



**Mint Partners Limited – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 6747 of 2010**

**Joint Administrators' progress report for the period from 19 August 2010 to 18
February 2011**

16 March 2011

Contents

Section		Pages
1	Joint Administrators' progress report for the period from 19 August 2010 to 18 February 2011	2 - 5
2	Statutory and other information	6
3	Receipts and payments account	7
4	Statement of expenses incurred in the period	8
5	Analysis of the Administrators' remuneration and Category 2 disbursements for the period 25 September 2010 to 18 February 2011	9 – 11
6	Approval of unpaid pre-Administration costs	12
7	Statement of creditors' rights	13 – 14

1. Joint Administrators' progress report for the period from 19 August 2010 to 18 February 2011

Introduction

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of Mint Partners Limited ("the Company") in the six months since the Administrators' appointment on 19 August 2010.

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is included in Section 2.

At this time, the Administrators are unable to update their earlier estimate of the likely dividend to creditors as there are uncertainties regarding future net realisations. These matters are discussed herein.

Background information and initial actions taken by the Administrators

At the time of the Administrators' appointment on 19 August 2010 the position as regards the Company was as follows: -

- MPL was a non-trading holding company with no employees.
- MPL's principal asset was the entire share capital of MEQ Realisations Limited (formerly Mint Equities Limited) ("MEQ"). MEQ was incorporated in 2004 and the principal activity was an agency brokerage that traded a range of financial and non-financial products from offices in London and branch operations in Paris, Dubai and Switzerland.
- MPL has negative net assets and will become cash flow insolvent as a result of MEQ making claims on it for intercompany debts totalling c. £870k.
- An error by MEQ in the settlement of stamp duty was identified in August 2009 at which point the arrears were estimated at £3m. The arrears related to transactions since June 2007.
- MEQ entered into discussions with HM Revenue & Customs

- ("HMRC") regarding a Time To Pay arrangement for the PAYE owed. This was adhered to until August 2009 after which it was paid intermittently.
- Following discussion between MEQ's advisers and HMRC, the latter wrote to MEQ on 31 July 2010 to advise that unless the whole debt was repaid within 7 business days, it would commence winding up proceedings.
- Since 2007, MEQ has actively sought new investment and this ultimately led to the board entering into discussions with BGC Partners LP ("BGC").
- An offer to purchase the shares had been made by BGC in July 2010 with due diligence expected to take four weeks before the transaction could be completed. However, as a result of the threatened petition from HMRC, the BGC offer was withdrawn on 12 August 2010.
- Subsequent negotiations with BGC resulted in an agreement on 13 August 2010 regarding a sale of the business and assets of MEQ and certain assets of MPL. In order to preserve the business and obtain a return for creditors as a whole, the board elected to appoint an administrator to enable completion of the sale of the business and assets to BGC.
- Accordingly, DC Chubb and PN Spratt were appointed as Joint Administrators on 19 August 2010 by the Directors.

Sale of the business and assets

Immediately following the Administrators' appointment, the majority of the Company's assets were sold to BGC for £306,001. Full disclosure of the transaction, prepared in accordance with Statement of Insolvency Practice No. 16, was made by way of the initial circular to creditors on 24 August 2010.

1. Joint Administrators' progress report for the period from 19 August 2010 to 18 February 2011

Assets to be realised

The Company's assets specifically excluded from the sale were:

- The 30% equity stake in MyHab Limited ("MyHab") – a small business specialising in festival accommodation.
 - (i) MyHab is owned by Mint Private Equity Limited ("Mint PE"), a wholly owned subsidiary of MPL.
 - (ii) The Administrators have had a number of discussions with the director of MyHab which have culminated in low offers for the holdings in MyHab.
 - (iii) Mint PE was the liquidity provider for MyHab and the director, having lost his primary source of funding is unable to raise alternative funding. Accordingly, MyHab is insolvent.
 - (iv) The Administrators are exploring options to exit MyHab whilst retaining upside potential should MyHab be successful in securing funding or investment.
- The shares in Mint Acquisitions Limited ("MAL") – a non-trading wholly owned subsidiary of the Company that owns the rights to a profit share investment in a property development referred to as Dollar Bay.
 - (i) The asset is proving difficult to monetise and doing so will require cooperation from the counterpart with whom the Administrators are currently liaising.
- The rental deposit of c. £290k for the leasehold premises at 80 Cannon Street – MPL's former premises in London.
 - (i) The landlord held the rent deposit as security for MPL's obligations under the lease. The Company and MEQ relocated from these premises prior to the Administrators appointment.

- (ii) The lease has been forfeited and valid elements of the landlord's claim against MPL have been discharged from the rent deposit. The sum of £10,000 has been returned to MPL for the benefit of its estate.

Approval of the Administrators' proposals

On 11 October 2010 the Administrators circulated to creditors their proposals for achieving the purpose of administration.

The Administrators stated in their proposals that it was not reasonably practicable to rescue the Company as a going concern. As such, the objective of the Administration is to achieve 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).

The proposals were approved by creditors without modification at a meeting held by correspondence on 27 October 2010.

A Creditors' Committee was not formed.

Receipts and payments account

A receipts and payments account for the six months to 18 February 2011 is set out in Section 3.

Estimated outcome for creditors

- (i) Secured Creditor

HSBC Bank Plc ("HSBC") held a fixed and floating charge debenture over the assets of MPL and MEQ. At the date of the Administrators' appointment the amount owed to HSBC was £438,569.66 (inclusive of charges).

1. Joint Administrators' progress report for the period from 19 August 2010 to 18 February 2011

Following completion of the sale to BGC, the balance was paid in full by the Administrators from the sale proceeds. As the Bank's fixed and floating charge related to both MPL and MEQ, the distribution was apportioned in accordance with the sales proceeds for both entities. The balance paid by MPL was £47,836.87.

(ii) Preferential Creditors

There are no preferential claims as MPL did not have any employees.

(iii) Unsecured Creditors

The prescribed part amount is to be set aside for distribution to unsecured creditors and applies where there are floating charge realisations, net of costs. The prescribed part equates to:

- 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 Administrators anticipate that there will be funds available for distribution to MPL's unsecured creditors by virtue of the prescribed part or otherwise in due course.

As MPL's assets are still being realised, it is not yet possible to estimate the quantum and timing of any dividend at this stage.

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

Expenses statement

A statement of the expenses incurred but not yet paid by the Administrators for the six months to 18 February 2011 is included at Section 4. 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 on the position at the end of the tax accounting period.

Administrators' remuneration

The Administrators' remuneration has been approved on a time costs basis by the general body of creditors. In accordance with the resolutions passed at the creditors' meeting by correspondence, the Administrators have drawn remuneration of £32,716 plus VAT in respect of their time costs for the period 19 August 2010 to 24 September 2010. A full analysis of these costs was provided in the Administrators' proposals.

The Administrators' have incurred time costs of £90,046 plus VAT in the period 25 September 2010 to 18 February 2011. In accordance with the requirements of Statement of Insolvency Practice 9, a full analysis of these time costs and Category 2 disbursements for this period is provided in Section 5.

Pre-Administration costs

Information regarding the approval of the unpaid pre-Administration costs previously detailed in the Administrators' proposals can be provided at Section 6 of this report.

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 7.

Ending the Administration

The Administrators are considering the most appropriate strategy for bringing the Administration to an end, taking into account dividend prospects, costs and tax implications. Creditors will be advised of the Administrators' decision in due course.

Next report

The Administrators' next report to creditors will be circulated at the earlier of the conclusion of the Administration or in approximately six months.

1. Joint Administrators' progress report for the period from 19 August 2010 to 18 February 2011

Should you have any queries in the meantime, please contact Diane Adebowale on + 44 (0) 20 7212 3515 or by email diane.a.adebowale@uk.pwc.com.



David Chubb
Joint Administrator
Mint Partners Limited

DC Chubb and PN Spratt have been appointed as Joint Administrators of Mint Partners Limited to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court, 6747 of 2010
Full name:	Mint Partners Limited
Trading name:	Mint Partners Limited
Registered number:	04795286
Registered address:	12 Plumtree Court, London EC4A 4HT
Company directors:	Richard Barnett, Anthony Bullman, Timothy Bullman, Timothy Clarke, David Mills, Jamie Royston
Company secretary:	Not listed
Shareholdings held by the directors and secretary:	Timothy Bullman (21.52%), Jamie Royston (22.49%), Richard Barnett (21.14%)
Date of the Administration appointment:	19 August 2010
Administrators' names and addresses:	DC Chubb and PN Spratt of 12 Plumtree Court, London EC4A 4HT
Details of any extension(s) to the initial period of appointment	None
Changes in office holder:	None
Appointor's / applicant's name and address:	The High Court of Justice on the application of the directors at the Company's former registered office
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 Administrators' responsibilities:	Any act required or authorised to be done by the Administrators may be done by all or any one of the Administrators for the time being holding office
Proposed end of the Administration:	Most likely to be Creditors' Voluntary Liquidation or distribution to creditors in the Administration followed by dissolution
Estimated dividend for unsecured creditors:	Uncertain
Estimated values of the prescribed part and the company's net property:	Uncertain
Whether and why the Administrators intend 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. Receipts and payments account

	<i>Estimated to realise per Directors' Statement of Affairs £</i>	Previously reported to 24-Sep-10 £	Movements from 25-Sep-10 £	Cumulative to 18-Feb-11 £	Notes
Receipts					
Directors' loans	306,000	306,001		306,001	
Office rental deposits	271,960		10,000	10,000	
Other debtors	85,300				
Interest received		78	167	245	
	<u>663,260</u>	<u>306,079</u>	<u>10,167</u>	<u>316,246</u>	
Payments - expenses					
Pre-appointment costs			35,437	35,437	1
Administrators' remuneration			32,716	32,716	
Legal fees			32,202	32,202	
Bank charges			55	55	
Irrecoverable VAT			15,369	15,369	2
Input VAT			2,193	2,193	2
			<u>117,972</u>	<u>117,972</u>	
Payments - distributions					
Distribution to secured creditor		47,837		47,837	
Cash in hand		<u>47,837</u>		<u>47,837</u>	
Net movements / cash in hand (note 3)		<u><u>258,242</u></u>	<u><u>(107,805)</u></u>	<u><u>150,437</u></u>	

Notes

1. A breakdown of the pre-appointment costs is attached at Schedule 6
2. Input VAT is recoverable at a rate of 12.49%
3. Held on an interest bearing account with HSBC
4. The corporation tax provision is to be determined

4. Statement of expenses incurred from 19 September 2010 to 18 February 2011

Expenses incurred but not yet paid	£	Notes
Joint Administrators' remuneration	90,046	For the period 25 September 2010 to 18 February 2011
Joint Administrators' disbursements	1,227	For the period 19 August 2010 to 18 February 2011
Legal fees - Nabarro LLP	24,764	
Irrecoverable VAT	20,309	
	<hr/>	
Total expenses	136,346	

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 25 September 2010 to 18 February 2011

Charge-out rate summary for the period 25 September 2010 to 18 February 2011

	Hours						Total Hours	Total Cost (£)	Average Hourly Rate (£/h)
	Partner	Senior Manager	Manager	Senior Associate	Associate	Support Staff			
Accounting & Treasury	-	0.70	0.10	12.00	2.20	-	15.00	4,629.86	309
Strategy & Planning	3.80	-	-	28.50	-	-	32.30	12,046.00	373
Compliance	0.60	7.80	-	36.00	5.90	-	50.30	16,433.71	327
Investigations	-	-	-	2.40	-	-	2.40	690.00	288
Other Assets	0.30	23.70	-	54.70	-	-	78.70	29,281.01	372
Freehold/ Leasehold Property	-	15.20	-	22.50	2.90	-	40.60	15,199.00	374
Unsecured Creditors	-	-	-	0.90	-	-	0.90	220.50	245
Tax & VAT	-	0.50	11.60	12.50	7.60	0.30	32.50	11,546.00	355
Total Hours	4.70	47.90	11.70	169.50	18.60	0.30	252.70	90,046.08	356
Total Cost	3,266.50	22,275.51	5,480.50	56,028.07	2,964.00	31.50	90,046.08		
Average Rate (£/h)	695.00	465.04	468.42	330.55	159.35	105.00	356.34		

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 25 September 2010 to 18 February 2011

The key areas of work have been:-

1. Accounting & Treasury

- Processing of receipts, payments, journals and updating nominal ledger.
- Preparing and signing cheques. Review and authorisation by senior staff of each payment.
- Preparing and reviewing bank reconciliations.
- Dealing with enquiries regarding accounting matters.

2. Strategy & Planning

- Ongoing reviews of the appropriateness of overall realisation strategy
- Team meetings to review progress, agree priorities and discuss key issues.
- Management and supervision of staff.
- Ongoing reviews of staffing requirements.
- Evaluating exit options for the Administration.

3. Compliance

- Finalising and circulating the Joint Administrators proposals.
- Preparing and circulating notification of the result of the meeting by correspondence.
- Complying with internal case checks and completing best practice procedures including preparing file notes to record work done.
- Reviewing Joint Administrators' records to ensure all statutory matters dealt with and up to date.
- Compiling and reviewing time cost analyses.

4. Investigations

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

5. Other Assets

- Continued liaison with solicitors on various matters regarding the realisation of the MyHab and Dollar Bay investments.
- Ongoing negotiations with the directors of MyHab Ltd and MAL to realise value in MPL's shareholdings.
- Liaising with the above directors to amend the companies' articles of association to include restrictions regarding the disposal of share capital and gross assets.
- Ongoing discussions with interested parties and agents in respect of the Dollar Bay investment.

5. Analysis of the Administrators' remuneration and Category 2 disbursements for the period 25 September 2010 to 18 February 2011

6. Freehold/ Leasehold property

- Liaising with the landlords and solicitors in relation to the assignment and forfeiture of the Cannon Street lease.
- Negotiating terms with the landlords for the release of the rental deposit.
- Preparing/ sending forfeiture of the lease letter to the landlords.
- Liaising with agents to value and remove the fixtures from the Cannon Street office.

7. Unsecured Creditors

- Liaising with solicitors and BGC in relation to a pre-appointment injury claim.

8. Tax/ VAT

- Liaising with tax specialists regarding corporation tax compliance.
- Preparing for and attending a VAT inspection with HMRC to review the Mint VAT group pre-appointment returns.
- Liaising with HMRC regarding adjustments to the pre-appointment VAT return.
- Assessing the feasibility of a 'Terminal Loss Relief' claim (a claim for tax paid in the years prior to Administration).
- Examination of potential French VAT recovery.

Disbursements for services provided by the Administrators' own firm (Category 2 disbursements)

No category 2 disbursements have been incurred.

Summary of legal and other professional firms instructed

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Nabarro LLP	Industry knowledge and performance on previous knowledge of the Company from pre-appointment work	Time cost

6. Approval of unpaid pre-Administration costs

The balance of the costs (excluding VAT) which were incurred but unpaid prior to the appointment of the Administrators, but with a view to the Company entering Administration were approved for payment on 27 October 2010.

	Unpaid at time of Administration (£)	Paid prior to Administration (£)	Payment made by (if applicable)
Fees charged by the Administrators - based upon time costs incurred at the Administrators' normal scale rates	14,768.27	5,500.00	The Company prior to the Administrators appointment
Expenses incurred by the Administrators - legal fees of Nabarro LLP	15,669.22		
Expenses incurred by the Administrators - legal fees of Ashurst LLP	5,000.00	15,000.00	The Company prior to the Administrators appointment
Fees charged by other persons qualified to act as an insolvency practitioner	n/a	n/a	
Expenses charged by other persons qualified to act as an insolvency practitioner	n/a	n/a	
Total	35,437.49	20,500.00	

7. 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.”

7. 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.