



Mint Partners Limited – in Creditors’ Voluntary Liquidation

Joint Liquidators’ progress report to members and creditors for the year ended 16 August 2014

15 October 2014

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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		Current estimate p in £	Previous estimate 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 2014

Introduction

Pursuant to Rule 4.49C of the Insolvency Rules 1986 ("IR'86"), I am pleased to present the Joint Liquidators' ("Liquidators") third 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.

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 from BGC.

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 interest in the outcome of the Company's Liquidation, MEQ's Liquidation Committee approved a loan to MARL (via the Company) to fund the next steps that MARL's directors are pursuing in order fully explore whether value can be realised for this asset. MPL had previously loaned MARL £8.2k to meet certain statutory and legal costs.

This matter is ongoing and there have not been any significant developments in the period. 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 2014 is set out in Section 3.

Expenses statement

A statement of the expenses incurred by the Liquidators but not paid as at 16 August 2014 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 2014, the Liquidators had admitted 17 claims from unsecured creditors totalling £1.8m. There remains one further claim to

2. Joint Liquidators' report to members and creditors for the year ended 16 August 2014

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 (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

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' 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' 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 £35,481 plus VAT in the period 17 August 2013 to 16 August 2014. This represents 114.90 hours at an average hourly rate of £309.80. 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 2014 are £167,267.

Liquidators' disbursements

The Liquidators have incurred Category 1 disbursements of £50 during the period 17 August 2013 to 16 August 2014.

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

Creditors' rights

A copy of the guidance available to creditors regarding liquidators' fees can be found at the following link:

www.pwc.co.uk/mint

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 2014

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 2013 to 16 August 2014

	Notes	As at 16-Aug-13 £	Movement in year £	Cumulative to 16-Aug-14 £
Receipts				
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	8,046	4,070	12,116
Output VAT		1,600	6,527	8,127
		<u>108,465</u>	<u>87,671</u>	<u>196,136</u>
Payments				
Legal fees - Administration		29,381	-	29,381
Legal fees - Liquidation		8,902	15,358	24,260
Statutory advertising		147	-	147
Loan to MARL		8,217	33,540	41,757
Bank charges		334	59	393
VAT payments - Liquidation		4,288	3,579	7,867
Irrecoverable input VAT	2	6,456	8,076	14,532
Recoverable input VAT	2	1,230	491	1,721
		<u>58,955</u>	<u>61,103</u>	<u>120,058</u>
Cash in hand	3	<u>49,510</u>	<u>26,568</u>	<u>76,078</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 2014

	£
Expenses incurred during the Administration	
Balance of Joint Administrators' time costs	125,017
Joint Administrators' disbursements	1,285
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	126,302
Expenses incurred during the Liquidation	
Joint Liquidators' time costs	167,267
Joint Liquidators' disbursements	304
Legal and other professional costs:	
- Nabarro LLP	11,595
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	179,166
Irrecoverable VAT on future payments	51,319
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	356,787
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Provision for the prescribed part	15,710
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5. Analysis of the Joint Liquidators' time costs for the period 17 August 2013 to 16 August 2014

Classification of work type	Hours					Total hours	Total cost (£)	Average hourly rate (£/h)
	Partner	Senior Manager	Manager	Senior Associate	Associate			
Strategy and planning				6.55	0.35	6.90	1,944.35	281.79
Statutory and compliance	0.20	2.40		28.95	14.10	45.65	14,438.00	316.28
Other assets		1.70		8.80		10.50	3,659.00	348.48
Unsecured creditors				0.20	0.20	0.40	99.00	247.50
Tax and VAT		3.45	1.45	10.25		15.15	8,987.59	593.24
Accounting and treasury		0.65	0.10	10.40	25.15	36.30	6,353.40	175.02
Total hours	0.20	8.20	1.55	65.15	39.80	114.90		
Total Cost	155.00	5,337.00	823.75	21,273.45	7,892.14		35,481.34	
Average rate (£/h)	775.00	650.85	531.45	326.53	198.29			308.80

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 and compliance

- Preparing and circulating the Joint Liquidators' second progress report to MPL's members, creditors and the Registrar of Companies
- Preparing details of the following for the Joint Liquidators' second 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
- Preparing estimated outcome statements for inclusion in the Liquidation Committee report and case progression reviews carried out by the Joint Liquidators

5. Analysis of the Joint Liquidators' time costs for the period 17 August 2013 to 16 August 2014

- Dealing with general correspondence addressed to the Joint Liquidators

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 annual accounts

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 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
- 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 2014.

Grade	Maximum rate per hour Up to 30 June 2014 (£)	Maximum rate per hour From 1 July 2014 (£)
Partner	775	795
Director	680	695
Senior Manager	525	540
Manager	444	460
Senior Associate (qualified)	370	380
Senior Associate (unqualified)	275	285
Associate	230	240

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 (£)
Partner	1,075
Director	990
Senior Manager	915
Manager	572
Senior Associate (qualified)	410
Senior Associate (unqualified)	278
Associate	226