



**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 2016**

10 October 2016

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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 August 2011	
Appointees	David Christian Chubb and Zelf Hussain	
Address	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT	
Dividend Prospects	Current estimate P in £	Previous estimate P in £
	Preferential 100 (if applicable)	100 (if applicable)
	Unsecured 1.8 to 3.1	1.8 to 3.8
<p><i>Please note that the guidance on dividend prospects in indicative only. It should not be used as the sole or principal basis of any bad debt provision decision.</i></p>		

2. Joint Liquidators' report to members and creditors for the year ended 16 August 2016

Introduction

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

Background to the Liquidation

On 19 August 2010, David Christian Chubb and Peter Norman Spratt of PricewaterhouseCoopers LLP were appointed Joint Administrators of the Company. The Administration was concluded on 17 August 2011, being the date the Company moved into Creditors' Voluntary Liquidation. Zelf Hussain replaced Peter Norman Spratt as Joint Liquidator with effect from 30 June 2015.

Inter-company debtors

As previously reported, the Company has submitted a claim of £848k in the Liquidation of Mint Partners Limited ("MPL") which has been admitted for dividend purposes.

MPL's remaining asset is its shareholding in MA Realisations Limited ("MARL"). MARL's directors continue to explore whether value can be realised for its indirect interest in a property asset. This exercise is ongoing and MARL's directors remain of the opinion that there may be value in this asset, and if so MEQ could benefit via its claim against MPL.

As the realisable value of MEQ's claim in MPL remains uncertain at this stage, no amount has been included in calculating the estimated outcome for unsecured creditors.

Former employees in France

Full details regarding the background to these claims has previously been provided.

As previously reported, we are currently waiting for an appeal hearing date, which our French solicitor has advised could be expected to be in late 2017.

This is the primary issue which continues to delay finalisation of a distribution to creditors and subsequent closure of the Liquidation.

We have investigated with our UK and French lawyers whether there is any way in which we can accelerate the issue without success and therefore, unless the circumstances of the claims from the French employees alters, we have no option but to wait for the next hearing.

Liquidators' receipts and payments account

An account of the receipts and payments in the Liquidation to 16 August 2016 is set out in Section 3.

Expenses statement

A statement of the expenses incurred by the Liquidators between 17 August 2015 and 16 August 2016 is included in Section 4. This includes an estimates of our future expenses.

There remain accrued and unpaid expenses from the preceding Administration, which 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

The secured creditor was repaid in full in the preceding Administration.

- (ii) Preferential Creditors

The only preferential creditors are expected to be the eight former employees based in France, who appealed the French Court's judgement.

2. Joint Liquidators' report to members and creditors for the year ended 16 August 2016

Depending on the outcome of the tribunal appeal, the liability for holiday pay and wage arrears (pursuant to the Employment Rights Act 1996 and IA '86) for the employees based in France would be paid in full subject to England's statutory limits.

(iii) Unsecured creditors

As at 16 August 2016, the Liquidators had admitted 99 unsecured claims from trade and other creditors with a total value of £11.3m.

So far, 70 claims with a total value of £4.6m have been withdrawn or rejected in whole or in part.

To date, all claims submitted to the Liquidators with the exception of the France based former employee related claims have been adjudicated. However, there remain 109 creditors identified in the directors' statement of affairs as being owed approximately £850k who have yet to submit claims, despite various reminders to do so.

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

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 dividend rate is estimated to be between 1.8p and 3.1p in the £. The lower rate will be applicable should the France based former employees' claims be admissible in the Liquidation.

However, the timing of the dividend is uncertain due to the need to resolve and conclude the outstanding matters described in this report.

Any creditor who has not yet submitted a claim and wishes to do so, should submit it in writing to Amy Chismon at this office. Proof of debt forms are also available from the same address.

Creditors who do not submit claims will be excluded from any dividend once the assets in the estate have been distributed.

Liquidators' remuneration

In accordance with Rule 4.127 IR'86, the basis of remuneration agreed in the Administration will continue in the Liquidation, and is on a time cost basis.

During the period of this report, the Liquidators have incurred time costs of £21,315.95 plus VAT. This represents 68.95 hours at an average hourly rate of £309.15. A full analysis of these time costs is included in Section 5.

Total time costs incurred for the Liquidation to 16 August 2016 are £677,245.06. Remuneration of £400k has been drawn and the balance will be drawn in due course.

Creditors' rights

Creditors have the right to ask for more information regarding the Liquidators' remuneration or disbursements within 21 days of receiving this report as set out in Rule 4.49E of the IR86. Any request must be in writing.

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, within eight weeks of receiving this report. This information can also be found in the guide to fees at:

<http://www.icaew.com/en/technical/insolvency/creditors-guides>

2. Joint Liquidators' report to members and creditors for the year ended 16 August 2016

Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone Amy Chismon on + 44 (0) 20 7212 6815 who will be pleased to deal with such enquiries.

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 Z Hussain have been appointed as Joint Liquidators of MEQ Realisations Limited (formerly Mint Equities Limited). DC Chubb and Z Hussain are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Liquidators are 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 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 Liquidators' receipts and payments for the period 17 August 2015 to 16 August 2016

	Notes	As at 16-Aug-15 £	Movement in year £	Cumulative to 16-Aug-16 £
Receipts				
Funds received from the Joint Administrators		1,327,878	-	1,327,878
Net debtor receipts		306,015	-	306,015
Contribution towards costs (received from BGC Brokers LLP)		69,240	-	69,240
Distribution received from Mint USA		4,155	-	4,155
Refunds		911	-	911
Third party funds	1	-	-	-
Interest		-	1,120	1,120
VAT receipts	2	26,118	-	26,118
Output VAT		11,972	-	11,972
		<u>1,746,289</u>	<u>1,120</u>	<u>1,747,409</u>
Payments				
Joint Administrators' remuneration		40,000	-	40,000
Joint Liquidators' remuneration		300,000	100,000	400,000
PwC Paris remuneration		4,201	-	4,201
Legal and other professional costs - Liquidation		151,061	4,701	155,762
Legal and other professional costs - Administration		123,257	-	123,257
Loan to MARL (via MPL)		60,000	-	60,000
Statutory advertising		147	-	147
Storage costs		40	-	40
Bank charges		964	137	1,101
VAT payments		8,666	-	8,666
Irrecoverable input VAT	3	99,646	16,808	116,454
Recoverable input VAT		18,981	3,201	22,182
		<u>806,963</u>	<u>124,847</u>	<u>931,810</u>
		<u>939,326</u>	<u>(123,727)</u>	<u>815,599</u>

Notes

- All third party funds have been returned.
- VAT receipts includes recoveries from the Administration.
- 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.
- Funds held in interest bearing bank account.

4. Statement of expenses

The following table provides details of the Liquidation expenses. Expenses are amounts properly payable by the Liquidators from the estate and includes the Liquidators' remuneration but excludes distributions to creditors.

The table should be read in conjunction with the receipts and payments account in Section 3, which shows expenses actually paid during the period and the total paid to date.

	Expenses incurred to 16.08.15	Expenses incurred 17.08.15 to 16.08.16	Cumulative	Estimated future	Anticipated total
	£	£	£	£	£
Expenses incurred during the Administration					
Balance of Joint Administrators' time costs	184,221	-	184,221	-	184,221
Joint Administrators' disbursements	2,613	-	2,613	-	2,613
Legal and other professional costs - Administration	123,257	-	123,257	-	-
	310,091	-	310,091	-	186,834
Expenses incurred during the Liquidation					
Joint Liquidators' time costs	655,929	21,316	677,245	91,500	768,745
Joint Liquidators' disbursements	7,769	904	8,673	4,000	12,673
PwC Paris remuneration	4,201	-	4,201	-	4,201
Legal and other professional costs - Liquidation	154,181	1,581	155,762	-	155,762
Loan to MARL (via MPL)	60,000	-	60,000	-	60,000
Statutory advertising	147	-	147	-	147
Storage costs	40	-	40	-	40
Bank charges	964	137	1,101	-	1,101
Other expenses	-	-	-	30,000	30,000
Irrecoverable input VAT	99,646	-	99,646	-	99,646
	982,877	23,938	1,006,815	125,500	1,132,315
	1,292,968	23,938	1,316,906	125,500	1,319,149

Notes

No estimate for future irrecoverable input VAT has been included in the statement.

5. The Joint Liquidators' remuneration and disbursements

Liquidators' charging policy

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.

Hourly rates

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 in three minute units. The minimum time chargeable is therefore three minutes (i.e. 0.05 hours). 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 2016.

Grade	Maximum rate per hour Up to 30 June 2016 (£)	Maximum rate per hour From 1 July 2016 (£)
Partner	825	840
Senior Manager	550	560
Manager	470	480
Senior Associate (qualified)	390	400
Senior Associate (unqualified)	290	295
Associate	245	250

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	Maximum rate per hour Up to 30 June 2016 (£)	Maximum rate per hour From 1 July 2016 (£)
Partner	1,190	1,250
Director	1,115	1,175
Senior Manager	1,110	1,170
Manager	665	700
Senior Associate (qualified)	490	515
Senior Associate (unqualified)	290	295
Associate	240	255

5. The Joint Liquidators' remuneration and disbursements

Liquidators' disbursements

The Liquidators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements charged to the assignment are split between Category 1 and Category 2 disbursements.

Category 1 disbursements

These are disbursements which are reimbursed at cost.

The Liquidators have incurred Category 1 disbursements of £321.55 in the period covered by this report.

Category 2 disbursements

These are disbursements for services provided by the Liquidators' own firm. The following were incurred in the period covered by this report.

Photocopying - At 12 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	£582.50
Mileage - At a maximum of 55 pence per mile (up to 2,000cc) or 75 pence per mile (over 2,000cc).	Nil

Professional Advisers

In the period covered by this report, the Liquidators have engaged LMBE Avocats as professional advisers, in the France based employee issue. They will be paid on a time costs basis.

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.

Other matters

The Liquidators have not made any payments to associates in the period covered by this report, nor has any work been subcontracted out.

The Liquidators have no business or personal relationships with the parties who approve their fees or who provide services to the Liquidation where the relationship could give rise to a conflict of interest.

5. The Joint Liquidators' remuneration and disbursements

Analysis of Liquidators' time costs for the period 17 August 2015 to 16 August 2016

Classification of work type	Hours				Total hours	Total cost (£)	Average hourly rate (£/h)
	Partner	Senior Manager	Manager	Senior Associate			
Strategy, planning and team management			0.10	1.95	2.25	664.50	295.33
Statutory and compliance	1.30	2.40	0.10	21.70	33.85	10,680.25	315.52
France based former employee related claims				4.20	4.20	1,218.00	290.00
Other creditors / liabilities		0.30		2.70	3.00	949.00	316.33
Tax and VAT		0.10		8.20	8.30	3,615.00	435.54
Accounting and treasury		0.80	0.70	7.60	17.35	4,189.20	241.45
Sub-total	1.30	3.60	0.90	46.35	68.95	21,315.95	309.15
	Brought forward from 16 August 2015				2,280.35	655,929.11	287.64
	Overall time costs at 16 August 2016				2,349.30	677,245.06	288.28

Details of work done in the period

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
Strategy and planning	Allocating tasks between team members and following up on progress Team meetings to review progress of case, agree priorities and discuss key issues	Ongoing maintenance of the Liquidation	Overriding duty to realise the assets to the best advantage and distribute the proceeds, net of costs, among creditors and shareholders according to their rights
Statutory and compliance	Preparing and circulating the Joint Liquidators' fourth progress report to MEQ's creditors, member and the Registrar of Companies Preparing details of the following for the Joint Liquidators' fourth progress report; receipts and payments account; expenses incurred but not yet paid and detailed time cost analyses	Regulatory requirement	Required by statute

5. The Joint Liquidators' remuneration and disbursements

<p>Dealing with the various on-going statutory, other regulatory and internal compliance procedures in the Liquidation e.g. providing regular updates on case progress to the Joint Liquidators</p> <p>Preparing estimated outcome statements for inclusion in the case progression reviews carried out by the Liquidators</p> <p>Dealing with general correspondence addressed to the Liquidators</p>	<p>Regulatory requirement</p>	<p>Required by statute</p>
<p>France based former employee related claims</p>	<p>Liaising with our French lawyer regarding the French Tribunal proceedings</p>	<p>Ongoing maintenance of the Liquidation</p> <p>Overriding duty to realise the assets to the best advantage and distribute the proceeds, net of costs, among creditors and shareholders according to their rights</p>
<p>Creditors</p>	<p>Responding to creditors' enquiries regarding claims positions and reports, by email, post and phone</p> <p>Maintaining database of claims and creditors in preparation of potential dividend</p>	<p>Statutory duty to keep proper books and records to demonstrate transactions, assets and liabilities and copy correspondence</p>
<p>Tax and VAT compliance</p>	<p>Preparing, reviewing and submitting VAT returns and general VAT compliance matters</p> <p>Responding to HMRC's enquiries regarding the corporation tax returns and the financial affairs of the Company</p>	<p>In compliance with duties as proper officers for tax</p>
<p>Accounting and treasury</p>	<p>Processing of payments, receipts, journals and updating nominal ledger</p> <p>Reconciling post-appointment bank accounts to internal systems</p> <p>Dealing with general accounting enquiries</p>	<p>Statutory duty to keep proper books and records to demonstrate transactions, assets and liabilities and copy correspondence</p>

5. The Joint Liquidators' remuneration and disbursements

Our future work

The following work will be required before the Liquidation can be closed.

Area of work	Work to be undertaken	Estimated cost (£)	Whether or not the work will provide a financial benefit to creditors
Strategy and planning	Allocating tasks between team members and following up on progress	1,500	Overriding duty to realise the assets to the best advantage and distribute the proceeds, net of costs, among creditors and shareholders according to their rights
	Team meetings to review progress of case, agree priorities, discuss key issues and plan for closure	1,500	
Statutory and compliance	Dealing with the various on-going statutory, other regulatory and internal compliance procedures in the Liquidation e.g. providing regular updates on case progress to the Joint Liquidators	4,000	Required by statute
	Preparation and circulation of Liquidators' fifth annual progress report to creditors	6,000	
	Preparation and circulation of Liquidators' sixth annual progress report to creditors	6,000	
	Preparation and circulation of Liquidators' final progress report to creditors	6,000	
	Preparing estimated outcome statements for inclusion in the case progression reviews carried out by the Liquidators	4,500	
	Closure requirements including holding of final meetings, cancelling bond insurance and review of books and records	2,000	
France based former employee related claims	Liaising with our French lawyer regarding the French Tribunal proceedings	4,000	Overriding duty to realise the assets to the best advantage and distribute the proceeds, net of costs, among creditors and shareholders according to their rights
	Continuing to monitor French Tribunal proceedings, including appeal hearing	3,500	
	Review and adjudicate on employee claims as necessary once Tribunal judgement received	7,000	

5. The Joint Liquidators' remuneration and disbursements

Other creditors / liabilities	Responding to creditors' enquiries regarding claims positions and reports, by email, post and phone	2,000	Statutory duty to keep proper books and records to demonstrate transactions, assets and liabilities and copy correspondence
	Maintaining database of claims and creditors in preparation of potential dividend	1,500	
	Adjudicate any additional claims received	3,500	
	Preparation and distribution of first and final dividend to unsecured creditors	20,000	
Tax and VAT compliance	Preparation and submission to HMRC of post appointment VAT returns	4,500	In compliance with duties as proper officers for tax
	Responding to HMRC's enquiries regarding the corporation tax returns and financial affairs of the Company prior to the Administration	2,500	
	Obtain clearance from HMRC in order to close the Liquidation	2,000	
Accounting and treasury	Processing of payments, receipts, journals and updating nominal ledger	6,000	Statutory duty to keep proper books and records to demonstrate transactions, assets and liabilities and copy correspondence
	Reconciling post-appointment bank accounts to internal systems	2,000	
	Final reconciliation and closure of bank accounts	1,500	
	Total	91,500	