

**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

00180235

Name of Company

(a) Insert full name of  
company

(a) Evans & Reid Investment Company

Limited

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

We (b) Ross David Connock and Robert Nicholas Lewis of  
PricewaterhouseCoopers LLP,  
Benson House, 33 Wellington Street, Leeds LS1 4JP

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 4 June 2011  
to 3 June 2012.

FRIDAY



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\*A1DKT37T\*

20/07/2012

COMPANIES HOUSE

#282

Signed

Date 17 July 2012

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

Vanessa Jennings  
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP



To members and all known creditors

17 July 2012

Our ref: VJJ/ERIC/0612

Dear Sirs,

**Evans & Reid Investment Company Limited - in Creditors' Voluntary Liquidation**  
**Formerly trading from Ceredig House, 6 Mount Stuart Square, Cardiff, CF10 5EE**

I enclose the Joint Liquidators' second annual progress report to members and all known creditors, for your information.

If you have any queries in connection with the report, please contact my colleague, Vanessa Jennings, on 0113 289 4955.

Yours faithfully

Ross D Connock  
Joint Liquidator

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Enclosures.      Annual report  
Appendix A – Summary of financial information from 4 June 2010 to 3 June 2012  
Appendix B – Analysis of time costs for the period 4 June 2010 to 3 June 2012

*Ross David Connock and Robert Nicholas Lewis have been appointed as Joint Liquidators of the Company and act without personal liability. Both are licensed to act in the United Kingdom as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The joint administrators 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 administration.*

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**Second progress report to  
members and creditors**

**Private & confidential**

**17 July 2012**

**Company** Evans & Reid Investment Company Limited

**Registered number** 00180235

**Registered address** Benson House, 33 Wellington Street, Leeds LS1 4JP

**Type of insolvency** Creditors' Voluntary Liquidation

**Date of appointment** 4 June 2010

**Appointees** Ross David Connock and Robert Nicholas Lewis

**Address** PricewaterhouseCoopers LLP  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

<b>Dividend prospects</b>	<b>Current estimate p in £</b>	<b>Previous estimate p in £</b>
Preferential	Nil	Uncertain
Unsecured	Nil	Nil

*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.*

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20/07/2012

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COMPANIES HOUSE

## Evans & Reid Investment Company Limited – in Creditors' Voluntary Liquidation ("the Company")

### Second annual report to members and creditors

In accordance with rule 4 49(c) of the Insolvency Rules 1986 ("IR86"), the Joint Liquidators' ("the Liquidators") present their second progress report to members and all known creditors. Attached at Appendix A is a summary of the financial information relating to the liquidation.

### Asset realisations

All of the Company's assets have now been realised, and are -

	Actual realisations £*	Estimated to realise per the statement of affairs £*
<b>Assets specifically pledged</b>		
Freehold property – 7 Mount Stuart Square, Cardiff	205,000	175,000
Freehold land – Mill Street, Glossop	700,000	700,000
Freehold land – Empire House car park	163,345	165,000
Leasehold property – Tanfield Lea	-	-
Freehold land – East Moors Road, Cardiff	200,000	200,000
Freehold property – Ceredig House, 6 Mount Stuart Square, Cardiff	230,000	200,000
Artwork	1,780	10,000
Refunds and rent	4,595	-
	<b>1,504,720</b>	<b>1,450,000</b>
<b>Assets not specifically pledged</b>		
Office equipment	7,500	2,000
WRU debentures	-	-
Investments in subsidiaries	-	-
Intercompany debtors	-	-
Refunds and sundry	4,977	-
Other debtors	64,301	-
	<b>76,778</b>	<b>2,000</b>

\* The above figures do not take into account costs of realisation

### Assets specifically pledged

#### • Freehold land and buildings

- **7 Mount Stuart Square, Cardiff**  
This property was sold for £205,000 on 6 April 2011. The net sale proceeds have been passed to the secured creditor, Barclays.
- **Mill Street, Glossop**  
Further to our comments in the previous report, the leasehold titles to land in Glossop, Derbyshire, have now been sold for £700,000.
- **Empire House car park, Cardiff**  
This land was sold for £163,345 on 22 July 2010 as part of a joint sale with another group company, The Georgian Company Limited, who owned the Empire House property. The net sale proceeds have been passed to the secured creditor, Barclays.

- **Tanfield Lea, County Durham**  
The professional valuation of this property stated that, theoretically, these leasehold premises had significant value but a marketing period in excess of 2 years would be required to achieve that potential. Considerable holding costs in excess of £100,000 per annum were also advised. In view of the uncertainty in the property market and also a lack of available funding, the Liquidators disclaimed the Company's interest in the lease in April 2011.
- **East Moors Road, Cardiff**  
This land was sold for £200,000 on 24 July 2010. The net sale proceeds have been passed to the secured creditors, Barclays.
- **Ceredig House, 6 Mount Stuart Square, Cardiff**  
This property was sold for £230,000 on 24 November 2010. The net sale proceeds enabled the primary chargeholder, HSBC, to be paid in full which further enabled a small distribution to the secondary chargeholder, Barclays.
- **Rental income**  
£1,410 was received with respect to rental income derived from spaces in the Empire House car park.

Rental of an office at 6 Mount Stuart Square realised £695.89 prior to its sale. A VAT correction has now increased the realisation by £34.27 to £730.16.

#### **Assets not specifically pledged**

- **Office equipment**  
The office equipment was sold for £2,000 as part of the sale of the 6 Mount Stuart Square property. Whilst this is less than that estimated by the directors' statement of affairs, the Liquidators' agents considered this disposal strategy to be the most cost-efficient.
- **Artwork**  
The Company owned four Harry Holland paintings which were sold at auction realising £1,780. Despite the directors estimating a value of £10,000 for these assets, art specialists considered that the sale price was fair in consideration for the paintings' content which depicted street views that the artist is not well known for.
- **WRU debentures**  
Two debentures from the Welsh Rugby Union ("WRU") were thought to be held by the Company. Further investigations however, have determined that these were transferred to the Evans & Reid Coal Company Limited – in liquidation ("COAL") prior to the Company's liquidation. The debentures have been sold by the liquidators of COAL for £4,500. The transfer to COAL could have been challenged by the Liquidators but, given the value of the asset, it was not considered cost-effective to do so since the net benefit to the liquidation estate would be minimal.
- **Investments in subsidiaries**  
Investments relate predominantly to shares in the Company's subsidiaries which do not hold any realisable value as these companies are either subject to insolvency proceedings or have been dissolved. This is supported by the directors' statement of affairs.
- **Intercompany debtors**  
As previously mentioned, the other companies in the group are either subject to insolvency proceedings or have been dissolved.

An unsecured distribution of £64,301.27, relating to an outstanding book debt, was received from the administrators of E & R Polymers Limited.

- **Other debtors**

This category referred to prepayments and VAT refunds due to the Company. As previously mentioned in the directors' report, no recoveries were expected from this source.

- **Sundry**

- **Refunds**

Insurance refunds totalling £6,302.66 have been received, of which £2,772.49 relates to the fixed charge assets.

- **Grants and subsidies**

Funds totalling £634.86 have been received with respect to wayleaves access.

- **Dividends received**

The Company is a shareholder in Abbey Life and a dividend of £264.67 was received for the year ending 4 April 2010. A dividend of £218.90 has now been received for the year ending 4 April 2011.

#### Outcome for creditors

The secured creditors will not be paid in full. It follows, therefore, that there will be no distribution to unsecured creditors. The costs of realisation will exceed the available floating charge realisations and, accordingly, there is no prospect of a dividend to the Company's preferential creditors.

#### Investigations

The Liquidators have reviewed the affairs of the Company prior to liquidation and also considered the points raised by creditors in discharging their duties under the Company Directors' Disqualification Act 1986. The Liquidators have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. The Liquidators confirm that they have complied with this requirement.

#### Professional advisors

On this assignment the Liquidators have used the professional advisors listed below.

Name	Nature of work	Basis of fee arrangement	Fees paid £
Geldards LLP	Legal advice East Moors Road	Time costs	6,443.50
GoIndustry UK Limited	Agents appraisals for fixtures & fittings	Fixed fee	1,626.68
Jones Lang LaSalle	Agents Mill Street	Initial advice fixed Sale % of realisations	15,000.00
Knight Frank LLP	Agents Tanfield Lea valuation, Ceredig House & 7 Mount Stuart Sq	% of realisations	5,958.00
Rees Wood Terry	Legal advice Ceredig House & 7 Mount Stuart Sq, Empire House car park	Time costs	16,430.16
TLT LLP	Legal advice disclaimed Tanfield Lea, Mill Street	Time costs	7,030.76

The Liquidators' choice of advisors was based upon their perception of experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement. The Liquidators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

### **Liquidators' remuneration**

Creditors may recall at the first meeting of creditors held on 4 June 2010 that a resolution was passed to enable the Liquidators to draw remuneration by reference to the time properly given by them and their staff in attending to the matters arising in the winding up. To 3 June 2012, the Liquidators have incurred time costs of £298,362.18. This represents 1,053.80 hours at an average hourly rate of £283.13. These figures include a change in charge out rates effective from 1 May 2011. The Liquidators have drawn fees totalling £58,291.75 to date.

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 themselves. Details of the time costs incurred from 4 June 2010 to 3 June 2012, by work category, are attached at Appendix B.

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 ("PwC"), or any successor firm, reserves the right to change the rates and grade structure in accordance with their policy. Full details of the charge out rates charged to this case are included at Appendix B. Specialist departments within PwC, such as tax, VAT, property and pensions, sometimes charge a small number of hours should the Liquidators require their expert advice. These departmental rates vary, however, the figures given provide an indication of the maximum rate per hour.

In addition, the Liquidators have drawn a statement of affairs fee of £6,500, in accordance with a resolution also passed at the initial meeting of creditors.

### **Liquidators' disbursements**

Disbursements are categorised as follows:

#### **Category 1**

These disbursements are reimbursed at cost. The Liquidators' have incurred disbursements of £562.87 during the period from 4 June 2010 to 3 June 2011. No disbursements have been incurred during the period from 4 June 2011 to 3 June 2012.

#### **Category 2**

The Liquidators' current category 2 disbursements policy, as approved by the creditors, is as follows:

- 1 Photocopying for circulars or any other bulk copying is charged at 4p per sheet,
- 2 Mileage – this is reimbursed at a maximum of 64p per mile (up to 2,000cc) and 81p per mile (over 2,000cc).

The Liquidators have incurred £80.96 and £53.87 in regard of photocopying and mileage respectively during the period from 4 June 2010 to 3 June 2011. No disbursements have been incurred during the period from 4 June 2011 to 3 June 2012.

No disbursements have been drawn as yet.

### Statement of expenses

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

Category	Amount incurred and paid	Amount incurred and outstanding
Agents' fees	£16,497 27	
Legal fees and disbursements	£5,759 46	
Office holders' fees and disbursements	£0	£110,274 01*
Repairs and maintenance	£1,231 25	
Utilities	£169 14	

*\*As noted above, the Liquidators have incurred time costs of £298,362 and drawn fees on account of £58,292 since the start of the liquidation, the figures in this table relate to the year ended 3 June 2012. Not all the accrued time costs will be taken as fees*

### Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Vanessa Jennings. Any request for further information regarding the Liquidators' remuneration or disbursements, however, should be made in writing (rule 4 49(e) IR86)

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 IR86



**Evans & Reid Investment Company Limited – in creditors' voluntary liquidation**  
**Summary of financial information from 4 June 2010 to 3 June 2012**

**Appendix A**

	Receipts and payments for the period from 4 June 2010 to 3 June 2011	Receipts and payments for the period from 4 June 2011 to 3 June 2012	Total for the period from 4 June 2010 to 3 June 2012	Estimated outcome	Directors' statement of affairs
	£	£	£	£	£
<b>Fixed charge realisations</b>					
Freehold property	798,345 00	700 000 00	1,498,345 00	1,498,345 00	1,440,000 00
Artwork	1,780 00	-	1,780 00	1,780 00	10,000 00
Refunds	2,772 49	-	2,772 49	2,772 49	-
Rental income	1,788 53	34 27	1,822 80	1,822 80	-
	<u>804,686 02</u>	<u>700 034 27</u>	<u>1,504,720 29</u>	<u>1,504,720 29</u>	<u>1,450,000 00</u>
<b>Fixed charge cost of realisations/payments</b>					
Secured creditors	744,477 75	-	744,477 75	1,357,007 19	-
Agents fees	16,992 08	16,497 27	33,489 35	33,489 35	-
Insurance	7,577 60	-	7,577 60	7,577 60	-
Legal fees	11,119 00	5,395 76	16,514 76	16,514 76	-
Legal disbursements	502 50	363 70	866 20	866 20	-
Repairs and maintenance	3,037 75	1,231 25	4,269 00	4,269 00	-
Cleaning and site clearance costs	1,040 29	-	1,040 29	1,040 29	-
Security	114 00	-	114 00	114 00	-
Utilities	964 76	-	964 76	1,133 90	-
Office holders' fees	18,291 75	-	18,291 75	79,379 00	-
	<u>807,446 48</u>	<u>23,487 98</u>	<u>830,934 46</u>	<u>1,504,720 29</u>	<u>-</u>
<b>Net fixed charge receipts</b>	<u>- 2,760 46</u>		<u>673,785 83</u>	<u>-</u>	<u>1,450,000 00</u>
<b>Floating charge realisations</b>					
Bank and other debts	64,301 27	-	64,301 27	64,301 27	-
Distributions received	264 67	218 90	483 57	483 57	-
Grants and subsidies	634 86	-	634 86	634 86	-
Interest received gross	94 29	233 55	327 84	500 00	-
Office equipment	7,500 00	-	7,500 00	7,500 00	2,000 00
Refunds	1,530 17	-	1,530 17	1,530 17	-
	<u>76,325 26</u>	<u>452 45</u>	<u>76,777 71</u>	<u>76,949 87</u>	<u>2,000 00</u>
<b>Floating charge cost of realisations/payments</b>					
Accountants fees	6,500 00	-	6,500 00	6,500 00	-
Bank charges	92 00	92 00	184 00	276 00	-
DTE cheque fees	35 75	12 00	47 75	60 00	-
IT costs	20 00	-	20 00	20 00	-
Mail re-direction	51 97	-	51 97	51 97	-
Office holders' fees	10,000 00	-	40,000 00	69,281 01	-
Professional fees	265 00	-	265 00	265 00	-
Statutory advertising	220 86	-	220 86	220 86	-
Storage costs	228 40	-	228 40	228 40	-
Tax deducted on interest	18 86	27 77	46 63	46 63	-
	<u>17,432 84</u>	<u>131 77</u>	<u>17,564 61</u>	<u>76,949 87</u>	<u>-</u>
<b>Net floating charge payments</b>	<u>28,892 42</u>		<u>29,213 10</u>	<u>-</u>	<u>2,000 00</u>
<b>VAT control account</b>			<u>3,405 00</u>	<u>-</u>	
<b>Closing balance</b>			<u>699,591 93</u>	<u>-</u>	

# Appendix B

## *Evans & Reid Investment Company Limited – in creditors' voluntary liquidation* Analysis of time costs for the period 4 June 2010 to 3 June 2012

Work type	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support staff	Total hours	Time costs	Average hourly rate
									£	£
1 Strategy & planning	-	4 00	1 10	151 60	3 55	6 00	-	166 25	46,199 95	277 89
2 Trading	-	-	-	-	4 30	-	-	4 30	906 00	210 70
3 Assets	1 00	129 25	-	294 20	6 45	61 55	-	492 45	156,158 82	317 12
4 Investigations	-	0 75	-	16 90	18 20	-	-	35 85	8,232 50	229 64
5 Creditor claims/distributions	0 50	7 75	0 50	15 80	10 10	-	6 30	40 95	10,415 21	254 34
6 Accounting and treasury	-	-	0 45	34 65	15 25	13 70	2 55	66 60	17,550 95	263 53
7 Statutory and compliance	-	2 50	0 30	46 80	37 30	22 10	-	109 00	23,639 90	216 88
8 Tax/VAT/Pensions	-	1 5	11 00	60 25	16 50	20 70	-	109 95	32,446 60	296 99
9 Employees	-	-	-	-	13 35	15 10	-	28 45	2,812 25	98 85
Total for period to 3 June 2012	1 50	145 75	13 35	620 20	125 00	139 15	8 85			
								<b>1053.80</b>	<b>298,362.18</b>	

### Charge out rates per hour from 1 May 2011

- insolvency	520	436	383	299	168-226	142	76
- specialist	830	660	570	470	260	165	-