



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

**Joint Liquidators’ progress report to members and creditors for the year  
ended 16 August 2013**

**15 October 2013**

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## 1. Executive summary

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 Peter Norman Spratt									
Address	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT									
Dividend Prospects	<table border="0"> <tr> <td></td> <td>Current estimate p in £</td> <td>Previous estimate p in £</td> </tr> <tr> <td>Preferential</td> <td>not applicable</td> <td>not applicable</td> </tr> <tr> <td>Unsecured</td> <td>0.8</td> <td>0.4</td> </tr> </table> <p><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></p>		Current estimate p in £	Previous estimate p in £	Preferential	not applicable	not applicable	Unsecured	0.8	0.4
	Current estimate p in £	Previous estimate p in £								
Preferential	not applicable	not applicable								
Unsecured	0.8	0.4								

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2013

### **Introduction**

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

### **Background to the Liquidation**

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

### **Trademark sales**

The Liquidators have concluded the sale of certain "MINT" trademarks registered in Bahrain, Hong Kong, South Africa and the USA which were not acquired by BGC Partners LP ("BGC") under the original sale agreement. These realised £8k plus VAT.

BGC agreed to meet the costs incurred by MPL in concluding this sale and other non-related costs incurred. Consequently, the Company received a payment of £23k including VAT on 27 September 2013.

### **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.

MEQ Realisations Ltd – in Liquidation ("MEQ") has submitted a claim of £848k in the Company's estate which has been admitted for dividend purposes. MEQ's claim currently represents 42% of the total value of claims received to date in this estate and it therefore has a significant interest in the outcome of the Company's Liquidation.

In view of MEQ's direct interest in the outcome of the Company's Liquidation, MEQ's Liquidation Committee has approved a loan to MARL (via the Company) to fund the next steps that MARL's directors are contemplating in order to realise value in the asset. MPL had previously loaned MARL £8.2k to meet certain statutory and legal costs.

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 2013 is set out in Section 3.

### **Expenses statement**

A statement of the expenses incurred by the Liquidators but not paid as at 16 August 2013 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.



## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2013

### Claims agreement process

As at 16 August 2013, 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.

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, 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 amounts of £600,000

An increased dividend may be payable if any realisations are made in the Company's interest in MARL, but that must be considered to be highly uncertain. As such, we cannot provide any further information at present on the timing and amount of the total dividend.

### Professional Advisers

The Liquidators' continued to engage Nabarro LLP solicitors during the period on a time cost basis. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

### Liquidators' time costs

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 £68,781 plus VAT in the period 17 August 2012 to 16 August 2013. This represents 195.25 hours at an average hourly rate of £352. A full analysis of these time costs is included in Section 5. No remuneration has been drawn to date.

### Officeholders' disbursements

The Liquidators have incurred Category 1 disbursements of £167 during the period 17 August 2012 to 16 August 2013.

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

### Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone Diane Adebowale on

## 2. Joint Liquidators' report to members and creditors for the year ended 16 August 2013

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+ 44 (0) 20 7212 3515 who will be pleased to deal with such enquiries. However, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49 IR'86).

In addition, should any creditor consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4.131 IR'86.

The Liquidators' next report to creditors will be circulated at the earlier of the conclusion of the Liquidation or in approximately 12 months.



David Chubb  
Joint Liquidator  
Mint Partners Limited

*DC Chubb and PN Spratt have been appointed as Joint Liquidators of Mint Partners Limited. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Liquidation.*

### 3. Summary of the Joint Liquidators' receipts and payments for the period 17 August 2012 to 16 August 2013

	Notes	As at 16-Aug-12 £	Movement in year £	Cumulative to 16-Aug-13 £
<b>Receipts</b>				
Funds received from the Joint Administrators		90,696	-	90,696
Sale of trademarks		-	8,000	8,000
Other		-	123	123
VAT receipts	1	5,953	2,093	8,046
Output VAT		-	1,600	1,600
		<u>96,649</u>	<u>11,816</u>	<u>108,465</u>
<b>Payments</b>				
Legal fees - Administration		26,135	3,246	29,381
Legal fees - Liquidation		8,902	-	8,902
Statutory advertising		147	-	147
Loan to MARL		-	8,217	8,217
Bank charges		298	36	334
VAT payments		-	4,288	4,288
Irrecoverable input VAT	2	5,911	545	6,456
Recoverable input VAT		1,126	104	1,230
		<u>42,519</u>	<u>16,436</u>	<u>58,955</u>
<b>Cash in hand</b>	3	<u>54,130</u>	<u>(4,620)</u>	<u>49,510</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 2013

	£	Notes
<b>Expenses incurred during the Administration</b>		
Balance of Joint Administrators' time costs	125,017	
Joint Administrators' disbursements	1,285	
	<u>126,302</u>	
<b>Expenses incurred during the Liquidation</b>		
Joint Liquidators' time costs	131,786	
Joint Liquidators' disbursements	254	
Legal and other professional costs:		
- Nabarro LLP	26,953	(1)
	<u>158,993</u>	
Irrecoverable VAT on future payments	47,930	
	<u>333,225</u>	
Provision for the prescribed part	<u>15,710</u>	
<b>Notes</b>		

(1) Of these costs, the sum of £15.3k plus VAT has since been paid.



## 5. Analysis of the Joint Liquidators' time costs for the period 17 August 2012 to 16 August 2013

Classification of work type	Hours					Total		Average Hourly Rate (£/h)
	Partner	Senior Manager	Manager	Senior Associate	Associate	Hours	£	
Strategy and planning	-	-	-	5.80	4.50	10.30	3,088	300
Statutory & Compliance	0.40	4.50	-	34.30	19.10	58.30	19,173	329
Other assets	-	11.80	-	53.15	3.10	68.05	25,807	379
Unsecured creditors	-	1.70	-	23.20	1.00	25.90	9,292	359
Tax & VAT	-	4.10	0.60	8.15	1.50	14.35	6,965	485
Accounting & treasury	-	-	-	7.00	11.35	18.35	4,456	243
<b>Total Hours</b>	<b>0.40</b>	<b>22.10</b>	<b>0.60</b>	<b>131.60</b>	<b>40.55</b>	<b>195.25</b>		
<b>Total Cost</b>	<b>302</b>	<b>12,459</b>	<b>246</b>	<b>46,304</b>	<b>9,002</b>		<b>68,781</b>	
<b>Average rate (£/h)</b>	<b>755</b>	<b>564</b>	<b>410</b>	<b>352</b>	<b>222</b>			<b>352</b>

The key areas of work have been:-

### Strategy and planning

- Dealing with internal filing requirements
- Preparing file notes on the progress of the Liquidation and key issues that remain to be dealt with
- Regular team meetings to review progress of case, agree priorities and discuss key issues
- Managing and supervising of junior case staff.

### Statutory & Compliance

- Preparing and circulating the Joint Liquidators' first progress report to MPL's members, creditors and the Registrar of Companies
- Preparing details of the following for the Joint Liquidators' first progress report including the final period of the Administration; 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
- Preparing estimated outcome statements for inclusion in the Liquidation Committee report and case progression reviews carried out by the Joint Liquidators
- Dealing with general correspondence addressed to the Joint Liquidators.

## 5. Analysis of the Joint Liquidators' time costs for the period 17 August 2012 to 16 August 2013

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### Other assets

- Liaising with Nabarro LLP on various matters regarding the realisation of the MARL asset
- Liaising with the directors of MARL to obtain updates on progress
- Liaising with our Corporate Compliance colleagues to assist MARL prepare its statutory draft annual accounts
- Reviewing progress reports from the Administrators of MyHab Ltd
- Negotiating with BGC in respect of the sale of the remaining trademarks and concluding the settlement agreement
- Concluding the trade mark settlement agreement with BGC.

### Unsecured creditors

- Reviewing creditor claims received and contacting creditors, where necessary, for further evidence in support of their claims.
- Adjudicating creditor claims; issuing admittance letters and updating the creditor claims database
- Liaising with those creditors whose claims were rejected/ withdrawn in MEQ's estate to ascertain whether they wish to submit a claim in the Company's estate
- Maintaining listing of unsecured creditors, updating change of addresses, logging details of new and potential creditors.

### Tax & 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 prior to the Administration.

### 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.
- Raising an invoice for costs to be recharged to BGC
- 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. 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 2013.

Grade	Rate per hour up to 30 June 2013	Rate per hour from 1 July 2013
Partner	755	775
Director	660	680
Senior Manager	510	525
Manager	430	444
Senior Associate (qualified)	358	370
Senior Associate (unqualified)	266	275
Associate	225	230

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

Grade	Rate per hour up to 30 June 2013	Rate per hour from 1 July 2013
Partner	1,029	1,075
Director	940	990
Senior Manager	872	915
Manager	572	572
Senior Associate (qualified)	389	410
Senior Associate (unqualified)	278	278
Associate	226	226

