

Liquidators' Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

01022107

Name of Company

(a) Insert full name of
company

(a) COVTS (Realisations) Limited

(b) Insert full name(s)
and address(es)

We (b) David Matthew Hammond of PricewaterhouseCoopers LLP,
One Kingsway, Cardiff, CF10 3PW, 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 liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 1 November 2014
to 31 October 2015.

Signed

Date

17.12.15

Presenter's name, Rebecca Charlesworth, PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds,
LS1 4JP
address and RC/MG/20151207/COVT/CVL033
reference
(if any)

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COMPANIES HOUSE

COVTS (Realisations) Limited – in Creditors’ Voluntary Liquidation (“the Company”)

Report to members & creditors

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is the joint liquidators’ (“the Liquidators”) second annual progress report to members and all known creditors. This report should be read alongside the Liquidators’ previous progress report. Attached at Appendix A is a summary of the financial information relating to the liquidation.

Asset realisations

To date there have been no realisations for the Company during the liquidation or the previous administration.

Assets not yet realised

The main asset of the Company is a profit share agreement with Blackhorse Taxi Finance (“BHFT”), which provided financing for the purchase of taxis sold by a group company.

The profit attributable to the BHFT agreement could only be established once the level of claims against credit providers had been ascertained, as these are off set from the profit.

Following the Liquidators’ previous report dated 22 December 2014, discussions have continued with BHFT regarding the Company’s entitlement to the funds and BHFT’s provisioning for claims. Whilst it is still anticipated that there will be circa £1 million paid over to the Company in relation to the profit share agreement, the resolution of this issue is proving more complex than originally envisaged and the Liquidators have sought legal assistance to progress this matter. In addition it is anticipated that a further, smaller, amount may be realised in respect of the agreement’s run off value.

As detailed in the Liquidators’ previous report, the Company’s cash at bank at the time of the Administrators’ appointment was used to off-set the borrowings of Manganese Bronze Holdings plc’s (“MBH”) under group banking arrangements. It is still anticipated that the Company will be refunded in the region of £735,000 from MBH when that company is in funds, the timing of which is currently uncertain.

Outcome for Creditors

- **Secured and preferential creditors**

The Company has no secured or preferential creditors.

- **Unsecured creditors**

The Liquidators currently anticipate that there will be sufficient funds to enable a distribution to the unsecured creditors of the Company. It is estimated that the dividend will be up to 60p in the £. The level of any distribution will be greatly dependent on the final level of realisations from the BHFT profit share agreement.

We continue to review creditor claims and formal letters have now been sent to the majority of creditors who have submitted a claim. The Liquidators will not be in a position to issue their notice of intended dividend until the final level of realisations from the BHFT profit share agreement has been agreed.

Any creditors who have not yet submitted their unsecured claims should do so using the claim form which can be found on <http://www.pwc.co.uk/mbh>

Professional Advisers

On this and other group assignments, the Liquidators have used the professional adviser listed below

Name of Professional Adviser	Nature of Work	Basis of Fee Arrangement
Wragge Lawrence Graham & Co LLP	Legal advice	Time costs

The Liquidators' choice was based upon their perception of the adviser's 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.

Liquidators' remuneration

During the previous administration, in accordance with resolutions passed at the initial creditors meeting held on 19 December 2012, the Administrators' fees were fixed under Rule 2.106 IR86 by reference to time properly given by the Administrators' and their staff in attending to matters arising. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the administration continues in the Liquidation.

To 31 October 2015, the Liquidators have incurred time costs of £62,695. This represents 187 hours at an average hourly rate of £336. The average hourly rate in the Liquidators' last progress report was £315. To date nothing has been drawn in this respect. The balance will be drawn in due course together with the balance of unpaid fees in respect of the previous administration.

It has been 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.

Details of the time costs incurred from 1 November 2014 to 31 October 2015, by work category, are attached at Appendix B, together with a narrative of work undertaken.

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 structure. After the Liquidators' last progress report, the charge out rates were increased on 1 July 2015. Full details of the charge out rates charged to this case from this date are included at Appendix B. 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. Their rates vary, however, the figures given provide an indication of the maximum rate per hour.

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. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

Liquidators' disbursements

Category 1 disbursements – recharged at cost

The Liquidators' have incurred Category 1 disbursements of £1 during the period 1 November 2014 to 31 October 2015. To date nothing has been drawn in this respect.

Category 2 disbursements

The Liquidators' current disbursements policy, as approved by the creditors, is as follows:

1. Photocopying for circulars or any other bulk copying is charged at 5p per sheet,
2. Mileage – this is reimbursed at a maximum of 71p per mile (up to 2,000cc) and 93p per mile (over 2,000cc).

All other disbursements are reimbursed at cost. The Liquidators have incurred costs of £0.92 in respect of photocopying and no costs in respect of mileage, during the period 1 November 2014 to 31 October 2015.

Statement of expenses

The following expenses have been incurred during the period of the report, irrespective of whether payment has been made:

Category	Brought forward as at 31 October 2014 (£)	Incurred in the period 1 November 2014 to 31 October 2015 (£)	Paid (£)	Unpaid expenses as at 31 October 2015 (£)
Office holders' fees	32,413.85	30,281.47	-	62,695.32
Office holders' expenses	-	1.92	-	1.92
Total *	32,413.85	30,283.39	-	62,697.24

* Information in relation to any legal fees and expenses incurred in the period of this report is awaited from the lawyers.

Additional information

If you require more detail on anything in this report, please contact Rebecca Charlesworth. Any request for further information about the Liquidators' remuneration or disbursements should be made in writing (Rule 4.49E IR1986), in addition, should you consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, you have the right to challenge the amounts in accordance with Rule 4.131 IR86.

A copy of Statement of Insolvency Practice 9, appendix C, 'A creditors' guide to Liquidators' fees', is available on the ICAEW website. You can also get a copy free of charge by contacting Rebecca Charlesworth on 0113 289 4612.

COVTS (Realisations) Limited - in creditors' voluntary liquidation

Appendix A

Receipts and payments account for the period 1 November 2014 to 31 October 2015

	1 November 2013 to 31 October 2014	1 November 2014 to 31 October 2015	1 November 2013 to 31 October 2015
	£	£	£
Receipts	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-
Payments	<u>£</u>	<u>£</u>	<u>£</u>
	-	-	-
	-	-	-
VAT control account	<u>-</u>	<u>-</u>	<u>-</u>
Balance held	<u>-</u>	<u>-</u>	<u>-</u>

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

COVTS (Realisations) Limited - in creditors' voluntary liquidation

Analysis of time costs for the period from 1 November 2014 to 31 October 2015

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Assets	-	10.50	-	0.50	0.85	-	-	11.85	5,511.50	465.11
2 Creditors	-	-	0.30	13.70	4.50	10.00	2.00	30.50	7,462.50	244.67
3 Accounting and treasury	-	-	0.10	0.15	2.50	1.55	-	4.30	846.75	196.92
4 Statutory and compliance	1.05	12.50	2.45	8.50	12.80	0.15	(12.70)	24.75	12,735.47	514.56
5 Tax & VAT	-	-	-	0.15	10.70	0.25	-	11.10	3,300.25	297.32
6 Employees & pensions	-	-	-	0.70	-	-	-	0.70	350.00	500.00
7 Closure procedures	-	-	-	-	0.30	-	-	0.30	75.00	250.00
Total for the period	1.05	23.00	2.85	23.70	31.65	11.95	(10.70)	83.50	30,281.47	362.65
Brought forward at 31 October 2014								103.03	32,413.85	314.61
Total								186.53	62,695.32	336.11

includes a prior period adjustment

- insolvency fees from 1 July 2014 (£)

- insolvency fees from 1 July 2015 (£)

- specialist maximum (£)

85

87

130

160

165

225

250

255

465

330

340

630

415

425

1010

180

490

1095

575

590

1180

COVTS (Realisations) Limited – in creditors' voluntary liquidation

Narrative of work undertaken in the period 1 November 2014 to 31 October 2015

Assets

- Liaising with BHTF in respect of the profit share agreement and responding to BHTF queries
- Review of BHTF profit run off analysis and updating BHTF analysis
- Liaison with legal advisors regarding the above
- Review of inter-company claims position and receipts in to this Company

Creditors

- Reviewing unsecured creditor claims and adjudicating on / requesting further information in respect of unsecured creditor claims
- Dealing with creditor queries and correspondence
- Creditor claims progression updates

Statutory and compliance

- Preparing and reviewing the Liquidators' progress report and associated documentation
- Circulating the Liquidators' progress report and uploading to website
- Maintaining case files and records
- Reviews of case progression
- Updating and review of internal systems, databases and time recording facilities

Tax & VAT

- Liaising with tax and VAT teams and provision of information for completion of computations and returns
- Preparation and review of VAT returns
- Responding to HMRC correspondence