



## **Mint Partners Limited – in Creditors’ Voluntary Liquidation**

**Joint Liquidators’ progress report to members and creditors for the year ended 16 August 2015**

**2 October 2015**

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## 1. Executive summary

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|                     |   |                            |                             |
|---------------------|---|----------------------------|-----------------------------|
| Company             | Mint Partners Limited   |                            |                             |
| Registered Number   | 04795286  |                            |                             |
| 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<br>7 More London Riverside<br>London<br>SE1 2RT  |                            |                             |
| Dividend Prospects  |   | Current estimate<br>P in £ | Previous estimate<br>P in £ |
|                     | Preferential  | Not applicable             | Not applicable              |
|                     | Unsecured   | 0.8                        | 0.8                         |
|                     | <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 2015

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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") fourth progress report to members and all known creditors on the conduct of the Liquidation of Mint Partners Limited (the "Company" or "MPL").

### 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.

### Change of Liquidator during the year

Peter Norman Spratt has recently retired from PwC, so an application was made to Court to facilitate his removal as Liquidator and the appointment of Zelf Hussain in his place.

The application was granted and, consequently, Zelf Hussain replaced Peter Norman Spratt as Joint Liquidator with effect from 30 June 2015. A notice confirming this was published in the London Gazette on 23 July 2015.

Creditors have 28 days from receipt of this report to apply to the Court to vary or discharge this Order. Should no such applications be made, Peter Norman Spratt will be released from all liability in respect of his conduct as Liquidator, by the Secretary of State.

### Remaining asset

MA Realisations Limited ("MARL")

The Company's remaining asset is its shareholding in MARL. MARL is a non-trading subsidiary of the Company and has an indirect interest in a property asset. Due to confidentiality issues imposed under the terms of

the agreement, it has continued to prove time consuming to establish whether it has any value. However, MARL's directors are of the opinion that there is value in this asset.

MARL has no funds in its own right with which to pursue this matter and neither does the Company. However, MEQ Realisations Ltd – in Liquidation ("MEQ") has submitted a claim of £848k in the Company's estate which has been admitted for dividend purposes, and which represents 42% of the total value of claims received to date in this estate.

In view of MEQ's significant interest in the outcome of the Company's Liquidation, MEQ provided a loan to MARL (via the Company) in order that MARL's directors might fully explore whether value can be realised for this asset. This exercise is ongoing and the Liquidators will continue to monitor the position.

### Receipts and payments account

An account of the receipts and payments in the Liquidation to 16 August 2015 is set out in Section 3.

### Expenses statement

A statement of the expenses incurred by the Liquidators but not paid as at 16 August 2015 including irrecoverable VAT on those expenses is included in Section 4.

The Administrators' accrued and unpaid expenses will be met from any surplus funds held by the Liquidator, in accordance with Paragraph 99 of Schedule B1 to the Insolvency Act 1986.

### Claims agreement process

As at 16 August 2015, the Liquidators had admitted 17 claims from unsecured creditors totalling £1.8m. There remains one further claim to be adjudicated with a value of £222k. The Liquidators are aware of at least five creditors who are owed approximately £22k, but have yet to submit claims despite being reminded to do so.

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2015

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

Any creditor, who has not yet submitted a claim and wishes to do so, should submit it in writing to Mint Partners Ltd (in Liquidation), 7 More London Riverside, London SE1 2RT. Proof of debt forms are available from that address.

### Outcome for unsecured creditors

The Liquidators currently estimate that the dividend payable by virtue of the prescribed part to unsecured creditors is likely to be in the region of 0.8p in the £.

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 prescribed part dividend is currently estimated to be £15,750. An increased dividend may be payable if any realisations are made from the Company's interest in MARL, however realisations from this asset remain highly uncertain. As such, the Liquidators cannot provide any further information at present on the timing and amount of the eventual dividend.

### Professional Advisers

The Liquidators have not engaged any professional advisers during the period covered by this report.

### Liquidators' remuneration

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

The Liquidators have incurred time costs of £42,759 plus VAT in the period 17 August 2014 to 16 August 2015. This represents 111.45 hours at an average hourly rate of £383.66. A full analysis of these time costs is included in Section 5. No remuneration has been drawn to date.

Total time costs incurred for the Liquidation to 16 August 2015 are £210,026.

### Liquidators' disbursements

The Liquidators have incurred Category 1 disbursements of £32 during the period 17 August 2014 to 16 August 2015.

Category 1 disbursements are reimbursed at cost although no amounts have been drawn to date.

### Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 4.49E of the Insolvency Rules 1986.

Any request must be in writing. Creditors can also challenge the liquidators' fees and expenses within eight weeks of receiving this report as set out in Rule 4.131. This information can also be found in the guide to fees at:

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

### 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.

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

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2015

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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  
Mint Partners Limited

*DC Chubb and Z Hussain have been appointed as Joint Liquidators of Mint Partners 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 2014 to 16 August 2015

|  | Notes | As at<br>16-Aug-14<br>£ | Movement<br>in year<br>£ | Cumulative to<br>16-Aug-15<br>£ |
|--|-------|-------------------------|--------------------------|---------------------------------|
| <b>Receipts</b>                                |       |                         |                          |                                 |
| Funds received from the Joint Administrators   |       | 90,696                  | -                        | 90,696                          |
| Sale of trademarks                             |       | 8,000                   | -                        | 8,000                           |
| Other  |       | 123                     | -                        | 123                             |
| Loans and advances                             |       | 60,000                  | -                        | 60,000                          |
| Contribution towards costs (received from BGC) |       | 17,074                  | -                        | 17,074                          |
| VAT receipts - Administration & Liquidation    | 1     | 12,116                  | -                        | 12,116                          |
| Output VAT                                     |       | 8,127                   | -                        | 8,127                           |
|  |       | <u>196,136</u>          | <u>-</u>                 | <u>196,136</u>                  |
| <b>Payments</b>                                |       |                         |                          |                                 |
| Legal fees - Administration                    |       | 29,381                  | -                        | 29,381                          |
| Legal fees - Liquidation                       |       | 24,260                  | -                        | 24,260                          |
| Statutory advertising                          |       | 147                     | -                        | 147                             |
| Loan to MARL                                   |       | 41,757                  | 992                      | 42,749                          |
| Bank charges                                   |       | 393                     | 33                       | 426                             |
| VAT payments - Liquidation                     |       | 7,867                   | -                        | 7,867                           |
| Irrecoverable input VAT                        | 2     | 14,532                  | -                        | 14,532                          |
| Recoverable input VAT                          | 2     | 1,721                   | -                        | 1,721                           |
|  |       | <u>120,058</u>          | <u>1,025</u>             | <u>121,083</u>                  |
| <b>Cash in hand</b>                            | 3     | <u><b>76,078</b></u>    | <u><b>(1,025)</b></u>    | <u><b>75,053</b></u>            |

#### Notes:

1. VAT receipts include recoveries from the Administration
2. Only 16% of input VAT is recoverable.
3. Funds not currently earning interest.

## 4. Statement of expenses incurred but not yet paid as at 16 August 2015

|  | As at<br>16-Aug-14<br>£ | Movement<br>in year<br>£ | Cumulative to<br>16-Aug-15<br>£ |
|--|-------------------------|--------------------------|---------------------------------|
| <b>Expenses incurred during the Administration</b>   |                         |                          |                                 |
| Balance of Joint Administrators' time costs          | 125,017                 | -                        | 125,017                         |
| Joint Administrators' disbursements                  | 1,285                   | -                        | 1,285                           |
|  | <u>126,302</u>          | <u>-</u>                 | <u>126,302</u>                  |
| <b>Expenses incurred during the Liquidation</b>      |                         |                          |                                 |
| Joint Liquidators' time costs                        | 167,267                 | 42,759                   | 210,026                         |
| Joint Liquidators' disbursements                     | 304                     | 32                       | 336                             |
| Legal and other professional costs:<br>- Nabarro LLP | 11,595                  | -                        | 11,595                          |
|  | <u>179,166</u>          | <u>42,791</u>            | <u>221,957</u>                  |
| Irrecoverable VAT on future payments                 | 51,319                  | 7,189                    | 58,508                          |
|  | <u><b>356,787</b></u>   | <u><b>49,980</b></u>     | <u><b>406,767</b></u>           |
| Provision for the prescribed part                    |                         |                          | <u>15,710</u>                   |



## 5. Analysis of the Joint Liquidators' time costs for the period 17 August 2014 to 16 August 2015

| Classification of work type | Hours         |                  |                 |                  |                 | Total hours   | Total cost (£)   | Average hourly rate (£/h) |
|-----------------------------|---------------|------------------|-----------------|------------------|-----------------|---------------|------------------|---------------------------|
|                             | Partner       | Senior Manager   | Manager         | Senior Associate | Associate       |               |                  |                           |
| Strategy and planning       |               | 0.70             |                 | 1.80             |                 | 2.50          | 891.00           | 356.40                    |
| Statutory and compliance    | 0.50          | 1.20             | 0.50            | 23.10            | 5.50            | 30.80         | 9,075.25         | 294.65                    |
| Other assets                |               | 14.20            | 18.00           | 17.40            | 0.10            | 49.70         | 22,240.50        | 447.49                    |
| Unsecured creditors         |               | 2.50             |                 | 6.40             |                 | 8.90          | 3,174.00         | 356.63                    |
| Tax and VAT                 |               | 2.60             |                 | 8.45             |                 | 11.05         | 5,400.75         | 488.76                    |
| Accounting and treasury     |               | 0.70             |                 | 3.20             | 4.60            | 8.50          | 1,977.75         | 232.68                    |
| <b>Total hours</b>          | <b>0.50</b>   | <b>21.90</b>     | <b>18.50</b>    | <b>60.35</b>     | <b>10.20</b>    | <b>111.45</b> |                  |                           |
| <b>Total cost (£)</b>       | <b>397.50</b> | <b>12,952.25</b> | <b>9,680.00</b> | <b>17,730.50</b> | <b>1,999.00</b> |               | <b>42,759.25</b> |                           |
| <b>Average rate (£/h)</b>   | <b>795.00</b> | <b>591.43</b>    | <b>523.24</b>   | <b>293.79</b>    | <b>195.98</b>   |               |                  | <b>383.66</b>             |

The key areas of work have been:-

### Strategy and planning

- Preparing file notes on the progress of the Liquidation and key issues that remain to be dealt with
- Team meetings to review progress of case, agree priorities and discuss key issues

### Statutory and compliance

- Preparing and circulating the Joint Liquidators' third progress report to MPL's members, creditors and the Registrar of Companies
- Preparing details of the following for the Joint Liquidators' third progress report; receipts and payments account; expenses incurred but not yet paid and detailed time cost analyses
- 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
- Dealing with general correspondence addressed to the Joint Liquidators

### Other assets

- Liaising with the directors of MARL to obtain updates on their progress
- Various meetings and correspondence with directors of MARL and their legal advisors to understand their strategy
- Assisting MARL prepare its statutory annual accounts

## **5. Analysis of the Joint Liquidators' time costs for the period 17 August 2014 to 16 August 2015**

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### **Unsecured creditors**

- Responding to creditors' enquiries regarding claims positions and reports, by email, post and phone
- Maintaining listing of unsecured creditors, updating change of addresses, logging details of new and potential creditors

### **Tax and VAT**

- Preparing, reviewing and submitting VAT returns and general VAT compliance matters
- Responding to HMRC's enquiries regarding the corporation tax returns and the financial affairs of the Company

### **Accounting and treasury**

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

## 6. 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 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 2015.

| <b>Grade</b>                   | <b>Maximum rate per hour<br/>Up to 30 June 2015 (£)</b> | <b>Maximum rate per hour<br/>From 1 July 2015 (£)</b> |
|--------------------------------|---|---|
| Partner                        | 795   | 824   |
| Director                       | 695   | 725   |
| Senior Manager                 | 540   | 550   |
| Manager                        | 460   | 470   |
| Senior Associate (qualified)   | 380   | 390   |
| Senior Associate (unqualified) | 285   | 290   |
| Associate                      | 240   | 245   |

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.

| <b>Grade</b>                   | <b>Maximum rate per hour<br/>Up to 30 June 2015 (£)</b> | <b>Maximum rate per hour<br/>From 1 July 2015 (£)</b> |
|--------------------------------|---|---|
| Partner                        | 1,130   | 1,190   |
| Director                       | 1,040   | 1,115   |
| Senior Manager                 | 960   | 1,110   |
| Manager                        | 630   | 665   |
| Senior Associate (qualified)   | 465   | 490   |
| Senior Associate (unqualified) | 265   | 290   |
| Associate                      | 226   | 240   |