hand</b>		<b>3</b>

**Notes**

1. Certain costs incurred by the officeholders and their legal advisers are recoverable by the Company from BGC under the sale and purchase
2. Only 16% of input VAT is recoverable. These figures are subject to adjustment as there is an additional VAT liability to the Company for certain services received from overseas suppliers e.g. legal costs. The Company is required to implement a 'reverse charge' i.e. Charge VAT itself on the transaction and claim back at the agreed recovery rate.
3. Funds not currently earning interest.

#### 4. Summary of the Joint Liquidators' receipts and payments for the period 17 August 2011 to 16 August 2012

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##### Pre-appointment bank account under the control of the Joint Liquidators

	£
Balance as at 17 August 2011 (GBP equivalent)	775,278
Receipts	393,421
Payments	(568,740)
Exchange rate adjustment	(11,491)
<b>Balance as at 16 August 2012 (GBP)</b>	<b><u>588,468</u></b>

Notes:

1. Third party funds (pre-appointment) were previously held in four different currency accounts. For monitoring and reporting purposes, the balances of three of the currency accounts have been transferred to the remaining sterling
2. These funds are either to be paid to BGC or retained by the Company, depending upon ownership under the terms of the SPA.

## 5. Statement of expenses incurred but not yet paid as at 16 August 2012

	£	Notes
Balance of Joint Administrators' time costs	144,221	(1)
Joint Administrators' disbursements	2,613	
Joint Liquidators' time costs	208,634	(1)
Joint Liquidators' disbursements	358	
Joint Liquidators' time costs (PwC Paris) (EUR 3,280)	2,574	(2)
Legal and other professional fees:		
Lester Aldridge LLP	324	
Nabarro LLP	34,470	(1)
KL Gates (EUR 8,029)	6,302	(2) and (3)
Hadel & Partners (AED 7,330)	1,272	
Irrecoverable VAT	67,329	(2)
	<u>468,098</u>	

### Notes

1. Part of the costs incurred by the former Administrators, the Liquidators and legal advisers are recoverable by the Company from BGC under the sale and purchase agreement.
2. Based on GBP exchange rate as at 16 August 2012.
3. The costs cover the period to 23 August 2012, as we do not have an analysis stated as at 16 August 2012.

## 6. Analysis of the Joint Administrators' time costs for the period 14 March 2011 to 16 August 2011

Classification of work	Hours						Total Hours	Total Cost (£)	Average Hourly Rate (£/h)
	Partner	Senior Manager	Manager	Senior Associate	Associate	Support Staff			
Strategy, Planning & Team Management	13.90	13.80	2.90	11.80	7.90	2.40	52.70	23,068.00	437.72
Statutory & Compliance	6.90	24.40	1.10	111.90	11.20	1.50	157.00	50,859.00	323.94
Books Debts	-	6.40	-	29.50	23.50	-	59.40	15,805.70	266.09
Realisation of Other Assets	0.50	3.70	-	10.00	2.40	-	16.60	5,568.20	335.43
Property Matters	0.20	2.50	-	5.40	2.00	-	10.10	3,167.80	313.64
Investigations	0.60	34.70	0.30	45.60	9.90	1.00	92.10	31,104.90	337.73
Trade Creditors / Liabilities	5.20	9.60	-	8.80	3.20	-	26.80	11,212.70	418.38
RoT Creditors		25.00		4.20	0.70		29.90	12,979.30	434.09
Employees & Pensions	0.30	2.20	-	3.90	1.00	-	7.40	2,569.70	347.26
Tax & VAT	-	-	-	3.00	2.30	0.10	5.40	1,452.00	268.89
Accounting & Treasury	-	2.40	1.50	53.50	49.30	2.20	108.90	26,434.10	242.74
<b>Total Hours</b>	<b>27.60</b>	<b>124.70</b>	<b>5.80</b>	<b>287.60</b>	<b>113.40</b>	<b>7.20</b>	<b>566.30</b>		
<b>Total Cost (£)</b>	<b>19,791.00</b>	<b>60,200.20</b>	<b>2,389.00</b>	<b>76,176.60</b>	<b>24,634.70</b>	<b>1,029.90</b>		<b>184,221.40</b>	
<b>Average Rate (£/h)</b>	<b>717.07</b>	<b>482.76</b>	<b>411.90</b>	<b>264.87</b>	<b>217.24</b>	<b>143.04</b>			<b>325.31</b>

The key areas of work have been:-

### Strategy, planning and team management

- Internal team meetings / discussions to discuss key issues, progress of the Administration, strategy (assets and exit) and budget
- Preparing file notes on the progress of the Administration and key issues that remain to be dealt with
- Meetings with Nabarro to discuss progress in the areas on which they have been instructed
- Liaising with BGC (phone, writing and meetings) to deal with outstanding information requests
- Dealing with internal filing requirements.

## 6. Analysis of the Joint Administrators' time costs for the period 14 March 2011 to 16 August 2011

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### **Statutory & compliance**

- Finalising and circulating the Administrators' first progress report to creditors
- Preparing documentation to move Company from Administration into Creditors' Voluntary Liquidation
- Liaising with Nabarro regarding application to court for former Administrators' discharge
- Preparing and circulating former Administrators' final progress report to creditors
- Complying with regulatory requirements to move Company from Administration to Liquidation
- Preparing presentation for Creditors' Committee meeting in March 2011 and responding to queries
- Preparing and circulating update report to the Creditors' Committee in July 2011 and follow up matters arising from Creditors' Committee meeting
- Dealing with internal compliance procedures
- Arranging for the withdrawal of the Dubai branch registration with the Dubai Financial Services Authority.

### **Book debts**

- Liaising with BGC for reconciliation on over 120 day debtor collections
- Liaising with Nabarro regarding termination of agreement with BGC on debtor collections
- Liaising with Lester Aldridge regarding pursuing over 120 day debtor collections and following up updates on progress made
- Reconciling pre-appointment bank accounts for amounts received due to BGC and due to Company
- Reconciling over 120 day debtor amounts received by BGC and transferred to Company
- Chasing BGC for information on over 120 day debtor positions to forward to Lester Aldridge.

### **Realisation of other assets**

- Reviewing SPA and liaising with Nabarro regarding ownership of unsold trademarks
- Liaising with BGC re potential sale of unsold trademarks
- Liaising with Nabarro and the directors of Mint USA regarding the proposed settlement agreement.

### **Property matters**

- Liaising with Nabarro and BGC regarding assignment of Ropemaker Place premises to BGC
- Reviewing and completing assignment documents for Ropemaker Place premises
- Liaising with PwC Paris regarding receipt of rent on French property.

### **Investigations**

- Complying with Administrators' obligations under the Company Directors Disqualification Act 1986, and investigating other matters as requested by the Creditors' Committee.

## 6. Analysis of the Joint Administrators' time costs for the period 14 March 2011 to 16 August 2011

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### Trade Creditors / liabilities

- Responding to creditors' enquiries regarding claims positions and reports, by email, post and phone
- Updating records of new creditors, change of addresses and submitted claims
- Liaising with and chasing BGC for information on creditors' paid post-appointment.

### ROT creditors

- Reviewing various communications received from one creditor regarding its ROT claim
- Liaising with BGC and Nabarro to review these claims and where necessary compiling responses to the creditor and/ or their legal advisers.

### Employees & pensions

- Searching and retrieving documents from the records provided by Company and coordinating responses regarding Employment Tribunal disclosure
- Liaising with Nabarro regarding Employment Tribunal documents
- Responding to enquiries received from former employees, by phone, email or post.
- Liaising with PwC Paris regarding matters affecting the French Tribunal hearing.

### Tax & VAT

- Liaising with our Tax specialists regarding submission of corporation tax returns (covering four periods) and quarterly VAT returns.

### Accounting & treasury

- Processing pre-appointment bank account statements
- Sending copies of pre-appointment bank account statements to BGC on a daily basis
- Raising receipt and payment vouchers regarding funds due to BGC / monies received from BGC for the various pre-appointment currency accounts
- Reviewing Administrators' time costs to identify costs to be recharged to BGC & liaising with Nabarro to obtain similar information
- Reconciling overseas counsel's costs recharged to BGC including outstanding invoices
- Preparing invoices to BGC with supporting docs, chasing BGC for payment and responding to BGC's queries
- Raising and processing payment and receipt vouchers for general costs and receipts
- Liaising with HSBC to continue sending daily pre-appointment bank statements when receipts ceased
- Preparing estimated outcome statements for committee presentation and final report
- Preparing detailed analysis of time costs following Creditors Committee meeting in March 2011.

Since the Administrators' proposals dated 11 October 2010, the Administrators incurred €18,720 of time costs attributable to PwC Paris for dealing with the branch and employee issues. A breakdown of these time costs for the period to 16 August 2011 is shown in the table below.

The key work performed includes:

## 6. Analysis of the Joint Administrators' time costs for the period 14 March 2011 to 16 August 2011

- Preparing documents for the application to the Paris Commercial Court for the opening of secondary proceedings
- Attending first and second Court hearings regarding the application
- Obtaining financial and other documents for the French Liquidator
- Meeting with the French Liquidator and dealing with his requests for further information
- Preparing for, attending and reporting to PwC London on the outcome of the Employment Tribunal hearing.

Time cost for PwC Paris to deal with the French branch issues.	Partner	Total
Total Hours (h)	26.0	26.0
Total Cost (€)	18,720.0	18,720.00
Average Hourly Rate (€/h)	720	

### Charging policy

In common with all professional firms, the scale rates used by the former Administrators periodically rose (for example to cover annual inflationary cost increases) over the period of the Administration. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. As stated below, amendments to these rates apply with effect from 1 July 2012.

Grade	Rate per hour Up to 30 April 2011	Rate per hour From 1 May 2011
Partner	695	730
Senior Manager	470	494
Manager	395	415
Senior Associate (qualified)	330	347
Senior Associate (unqualified)	245	257
Associate	210	221



## 6. Analysis of the Joint Administrators' time costs for the period 14 March 2011 to 16 August 2011

Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the former Administrators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Rate per hour Up to 30 April 2011	Rate per hour From 1 May 2011
Partner	980	1,029
Senior Manager	830	872
Manager	605	572
Senior Associate (qualified)	370	389
Senior Associate (unqualified)	265	278
Associate	215	226

## 7. Analysis of the Joint Liquidators' time costs for the period 17 August 2011 to 16 August 2012

Classification of work type	Hours					Total Hours	Total Cost (£)	Average hourly rate (£/h)
	Partner	Senior Manager	Manager	Senior Associate	Associate			
Strategy, planning & team management	6.90	11.90	3.50	77.80	24.30	124.40	38,580.30	310.13
Statutory & compliance	0.80	26.70	0.70	115.20	35.60	179.00	56,053.80	313.15
Realisations of book debts		10.20		78.20	48.20	136.60	36,411.40	266.55
Investigations		6.00	0.10	21.20	18.10	45.40	13,813.00	304.25
Realisation of other assets		0.50		4.70	11.60	16.80	4,048.90	241.01
Creditors / liabilities		17.50	31.70	283.10	190.90	523.20	110,778.20	211.73
Tax & VAT		2.90	0.10	40.90	20.80	64.70	17,062.90	263.72
Accounting & treasury		1.10	1.10	36.30	96.80	135.30	31,885.25	235.66
<b>Total Hours</b>	<b>7.70</b>	<b>76.80</b>	<b>37.20</b>	<b>657.40</b>	<b>446.30</b>	<b>1,225.40</b>		
<b>Total Cost</b>	<b>5,633.50</b>	<b>38,022.50</b>	<b>12,002.30</b>	<b>171,118.40</b>	<b>81,857.05</b>		<b>308,633.75</b>	
<b>Average rate (£/h)</b>	<b>731.62</b>	<b>495.08</b>	<b>322.64</b>	<b>260.30</b>	<b>183.41</b>			<b>251.86</b>

The key areas of work have been:-

### Strategy, Planning & Team Management

- Internal team meetings / discussions to discuss key issues, progress of the Liquidation, strategy (assets and exit) and budget
- Preparing file notes on the progress of the Liquidation and key issues that remain to be dealt with
- Dealing with internal filing requirements
- Allocating tasks between team members and following up on progress
- Supervising junior staff.

### Statutory & Compliance

- Preparing and sending initial notifications regarding appointment of Liquidators
- Arranging advertisement in London Gazette regarding notice of appointment and notice to creditors to submit claims
- Setting up internal databases and filing structures
- Dealing with internal and external compliance procedures
- Arranging for withdrawal of registration of Dubai branch with Dubai Financial Services Authority

## 7. Analysis of the Joint Liquidators' time costs for the period 17 August 2011 to 16 August 2012

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- Preparing presentation for the first meeting of the Liquidation Committee
- Preparing and reviewing update communications to the Liquidation Committee

### Realisation of Books Debts

- Liaising with / chasing BGC regarding reconciliation of the 120 day debtor collections
- Discussions and negotiations with BGC to agree a final settlement figure
- Reconciling pre-appointment bank accounts under the Liquidators' control for amounts that are due to BGC
- Reconciling over 120 day debtor amounts received by BGC and due to the Company
- Liaising with our legal advisers regarding BGC's potential breach of terms in the sale and purchase agreement
- Obtaining updates from Lester Aldridge on the remaining debtors collections following termination of the agency collection arrangements with BGC
- Seeking advice from Lester Aldridge on the legal remedies available to the Liquidators to pursue the remaining debts and discussing their findings regarding potentially irrecoverable debts.

### Investigations

- Complying with Liquidators' obligations under the Company Directors Disqualification Act 1986
- Liaising with the Insolvency Service and collating further information in order to respond to their enquiries.

### Realisation of Other Assets

- Liaising with Mint USA and Nabarro regarding the proposed settlement of the debt owed to the Company including reviewing documentation subsequently supplied from Mint USA to counter the claim.
- Reviewing Company records to support inter-company claim against Mint Partners Limited -- in Liquidation.

### Creditors / Liabilities

- Responding to creditors' enquiries regarding claims positions and reports, by email, post and phone
- Updating records of new creditors, change of addresses and submitted claims
- Reviewing and adjudicating creditor claims; seeking further information where necessary and issuing admitted / rejected letters
- Liaising with PwC Paris, Nabarro and Fasken Martineau regarding the French Tribunal proceedings including providing further documents as and when necessary to prepare the Company's defence; obtaining legal advice on the treatment of these claims in the Company's estate and alternative options available to the Liquidators to try and adjudicate these claims ahead of the hearings
- Complying with the French Tribunal's directive regarding release of certain documentation and liaising with BGC and our legal advisers to coordinate our efforts
- Preparing a specially tailored proof of debt form for the former French employee claims and liaising with them regarding completion thereof.

### Tax & VAT

- Liaising with our Tax specialists regarding submission of corporation tax returns (covering 4 periods) and quarterly VAT returns
- Preparation and submission of corporation tax and VAT returns

## 7. Analysis of the Joint Liquidators' time costs for the period 17 August 2011 to 16 August 2012

- Discussions with HMRC regarding corporation tax position.

### Accounting & treasury

- Processing pre-appointment bank account statements
- Sending copies of pre-appointment bank account statements to BGC
- Raising and processing payment and receipt vouchers for general costs and receipts
- Preparing estimated outcome statement for Liquidation Committee presentation
- Preparing time costs analysis for Liquidation Committee presentation for Administration and Liquidation periods
- Liaising with HSBC to arrange for Liquidation bank account to be opened upon appointment
- Reviewing timecosts to identify costs to be recharged to BGC & liaising with Nabarro to obtain similar information
- Preparing invoices for costs to be recharged to BGC
- Dealing with general accounting queries
- Liaising with HSBC to close foreign pre-appointment accounts and transfer funds to remaining sterling account.

In addition to the above costs, the Liquidators have incurred €3,280 (£2,574 stated at 16 August 2012) for costs attributable to PwC Paris for dealing with the French Tribunal proceedings. A breakdown for this time is shown in the table below.

The key work performed includes:

- Strategy conference calls and updates between the PwC teams in London and Paris
- Obtaining instructions from the Liquidators regarding the French Tribunal hearing in December 2011; attending the meeting on behalf of the Liquidators and reporting back on the outcome.
- Liaising with French counsel and PwC London regarding the preparation of the Company's defence for the rescheduled hearing in October 2012 and supplying copies of documentation in relation to the closure of the French branch
- Providing further information to PwC London on the French Tribunal process
- Advising on employee claims prior to the rescheduled hearing and acting as a point of contact for queries raised by the employees.

Time cost for PwC Paris to deal with the French Tribunal proceedings.	Partner	Senior Associate	Total
Total Hours (h)	3.0	4.00	7.0
Total Cost (€)	2,160.00	1,120.00	3,280.00
Average Hourly Rate (€/h)	720	280	

## 8. The Joint Liquidators' charging policy

### Time costs

The time charged to the Liquidation is by reference to the time properly given by the Liquidators and their staff in attending to matters arising.

It is the Liquidators' policy to delegate the routine administration of the Liquidation to junior staff in order to maximise the cost effectiveness of the work performed. These staff have been supervised by senior staff and the Liquidators. Any matter of particular complexity or significance that has required responsibility of an exceptional kind has also been dealt with by senior staff and the Liquidators.

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

In common with all professional firms, the scale rates used by the Liquidators may periodically rise (for example to cover annual inflationary cost increases) over the period of the Liquidation. PricewaterhouseCoopers LLP, or any successor firm, reserves the right to change the rates and grade structure. As stated below, amendments to these rates apply with effect from 1 July 2012.

Grade	Rate per hour	Rate per hour
	Up to 30 June 2012	From 1 July 2012
Partner	730	755
Senior Manager	494	510
Manager	415	430
Senior Associate (qualified)	347	358
Senior Associate (unqualified)	257	266
Associate	221	225

Specialist departments within PricewaterhouseCoopers LLP, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the Liquidators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Rate per hour from 1 May 2011
Partner	1,029
Senior Manager	872
Manager	572
Senior Associate (qualified)	389
Senior Associate (unqualified)	278
Associate	226