

Joint liquidators' progress report from 17 August 2019 to 16 August 2020

14 October 2020

**Mint Partners Limited in creditors' voluntary
liquidation**

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Company/MPL	Mint Partners Limited
CVL	Creditors' voluntary liquidation
Firm	PricewaterhouseCoopers LLP
HMRC	HM Revenue and Customs
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Liquidators	Peter Norman Spratt from 17 August 2011 to 30 June 2015 David Christian Chubb from 17 August 2011 to 10 May 2019 Zelf Hussain from 30 June 2015 Rachael Maria Wilkinson from 10 May 2019
MARL	MA Realisations Limited
MEQ	MEQ Realisations Limited – in Creditors Voluntary Liquidation, the Company's subsidiary and largest creditor
Preferential creditors	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
Preferential creditors	Generally, claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
the Asset	an indirect interest held by MARL in a property development
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by Rachael Maria Wilkinson and Zelf Hussain as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/mint. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Rachael Maria Wilkinson and Zelf Hussain have been appointed as Joint Liquidators of the Company. 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 bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Liquidators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

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Key messages

Why we've sent you this report

I'm writing to update you on the progress of the liquidation of Mint Partners Limited in the 12 months since our last report dated 15 October 2019.

You can still view our earlier reports on our website at www.pwc.co.uk/mint.

How much creditors have received

The following table summarises the possible outcome for creditors ¹, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Unsecured creditors	0.14	0.2

¹ Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.

The secured creditor was paid in full in the administration. There are no known preferential creditors.

What you need to do

We've asked for outstanding claims from unsecured creditors so that we can agree them for dividend purposes.

If you haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at www.pwc.co.uk/mint or you can get one by telephoning Sandra Andrews on 0113 289 4926.

Overview of what we've done to date

This is our ninth progress report to members and creditors.

You may wish to refer to our previous reports which can be found at www.pwc.co.uk/mint. As explained in our earlier reports, we have:

- received the sum of £90,696 from the joint administrators following the end of the administration;
- sold the Company's trademarks for £8,000 and a third party paid us £17,074 (net of VAT) to meet the costs of sale and other costs; and
- received sundry receipts totalling £550.

We remain in office mainly in order to realise the Company's only remaining asset comprising a shareholding in MARL.

When we last reported, the key outstanding matters in the liquidation were as follows:

- realisation of remaining asset;
- agreement of creditor claims and payment of a dividend under the prescribed part.

Outcome for creditors

Unsecured creditors

Dividends become available for unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the secured and preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for secured creditors may be ring-fenced for the benefit of unsecured creditors. This prescribed part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The prescribed part applies in this case as there is a floating charge created after 15 September 2003.

The amount of the prescribed part is:

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

We think the Company's net property will be approximately £63,546 which means the estimated value of the prescribed part is £15,709 (before the costs of agreeing claims and paying a distribution). This would give a dividend of about 0.14p in the £ based on the estimate of unsecured creditors included in the statement of affairs provided to the administrators. The previous dividend estimate did not take into account the element of irrecoverable VAT associated with the costs of distribution. These estimates depend on future realisations, liquidation costs and finalising claims from unsecured creditors and are only an indication. You shouldn't use them as the main basis for any bad debt provisions. If we think the costs of agreeing claims and paying a prescribed part dividend will be greater than the funds available or otherwise disproportionate to the benefits, we can apply for a court order not to pay the prescribed part to unsecured creditors. At the moment, we don't plan to make such an application.

Apart from any prescribed part, we don't think there will be any dividend for unsecured creditors based on what we know currently.

The claims agreement process is on hold until the issue below has progressed.

The table below sets out the status of the unsecured creditors' claims:

	Admitted	Received	Awaited	Agreed Nil	Rejected
Number	17	1	15	2	Nil
Value £m	1.8	0.2	Uncertain	Nil	Nil

Progress since we last reported

Realisation of assets

MA Realisations Limited (“MARL”)

The Company's remaining asset was a shareholding in MARL. MARL was a non-trading subsidiary of the Company and has an indirect interest in a property asset (“the Asset”). MARL's directors fully utilised a loan of £60,000 made available via the company MEQ Realisations Ltd - in Liquidation (“MEQ”) to explore whether value can be realised for MARL's interest. They subsequently required further funding. Neither the Company nor MEQ was able to facilitate further funding and, as the directors remained of the opinion that there is value in MARL's interest in the Asset, they sought external funding.

A sale of the shareholding in MARL was completed in May 2017 to an external funder. MARL's directors, together with the purchaser, will continue to pursue the Asset. Under the terms of the sale the Company is entitled to deferred consideration in the event the directors achieve a successful recovery from the Asset.

As the timing and quantum of any recovery from the Asset was uncertain, arrangements had been put in place under the sale agreement for the purchaser, Henderson and Jones Limited, to distribute any deferred consideration directly to MPL's creditors in the event we are able to bring the liquidation to a close before the Asset has been realised. IF this route is taken, the liquidators of MPL will provide a list of creditors entitled to a distribution from these proceeds, and their appropriate proportions.

At the time of our last report we considered that we had given as much time as was appropriate for the Asset to provide a return. However during the period covered by this report, further progress was made and it is possible that a claim could be made by the Company via a different route. We are currently making further enquiries in this regard.

We have also been offered a settlement for the Company's share of the Asset which we are also exploring further as a potential consideration.

Connected party transactions

There have been no connected party transactions in the period covered by this report.

Statutory and compliance

Annual progress report

We completed an annual progress report for the period from 17 August 2018 to 16 August 2019 which was circulated to all creditors.

VAT

We have completed a VAT reconciliation to ensure that VAT had been accounted for correctly throughout the term of the liquidation. The reconciliation work resulted in a saving of £15,000 across the VAT group.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation from 17 August 2019 to 16 August 2020.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses. The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our fees, disbursements and other related matters.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/creditors-guide-to-liquidators-fees-england-and-wales.ashx?la=en>

You can also get a copy free of charge by telephoning Sandra Andrews on 0113 289 4926.

What we still need to do

In order to bring the liquidation to a close we will need to complete the following tasks:

- realise the remaining asset;
- agree unsecured creditor claims and distribute the prescribed part; and
- complete statutory closure tasks and issue the liquidators final account.

Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is the sooner.

If you've got any questions, please get in touch with Sandra Andrews on 0113 289 4926.

Yours faithfully



Rachael M Wilkinson
Joint Liquidator

Appendices

Appendix A: Receipts and payments

	Notes	As at 16-Aug-19 £	Movement in year £	Cumulative to 16-Aug-20 £	Estimated future £	Total £
Receipts						
Funds received from the Joint Administrators		90,696	-	90,696	-	90,696
Sale of trademarks		8,000	-	8,000	-	8,000
Other		550	-	550	-	550
Loans and advances		60,000	-	60,000	-	60,000
Contribution towards costs (received from BGC Brokers LLP)		17,074	6,527	23,601	-	23,601
Bank interest		183	-	183	-	183
VAT receipts - Administration & Liquidation		11,094	(11,094)	-	-	-
Pre appointment VAT refund		-	4,567	4,567	-	4,567
Refunds		199	-	199	-	199
		<u>187,796</u>	<u>-</u>	<u>187,796</u>	<u>-</u>	<u>187,796</u>
Payments						
Joint Liquidators' remuneration		-	-	-	(22,682)	(22,682)
Joint Liquidators' disbursements		-	-	-	(8,729)	(8,729)
Legal fees - Administration		(29,381)	0	(29,381)	-	(29,381)
Legal fees - Liquidation		(24,260)	0	(24,260)	(11,595)	(35,855)
Statutory advertising		(147)	0	(147)	(75)	(222)
Loan to MARL		(60,000)	0	(60,000)	-	(60,000)
Bank charges		(530)	(5)	(535)	-	(535)
Irrecoverable input VAT	1	(7,445)	0	(7,445)	(7,238)	(14,683)
		<u>(121,763)</u>	<u>(5)</u>	<u>(121,768)</u>	<u>(50,319)</u>	<u>(172,087)</u>
Total		<u>66,033</u>	<u>(5)</u>	<u>66,028</u>	<u>(50,319)</u>	<u>15,709</u>
Balance on VAT account	1	(1,521)	438	(1,083)	1,083	-
Prescribed part						
Distribution to creditors on account of the prescribed part					(2,861)	(2,861)
Costs of distributing the prescribed part					(11,000)	(11,000)
Irrecoverable VAT					(1,848)	(1,848)
Cash at bank	2	<u>64,512</u>	<u>433</u>	<u>64,945</u>	<u>(64,945)</u>	<u>Nil</u>

Notes:

1. Only 16% of input VAT is recoverable.
2. Funds held in non-interest bearing bank account.
3. The statement of affairs was lodged in the prior administration and therefore is unsuitable for comparison purposes

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as liquidators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £
Expenses incurred during the Administration					
Joint Administrators' time costs	125,017	-	125,017	-	125,017
Joint Administrators' disbursements	1,285	-	1,285	-	1,285
Legal fees - Administration	29,381	-	29,381	-	29,381
	155,683	-	155,683	-	155,683
Expenses incurred during the Liquidation					
Joint Liquidators' time costs	325,019	-	325,019	32,000	357,019
Joint Liquidators' disbursements	7,985	244	8,229	500	8,729
Legal and other professional costs	35,855	-	35,855	-	35,855
Statutory advertising	147	-	147	75	222
Loan to MARL	60,000	-	60,000	-	60,000
Bank charges	596	5	601	-	601
Other payments	39	-	39	1,000	1,039
Irrecoverable input VAT	9,912	(2,467)	7,445	9,086	16,531
	439,553	(2,218)	437,335	42,661	479,996
Total expenses	595,236	(2,218)	593,018	42,661	635,679

Appendix C: Remuneration update

During the administration, creditors fixed the basis of the administrators' fees by reference to time properly given by the administrators and their staff in dealing with the administration.

The fee basis agreed in the administration continues to apply in the liquidation. This means that our fees as liquidators will be calculated by reference to time properly given by the liquidators and their staff in dealing with the liquidation.

The time cost charges incurred in the period covered by this report are £33,303.60. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Aspect of assignment	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £	Cumulative £
1 Accounting and treasury	-	-	-	0.10	0.20	1.50	-	1.80	533.10	296.17	26,501.50
2 Assets	-	-	0.40	7.25	-	-	-	7.65	4,088.25	534.41	111,448.45
3 Creditors	-	-	-	0.10	0.40	-	-	0.50	182.50	365.00	21,858.10
4 Investigations	-	-	-	-	-	-	-	-	-	-	555.20
5 Statutory and compliance	0.50	-	0.75	3.85	18.35	-	-	23.45	10,912.25	465.34	101,328.25
6 Strategy and planning	-	-	0.35	0.50	-	-	-	0.85	476.75	560.88	20,334.25
7 Tax and VAT	-	-	1.20	0.25	34.90	1.50	-	37.85	17,110.75	452.07	76,297.29
Total for the period	0.50	-	2.70	12.05	53.85	3.00	-	72.10	33,303.60	461.91	358,323.04
Brought forward at								907.95	325,019.44		
Total								980.05	358,323.04		

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

Grade	Up to 30 June 2020 £	From 1 July 2020 £
Partner	910	955
Director	800	840
Senior Manager	605	665
Manager	525	575
Senior Associate – Qualified	435	465
Senior Associate – Unqualified	325	465

Associate	270	297
Support staff	140	155

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2020 £	From 1 July 2020 £
Partner	1,520	1,200
Director	1,395	975
Senior Manager	1,290	850
Manager	775	630
Senior Associate – Consultant	575	500
Associate – Assistant consultant	305	275
Support staff	250	140

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

We have not made any payment to associates during the period covered by this report.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Accounting and treasury	<ul style="list-style-type: none"> Processing of receipts and payments. Reconciling post-appointment bank accounts to internal systems. 	<ul style="list-style-type: none"> To ensure management of the bank account is up to date. 	<ul style="list-style-type: none"> Financial benefit for the liquidation
Assets	<ul style="list-style-type: none"> Liaising with the directors of MARL to obtain updates on their progress and to understand their strategy. Discussions re. distribution in specie. 	<ul style="list-style-type: none"> To achieve the best result for creditors. 	<ul style="list-style-type: none"> Financial benefit for the liquidation.
Creditors	<ul style="list-style-type: none"> Maintaining database of claims and creditors in preparation of potential dividend. 	<ul style="list-style-type: none"> To ensure creditor claims are admitted correctly for dividend purposes. 	<ul style="list-style-type: none"> Facilitates the payment of a dividend to creditors.

Statutory and compliance	<ul style="list-style-type: none"> • Preparing and circulating the Joint Liquidators' annual progress report to MPL's members, creditors and the Registrar of Companies. • Dealing with on-going statutory, other regulatory and internal compliance procedures. • Dealing with general correspondence addressed to the Joint Liquidators. 	<ul style="list-style-type: none"> • To comply with statutory obligations. 	<ul style="list-style-type: none"> • Required by statute or regulation.
Strategy and planning	<ul style="list-style-type: none"> • Allocating tasks between team members and following up on progress. • Team meetings to review progress of case, agree priorities and discuss key issues. 	<ul style="list-style-type: none"> • Ensures matters are progressed efficiently and cost effectively. 	<ul style="list-style-type: none"> • Financial benefit for the creditors.
Tax and VAT	<ul style="list-style-type: none"> • VAT reconciliation. This included a review of invoices submitted by suppliers, a review of all VAT returns submitted throughout the period of the liquidation and, as this was a joint registration, we reconciled the VAT accounts of both members of the VAT registration. • Completion and submission of VAT return. 	<ul style="list-style-type: none"> • For the proper management of the case. • To comply with statutory and other obligations placed on the liquidators. 	<ul style="list-style-type: none"> • Required by legislation.

Our future work

We still need to do the following work in the liquidation.

Area of work	Work undertaken	Estimated cost £	Whether or not the work will provide a financial benefit to creditors
Accounting & treasury	<ul style="list-style-type: none"> Processing receipts and payments. Journals. Bank reconciliations. Bank account closure. 	• 3,000	• Benefit of proper stewardship and accounting of case funds.
Closure	<ul style="list-style-type: none"> Clearances. Final meetings and report. 	• 6,000	• No financial benefit to creditors. Complying with statutory duty.
Creditors	<ul style="list-style-type: none"> Agreement of creditor claims. Calculation of dividend. Distribution to unsecured and creditors. Creditor enquiries. 	• 11,000	• Facilitates the payment of a dividend to creditors.
Statutory & compliance	<ul style="list-style-type: none"> Preparing, drafting and issuing annual progress report. Completing statutory six monthly case reviews. 	• 7,500	• No financial benefit to creditors. Complying with statutory duty.
Strategy & planning	<ul style="list-style-type: none"> Team briefings on case progression and resolution of outstanding matters. Joint Liquidators' oversight and review of case progression and strategy options. Dealing with general incoming correspondence. Managing case diary / events. 	• 3,000	• Ensures matters are progressed efficiently and cost effectively.
Tax and VAT	<ul style="list-style-type: none"> Submit VAT returns. 	• 1,500	• No financial benefit to creditors. Complying with statutory duty.

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called 'Category 2' disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees. No Category 2 disbursements were incurred during the period covered by this report.

Our expenses policy allows for all properly incurred expenses to be recharged to the liquidation and has been approved by creditors where required..

The following Category 1 disbursements arose in the period of this report.

Category	Policy	Costs incurred (£)
1	Insurance	241.26
1	Storage	2.21
Total		243.47

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

Details of subcontracted work

No work, which we or our staff would normally do, has been done by subcontractors.

Legal and other professional firms

We instructed the following professionals on this case:

We require all third party professionals to submit time costs analyses and narrative in support of invoices rendered which are reviewed by our staff.

Service provided	Name of firm/organisation	Reason selected	Basis of fees
Legal services	• Nabarro LLP	• Expertise	• Time costs

Appendix D: Other information

Company's registered name:	Mint Partners Limited
Registered number:	04795286
Registered address:	8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the Liquidators' appointment:	Peter Norman Spratt from 17 August 2011 to 30 June 2015 David Christian Chubb from 17 August 2011 to 10 May 2019 Zelf Hussain from 30 June 2015 Rachael Maria Wilkinson from 10 May 2019
Liquidators' names, addresses and contact details:	Rachael Maria Wilkinson of PricewaterhouseCoopers LLP, 4th Floor, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Call Sandra Andrews on 0113 289 4926
