

The Insolvency Act 1986**Liquidator's Progress
Report****S. 192****Pursuant to Sections 92A and 104A
of the Insolvency Act 1986****To the Registrar of Companies****For official use**
**Company Number**

00180263

Name of Company(a) Insert full
name of company(a) **Evans & Reid Coal Company****Limited**(b) Insert full
name(s) and
address(es)**I/We (b) Ross David Connock and Robert Nicholas Lewis****PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds,
LS1 4JP****the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986****Signed** **Date** **4 JULY 2011****Presenter's name,
address and
reference
(if any)****Rachel Wiltshire
PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP****For Official Use****WEDNESDAY*****AWOPIVLH*****A43****06/07/2011****312****COMPANIES HOUSE**



To members and all known creditors

4 July 2011

Our ref: RMW/ALT/E&R/12

Dear Sirs,

Evans & Reid Coal Company Limited - in creditors' voluntary liquidation
Formerly trading from Ceredig House, 6 Mount Stuart Square, Cardiff, CF10 5EE and
Coal Yard, Atlantic Way, Barry Dock, CF63 6EY

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

If you have any queries in connection with the report, please contact Rachel Wiltshire on 0113 289 4026.

Yours faithfully

Ross D Connock
Joint Liquidator

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Enclosures: Annual report
Appendix A – Summary of financial information from 21 May 2010 to 20 May 2011
Appendix B – Analysis of time costs for the period 21 May 2010 to 20 May 2011

Ross David Connock and Robert Nicholas Lewns have been appointed as Joint Liquidators of the Company. Both are licensed to act in the United Kingdom as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

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**First progress report to
members and creditors**

Private & confidential

4 July 2011

Company **Evans & Reid Coal Company Limited**

Registered number **00180263**

Registered address **One Kingsway, Cardiff, CF10 3PW**

Type of insolvency **Creditors' voluntary liquidation**

Date of appointment **21 May 2010**

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

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

Dividend prospects	Current estimate p in £	Previous estimate p in £
Preferential	100	100
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

Evans & Reid Coal Company Limited – in creditors' voluntary liquidation ("the Company")

First 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 first 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

The Company's assets have been realised as follows:-

	Actual realisations £	Estimated to realise per the statement of affairs £
Assets specifically pledged		
Freehold land and buildings	-	300,000
<i>Less: due to Barclays Bank plc</i>	-	<i>(943,544)</i>
	-	<i>(643,544)</i>
Assets not specifically pledged		
Investments	-	-
Plant and equipment	90,000	53,000
Stock	-	100,000
Book debts	418,848	395,616
Other debtors	-	-
Intercompany debtors	-	-
	508,848	548,616

Assets specifically pledged

• **Freehold land and buildings**

The Company holds freehold and leasehold titles to property in Glossop, Derbyshire. The directors, working in collaboration with a third party, were intending to dispose of the titles via a proposed retail and residential development which stalled prior to the Liquidators' appointment.

The Liquidators have sought advice from Jones Lang LaSalle ("JLL"), and real estate specialists within PricewaterhouseCoopers LLP ("PwC"), regarding the available realisation options. At present the Liquidators are unable to estimate the likely timing or value of any realisations due to the complex and varying nature of the title plans and ownerships. For the purposes of the estimated outcome statement however, a realisation of £300,000 as per the directors' statement of affairs has been estimated.

Given the remote location of the Glossop property the Liquidators have undertaken various works to secure the site in line with their insurer's requirements. Inspections at the property will be ongoing, as the site continues to be a target for trespassers, until a sale is concluded

The lease relating to the premises occupied by the Company at Barry Dock, South Wales was disclaimed on 23 June 2010 to avoid a possible liability pursuant to the judgment in Goldacre (Offices) Ltd v. Nortel Networks UK Ltd (in administration).

Assets not specifically pledged

- **Investments**

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.

- **Plant, equipment and stock**

After a successful period of marketing, a sale of the Company's plant, equipment and stock was concluded in June 2010 realising £90,000 for the liquidation estate.

- **Book debts**

£418,848 has been collected from a total debtor ledger on appointment of £544,982. The Liquidators are pleased to report that collections are significantly higher than the estimated to realise level in the directors' statement of affairs. Future collections of £26,217 are anticipated shortly. Receipt of these will then conclude the collection process.

- **Other debtors**

There have been no realisations relating to this asset which is in line with 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 and, as such, there have been no realisations from intercompany debts.

- **Sundry assets**

£1,156.68 was received as the closing balance of the Company's business account at HSBC Bank plc

The Company purchased two debentures for £7,900 at The Millennium Stadium, Cardiff which grant an option to purchase sporting tickets. The debentures are currently being marketed by the Liquidators who estimate a realisation value of £3,950

Additionally, a quantity of other debentures has been identified as being purchased by the Company. However, these were originally purchased from an intermediary and no title was granted to the Company. There is little prospect, therefore, of realising any value for these debentures which were not listed in the directors' statement of affairs.

Outcome for creditors

It is unlikely that the secured creditors will be paid in full. It follows, therefore, that there will be no distribution to unsecured creditors.

Preferential creditors have been discharged in full with payments totalling £30,344.06 being made representing a dividend at 100p in the £

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
GoIndustry UK Limited	Agents	Valuation: fixed fee Sale: % of realisations
Jones Lang LaSalle	Agents	% of realisations
Osborne Clarke	Legal advice	Time costs

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 21 May 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 20 May 2011, the Liquidators have incurred time costs of £94,722.48. This represents 408.14 hours at an average hourly rate of £232.08. These figures include a change in charge out rates effective from 1 May 2011. The Liquidators have drawn fees totalling £54,404.00 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 21 May 2010 to 20 May 2011, 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 ("SoA") fee of £6,500.00, in accordance with a resolution also passed at the initial meeting of creditors. Disbursements of £113.27 in connection with preparation of the SoA have also been drawn.

Liquidators' disbursements

Disbursements are categorised as follows:

Category 1

These disbursements are reimbursed at cost. The Liquidators' have incurred disbursements of £382.07 during the period 21 May 2010 to 20 May 2011.

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 £340.04 and £63.23 in regard of photocopying and mileage during the period, respectively.

£785 has been drawn to date.

Additional information

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Rachel Wiltshire. 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.

Appendix A

Evans & Reid Coal Company Limited – in creditors' voluntary liquidation Summary of financial information from 21 May 2010 to 20 May 2011

	Total for the period from 21 May 2010 to 20 May 2011 £	Estimated outcome £	Directors' statement of affairs £
Receipts			
VAT receipt	38 65	38 65	-
Balance at bank	1,156 68	1,156 68	-
Book debts	418,847 98	445,065 00	395,616
Debenetures – Millennium Stadium	-	3,950 00	-
Freehold land and buildings (fixed charge)	-	300,000 00	300,000
Interest received gross	392 98	392.98	-
Plant and machinery	90,000 00	90,000 00	53,000
Stock	-	-	100,000
Sundry debts	1,580 88	1,580 88	-
	<u>512,017 17</u>	<u>842,184.19</u>	<u>848,616</u>
Payments			
Agents' disbursements	213 60	1,000 00	-
Agents' fees	8,450 00	14,000 00	-
Bank charges	74 18	74 18	-
Cleaning and site clearance costs	1,038 28	1,038 28	-
Legal expenses	98 00	1,000 00	-
Legal fees	600 00	4,000 00	-
Mail redirection	103.94	103 94	-
Office holder's disbursements	785 00	785 00	-
Office holder's fees	54,404 00	100,000 00	-
Professional fees	470 00	470 00	-
Repairs and maintenance	435.28	435 28	-
Security	2,300.00	5,000 00	-
Statement of affairs costs	6,613 27	6,613 27	-
Statutory advertising	220.86	294 48	-
Storage costs	120 50	600 00	-
VAT payable	2,567 92	2,567 92	-
	<u>78,494 83</u>	<u>137,982 35</u>	
Available to secured creditors	<u>433,522.34</u>	<u>704,201.84</u>	<u>300,000</u>
Less amount paid to secured creditors	-	(300,000.00)	(300,000)
Available to preferential creditors	<u>433,522 34</u>	<u>404,201 84</u>	<u>548,616</u>
Less amount paid to preferential creditors (100 p/£)	(30,344 06)	(30,344 06)	(28,000)
Available to floating charge holders	<u>403,178 28</u>	<u>373,857 78</u>	<u>520,616</u>
Less amount paid to floating charge holders	-	373,857.78	(520,616)
Net funds	<u>403,178 28</u>		
Available to unsecured creditors		<u>-</u>	<u>-</u>
Unsecured creditors (estimate)			(1,866,718)
Dividend for unsecured creditors (estimate)		-	-

Appendix B

Evans & Reid Coal Company Limited – in creditors' voluntary liquidation Analysis of time costs for the period 21 May 2010 to 20 May 2011

Work type	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support staff	Total hours	Time costs	Average hourly rate
									£	£
1 Strategy & planning	-	-	6 00	8 80	3 30	2.10	-	20 20	5,573 00	275 89
2 Trading	-	-	-	-	-	-	-	-	-	-
3 Assets	-	3 50	-	146 00	21.75	1.75	-	173.00	47,006.50	271.71
4. Investigations	-	-	-	0 60	12 55	-	-	13.15	2,283 25	173 63
5. Creditor claims/distributions	0 50	4 25	-	4 00	16 85	-	15 95	41.55	7,580.70	182 45
6 Accounting and treasury	-	-	0 29	0 70	11 35	13.20	8 10	33.64	4,494 00	133 59
7 Statutory and compliance	-	1 25	0 30	19 60	34.85	2.45	-	58.45	13,606 15	232.78
8. Tax/VAT/Pensions	-	-	1 60	0 60	12 00	23 65	-	37.85	7,716.65	203.87
9. Employees	-	-	1 10	0 50	29 70	-	-	30.30	6,462.24	213 28
Total for period to 20 May 2011	0 5	9 0	8 29	180 80	142 35	43 15	24 05			
								408.14	94,722.48	

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	-