

Liquidator's Progress Report

Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

00049488

Name of Company

(a) Insert full name of
company

COVTP (Realisations) Limited

(b) Insert full name(s) We (b) David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Michael John Andrew Jervis and Ian David Green of of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 30 October 2015
to 29 October 2016

Signed

Date

20/12/16

Presenter's name,
address and
reference
(if any)

Kate Whitham, PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1
4DL
Reference SC/KW/COVTP

SATURDAY



A17 *A5MHPTRF* 24/12/2016 #446
COMPANIES HOUSE

***COVTP (Realisations)
Limited (formerly
Manganese Bronze
Property Services
Limited) – in Creditors’
Voluntary liquidation***

For the period from 30 October 2015 to 29 October
2016

www.pwc.co.uk/mbh

19 December 2016

Our ref: KW/SC/COVTP





To all known members and creditors

19 December 2016

Our ref: KW/SC/COVTP


Dear Sir/Madam

**COVTP (Realisations) Limited (formerly Manganese Bronze Property Services Limited) in
creditors' voluntary liquidation ("the Company")
Formerly trading from: Holyhead Road, Coventry, CV5 8JJ**

Please find enclosed the liquidators' third progress report for the period 29 October 2015 to 30 October 2016 to members and all known creditors.

If you have any queries about this report, please contact Kate Whitham on 0113 289 4162 or via email at kate.whitham@uk.pwc.com

Yours faithfully
For and on behalf of the Company


Matthew Hammond
Joint Liquidator

David Matthew Hammond, Anthony Steven Barrell, Ian David Green and Michael John Andrew Jervis have been appointed as joint liquidators of the Company. All 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. 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>*

Definitions used in this report

Definition used	Term
the Company COVTP	COVTP (Realisations) Limited
COVT	COVT (Realisations) Limited
MBH	Manganese Bronze Holdings PLC
COVTS	COVTS (Realisations) Limited
HMRC	HM Revenue and Customs
HSBC	HSBC Bank PLC
the Liquidators we our	David Matthew Hammond, Anthony Steven Barrell, Ian David Green and Michael John Andrew Jervis
the Liquidation	The liquidation of COVTP (Realisations) Limited
the Rules	Insolvency Rules 1986
the Act	Insolvency Act 1986
ICAEW	Institute of Chartered Accountants in England and Wales

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1. Introduction

1.1. Why we're sending you this report

This is our third progress report to members and creditors. It will help if you read this alongside our previous progress reports which can be found at www.pwc.co.uk/mbh

This report provides a summary of:

- The steps taken during the prior year of the Liquidation;
- Outstanding matters; and
- The details of the outcome of the Liquidation for unsecured creditors.

In Section 2 we provide more detailed information on what we've been doing during the period covered by this report and in Section 3 we provide information as to what the outcome for creditors might be.

By law, we have to give you certain statutory information, this is included in Appendix A.

1.2. Estimated dividend prospects

	% Recovery	Forecast Timing
For preferential creditors: i.e. former employees (for unpaid wages up to £800 and holiday pay only) and unpaid pension contributions in certain circumstances:	Not Applicable	Not Applicable
For unsecured creditors: i.e. all other creditors who are neither secured nor preferential:	This report: 100% plus statutory interest Last report: Circa 100%	100% plus statutory interest paid since the period covered in this report.

2. Progress made during the period

2.1. Asset realisations

No assets have been realised within the period of this report other than bank interest in the sum of £7,052.

As detailed in the Liquidators previous report, the majority of the Company's assets were realised in the previous Administration and from this a balance of £1,955,470 was transferred to the Liquidators' account.

Following the appointment of administrators, the Company was obliged to make contributions to the repayment of the debt due to HSBC under a group banking facility and fixed charges. The group consists of COVT, COVTS, MBH and the Company. In our previous report, we advised that under a marshalling exercise, £859,136 of the contributions have been refunded to the Company by the group. No further marshalling payments have been received during the period covered by this report.

2.2. Assets not yet realised

The Company anticipates receipt of further monies as a result of the marshalling exercise from MBH and the repayment of a loan made to MBH once the Company is in funds. We can confirm that these monies have been received. However they are not included in the attached receipts and payments account at Appendix B as it falls outside the period covered by this report.

2.3. Statutory and compliance

During the period of this report, we have prepared and circulated our previous progress report to creditors and carried out routine six monthly reviews to maintain the progression of the Liquidation. We have also prepared and submitted the Company's corporation tax returns during the period to HMRC. VAT returns have been prepared and submitted on a quarterly basis.

3. Outcome for creditors

3.1. Secured creditors

The secured creditor was repaid in full in the prior administration.

3.2. Preferential creditors (mainly employees)

The Company has no preferential creditors.

3.3. Unsecured creditors

The prescribed part is a fund that has to be made available for unsecured creditors. It's paid out of "net property". Net property 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.

In this case the prescribed part doesn't apply because there is no floating charge registered against the Company.

In the period since our last report I have issued a notice of intended dividend to all creditors. Since 29 October 2016 I have declared and paid a dividend of 100% on claims totaling £2,309,185 plus statutory interest of £749,062. No further dividends will be paid to unsecured creditors.

4. Outcome for shareholders

4.1. Shareholder update

It is currently envisaged that there will be a surplus available following the above distributions and costs of the Liquidation. This is expected to result in a distribution to the shareholder of the Company, MBH.

5. Liquidators' fees and other financial information

5.1. Our fees

During the previous administration creditors passed a resolution fixing 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 previous 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.

From 30 October 2015 to 29 October 2016, we have incurred time costs of £41,992. This represents 134 hours work, which works out at an average hourly rate of £312. The average hourly rate in our last progress report was £256.

We include details of the time costs incurred from 30 October 2015 to 29 October 2016, by work type, at Appendix C.

Of the approved fees we have drawn £23,877. We will draw the balance in due course.

Further details of our fees are included in Appendix C.

5.2. Our disbursements

We've incurred disbursements of £302 and we've drawn none of these. Further details are provided in Appendix C.

5.3. 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 Rules. 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 of the Rules. This information can also be found in the guide to fees at <http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/creditors%20guide%20liquidators%20fees%20final.ashx>

You can ask for a copy free of charge by calling Kate Whitham on 0113 289 4162.

5.4. Receipts and payments account

A receipts and payments account for the period 30 October 2015 to 29 October 2016 is provided at Appendix B.

5.5. Statement of expenses

A statement of expenses for the period 30 October 2015 to 29 October 2016 is provided at Appendix D.

This statement doesn't include any tax liabilities that may be payable for the period of this report as this will depend on the position at the end of the accounting period.

Appendix A. - Statutory and other information

Name of company:	COVTP (Realisations) Limited
Registered number:	0049488
Registered office:	Central Square, 8 th Floor, 29 Wellington Street, Leeds, LS1 4JP
Former company names:	Manganese Bronze Property Services Limited Old BSA Limited Manganese Bronze Properties Limited Birmingham Small Arms Company Limited (The)
Trading names:	Not applicable
Trading address:	Holyhead Road, Coventry, CV5 8JJ
Names of liquidators and their address(es):	David Matthew Hammond, Anthony Steven Barrell, Ian David Green and Michael John Andrew Jervis PricewaterhouseCoopers LLP, Central Square, 8 th Floor, 29 Wellington Street, Leeds, LS1 4JP
Date of liquidators appointment:	30 October 2013
Details of change in liquidators:	Not applicable
Details of prior administration:	The Company moved into Liquidation from Administration on 30 October 2013.
Estimated dividend for preferential creditors:	Not applicable
Estimated dividend for unsecured creditors:	100% plus statutory interest
Whether and why the Liquidators intend to apply to court under Section 176A(5) IA86:	Not applicable

Appendix B. - Receipts and payments account for the period 30 October 2015 to 29 October 2016

	30 October 2015 to 29 October 2015	30 October 2015 to 29 October 2016	30 October 2015 to 29 October 2016
	£	£	£
Not specifically pledged			
Receipts			
Interest	15,280.78	7,052.29	22,333.07
Marshalling receipts	859,135.81	-	859,135.81
Release of funds from administrator (including third party funds)	1,955,470.15	-	1,955,470.15
Third party monies	614.80	-	614.80
VAT refund for previous administration period	50,000.00	-	50,000.00
	<u>2,880,501.54</u>	<u>7,052.29</u>	<u>2,887,553.83</u>
Payments			
Corporation tax	(1,518.93)	(1,584.11)	(3,103.04)
Insurance	(868.14)	-	(868.14)
Legal fees	(2,102.30)	(304.50)	(2,406.80)
Loans	(32,384.40)	-	(32,384.40)
Prior appointee fees and expenses (on a time cost basis)	(46,343.26)	-	(46,343.26)
Re allocation of previous administration period VAT to group	(124.52)	-	(124.52)
Agents fees	-	(5,500.00)	(5,500.00)
Statutory advertising	(50.25)	(70.22)	(120.47)
Office holders' fees on a time costs basis	(23,876.60)	-	(23,876.60)
Office holders' expenses	(235.15)	-	(235.15)
Bank charges	(15.00)	-	(15.00)
	<u>(107,518.55)</u>	<u>(7,458.83)</u>	<u>(114,977.38)</u>
VAT control account	-	(1,174.94)	(1,174.94)
Balance held in interest bearing account at Barclays plc	<u>2,772,982.99</u>	<u>(1,581.48)</u>	<u>2,771,401.51</u>

Note: A comparison with the statement of affairs is not included as assets included were realised during the previous administration.

Appendix C. - Details of our remuneration and disbursements and other professional costs

Background

This section sets out the process that was established for setting and monitoring the Liquidators' remuneration.

During the previous administration creditors passed a resolution fixing the administrators' fees by reference to time properly given by the administrators and their staff in dealing with the administration and have transferred across to the Liquidation in accordance with the Rules. Details of the amount we have drawn can be found in section 4

Liquidators' charging policy

The time charged to the Liquidation is by reference to the time properly given by our staff and us in attending to matters arising.

It is our policy to delegate tasks in the Liquidation to appropriate members of staff, considering their level of experience and any requisite specialist knowledge needed and they are supervised accordingly to maximise the cost effectiveness of the work performed.

Our junior people have done the routine work in the Liquidation to keep the costs down. But we and our senior staff have supervised them and we have dealt with any complex or significant matters ourselves.

Matters of particular complexity or significance requiring more exceptional responsibility are undertaken by senior staff or the Liquidators themselves.

Narrative of key areas of work carried out for the period 30 October 2015 to 29 October 2016

There remain a number of distinct work streams within the work we have done. It should be noted that individuals will have worked in more than one area. The activities of these work streams are summarised below:

Area of work	Activities completed
Creditors	<ul style="list-style-type: none"> • Reviewing unsecured creditor claims and adjudicating on / requesting further information in respect of unsecured creditor claims. • In depth review of complex creditor claims. • Internal discussions regarding creditor claims agreement process. • Dealing with creditor queries and correspondence. • Issuing notice of intention to declare a dividend to all known creditors.
Accounting and treasury	<ul style="list-style-type: none"> • Completing reconciliation of bank account. • Arranging payment of received invoices.
Statutory and compliance	<ul style="list-style-type: none"> • Maintaining case files and records. • Internal reviews of case progression. • Updating marshalling and outcome statements. • Updating and review of internal accounting systems, databases and time recording facilities. • Preparing, reviewing and circulating the Liquidators' progress report and associated documentation.

Area of work	Activities completed
Tax & VAT	<ul style="list-style-type: none"> • Liaising with tax and VAT teams and provision of information for completion of computations and returns. • Preparation and review of VAT returns. • Liaising with tax in order to resolve complex intercompany tax implications. • Submitting tax returns.

Our future work

We still need to do the following work to conclude the liquidation:

Area of work	Activities to be completed	Estimated costs £	Whether or not the work will provide a financial benefit to creditors
Assets	<ul style="list-style-type: none"> • Finalising the marshalling exercise to repay the intercompany loans 	500	<ul style="list-style-type: none"> • Unsecured creditors will receive a return
Creditors	<ul style="list-style-type: none"> • Prepare and pay any funds available to unsecured creditors • Deal with creditor enquiries • Potential distribution to shareholders 	4,500	<ul style="list-style-type: none"> • Unsecured creditors will receive a return
Accounting & treasury	<ul style="list-style-type: none"> • Processing receipts and payments • Deal with future shareholder payments • Bank reconciliations • Bank account closure 	2,500	<ul style="list-style-type: none"> • Incidental to the management of the case • Will manage the return to creditors
Statutory and compliance	<ul style="list-style-type: none"> • Prepare and submit progress report • Managing case progression • Updating marshalling and outcome statements. 	4,000	<ul style="list-style-type: none"> • Statutory and regulatory requirements
Tax & VAT	<ul style="list-style-type: none"> • Dealing with VAT matters • Completing and submitting VAT returns • Correspondence to HMRC regarding tax • Obtaining tax and VAT clearances 	8,000	<ul style="list-style-type: none"> • Required by statute
Closure	<ul style="list-style-type: none"> • Clearances • Final meetings and report 	2,500	<ul style="list-style-type: none"> • Required by statute

Hourly rates

In common with all professional firms, scale rates increase from time to time over the period of the administration of each insolvency case. PricewaterhouseCoopers LLP, or any successor firm, reserves the right

to change the rates and grade structures. During the period covered by this report the charge out rates were increased on 1 July 2016.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually involved on this assignment. All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time charged is three minutes (i.e. 0.5 units). There was no allocation of any general costs or overhead costs.

Specialist departments with our firm, such Tax, VAT, Property and Pensions were also used where expert advice was required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour:

Grade	Maximum rate per hour From 1 July 2015 (£)	Maximum rate per hour From 1 July 2016 (£)	Specialist maximum rate per hour (£)
Partner	590	600	1,250
Director	490	500	1,175
Senior Manager	425	435	1,170
Manager	340	345	700
Senior Associate	255	260	515
Associate	165	170	255
Support staff	87	89	150

Our relationships

We have had 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.

Disbursements for services provided by our firm (Category 2 disbursements)

Our firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements were charged to the assignment as follows:

Photocopying	At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
Mileage	At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).

Our disbursements in the period 30 October 2015 to 29 October 2016

We have incurred the following disbursements (excluding VAT) in the period 30 October 2015 to 29 October 2016

Category 1:	£	Category 2:	£
Postage	302.49		Nil
Total	302.49		

Other professional advisors we've used

A summary of legal and other professional firms and subcontractors instructed is below:

Name of Professional Adviser	Nature of work	Reason selected	Basis of fees	Amount paid in period (£)
Wragge Lawrence Graham & Co	Legal advice	Experience	Billed on a time cost basis.	304.50
CBRE	Agents instructed to deal with outstanding property matters	Knowledge of local area	Time cost basis	5,500.00

Our choice was based on the advisers' experience, the complexity and type of work and the basis of the fee arrangement. We're satisfied that the fees charged are reasonable.

COVTP (Realisations) Limited – In Liquidation
Analysis of our time costs by grade and work area from 30 October 2015 to 29 October 2016

Aspect of assignment	Partner	Director	Senior Manager		Senior Associate		Associate	Secretarial	Total hours	Time cost £	Average hourly rate £	Cumulative time £
			Manager	Manager	Associate	Associate						
Assets	-	1.00	-	-	0.40	0.50	-	-	1.90	729.50	383.95	3,130.50
Investigations	-	-	-	-	-	-	-	-	-	-	-	560.80
Creditors	-	0.30	5.25	29.30	18.25	2.10	-	-	55.20	16,408.34	297.25	42,043.09
Accounting and treasury	-	-	0.20	1.05	3.05	3.40	-	-	7.70	1,606.25	208.60	10,026.35
Statutory and compliance	0.25	3.00	1.40	15.00	16.05	0.30	0.30	-	36.30	11,183.70	308.09	28,068.61
Tax & VAT	-	1.70	0.30	9.70	17.25	1.40	-	-	30.35	11,445.00	377.10	27,956.00
Employees & pensions	-	-	-	0.10	-	-	-	-	0.10	52.50	525.00	923.50
Closure procedures	-	-	-	0.15	1.80	0.95	-	-	2.90	566.75	195.43	665.75
Total for the period	0.25	6.00	7.45	55.70	56.90	8.15	0.30	0.30	134.45	41,922.04	312.32	113,374.60
Brought forward at 29 Oct 2015										71,382.56		
Total										113,374.60		

Appendix D. - Statement of expenses for the period 30 October 2015 to 29 October 2016

The Rules require this progress report to include a statement of expenses incurred by the Liquidators during the period of the report, irrespective of whether payment has been made or not. This relates to all costs incurred, and not just the Liquidators' disbursements. Such a summary of expenses is found below:

Category	£
Office holders' fees	41,992.04
Office holder's expenses	302.49
Legal fees	304.50
Agents' fees	5,500.00
Statutory advertising	70.22
Corporation tax for the period ending 29/10/2015	1,584.11
Total for the period	46,753.36