

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

00180263

Name of Company

(a) Insert full name of
company

(a) Evans & Reid Coal 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 21 May 2011
to 20 May 2012

FRIDAY



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A28 13/07/2012 #314
COMPANIES HOUSE

Signed

Date 10 July 2012

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

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



**Second progress report to
members and creditors**

Private & confidential

10 July 2012

Company	Evans & Reid Coal Company Limited
Registered number	00180263
Registered address	Benson House, 33 Wellington Street, Leeds LS1 4JP
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")

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

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
Less: due to Barclays Bank plc	-	(943,544)
	-	(643,544)
Assets not specifically pledged		
Investments	-	-
Plant and equipment	90,000	53,000
Stock	-	100,000
Book debts	445,065	395,616
Other debtors	1,581	-
Intercompany debtors	-	-
Retention for sale of subsidiary	20,000	-
Balance at bank	1,157	-
Debentures	4,050	-
	561,853	548,616

Assets specifically pledged

- **Freehold land and buildings**

As previously reported the Company holds freehold and leasehold titles to property in Glossop, Derbyshire.

The Liquidators have been advised by Jones Lang LaSalle ("JLL"), and real estate specialists within PricewaterhouseCoopers LLP ("PwC"), regarding the available realisation options. Over the period a sale was agreed to a prospective purchaser however this stalled and did not conclude in the agreed timescales. The Liquidators and their advisers are assessing the options available to them in concluding this matter.

At present the Liquidators are unable to estimate the likely timing or value of any realisations 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 further 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

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**

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

- **Book debts**

£445,065 has been collected from a total debtor ledger on appointment of £544,982. There are no further collections to realise.

- **Other debtors**

£1,581 has been realised from Cardiff City Council

- **Intercompany debtors**

There have been no realisations from intercompany debts.

- **Retention for sale of subsidiary**

Prior to the liquidation of the Company there was a sale of a subsidiary 'Evans and Reid Alloys Limited'. As part of the sale a £25,000 retention sum was agreed between the Company and purchaser. Since the last report an agreement was reached to release £20,000 to the Company. This matter was not listed in the directors' statement of affairs

- **Sundry assets**

£1,157 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 have realised £4,050.

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 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 (plant)	Valuation: fixed fee Sale: % of realisations
Jones Lang LaSalle	Agents (property)	% 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 2012, the Liquidators have incurred time costs of £149,210.49. This represents 618 87 hours at an average hourly rate of £241.10. These figures include a change in charge out rates effective from 1 May 2011. The Liquidators have drawn fees totalling £90,671.11 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 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 ("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 £386.07 during the period 21 May 2010 to 20 May 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 £340.04 and £63.23 in regard of photocopying and mileage during the period, respectively.

£785 has been drawn to date.

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 and disbursements	£9,163.60	
Bank charges and fees	£134.67	
Cleaning and site clearance costs	£1,038 28	
Legal fees and disbursements	£1,088 00	
Mail redirection	£103.94	
Office holders' fees and disbursements	£91,456.11	£57,754.38*
Repairs and maintenance	£2,455 28	
Security	£3,246 36	£5,000
Statement of affairs costs	£6,613.27	
Statutory advertising	£220 86	
Storage costs	£120.50	
Insurance		£6,490 86

**It is likely that the Liquidators will not take the full amount.*

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 Coal Company Limited – in creditors' voluntary liquidation
Summary of financial information from 21 May 2010 to 20 May 2012

Appendix A

	Receipts and payments for the period from 21 May 2010 to 20 May 2011	Receipts and payments for the period from 21 May 2011 to 20 May 2012	Total for the period from 21 May 2010 to 20 May 2012	Estimated outcome	Directors' statement of affairs
	£	£	£	£	£
Fixed charge realisations					
Freehold land & buildings	-	-	-	300,000 00	300,000
Fixed charge cost of realisations/payments					
Repairs and maintenance	435 28	2,020 00	2,455 28	2,455 28	-
Security	2,300 00	946 36	3,246 36	5,000 00	-
Office holders' fees	-	10,729 25	10,729 25	45,729 25	-
	<u>2,735 28</u>	<u>13,695 61</u>	<u>16,430 89</u>	<u>53,184 53</u>	<u>-</u>
Floating charge realisations					
VAT receipt	38 65	5,356 77	5,395 42	5,395 42	-
Balance at bank	1,156 68	-	1,156 68	1,156 68	-
Book debts	418,847 98	26,216 69	445,064 67	445,064 67	395,616
Debentures – Millenium Stadium	-	4,050 00	4,050 00	4,050 00	-
Retention for sale of subsidiary	-	20,000 00	20,000 00	20,000 00	-
Interest received gross	392 98	2,503 87	2,896 85	3,200 00	-
Plant and machinery	90,000 00	-	90,000 00	90,000 00	53,000
Stock	-	-	-	-	100,000
Sundry debts	1,580 88	-	1,580 88	1,580 88	-
VAT payable	2,529 27	-	2,529 27	2,529 27	-
	<u>514,546 44</u>	<u>58,127 33</u>	<u>572,673 77</u>	<u>572,976 92</u>	<u>548,616</u>
Floating charge cost of realisations/payments					
Agents' disbursements	213 60	-	213 60	1,000 00	-
Agents' fees	8,450 00	500 00	8,950 00	14,000 00	-
Bank charges and fees	74 18	60 49	134 67	150 00	-
Cleaning and site clearance costs	1,038 28	-	1,038 28	1,038 28	-
Legal expenses	98 00	-	98 00	1,000 00	-
Legal fees	600 00	390 00	990 00	4,000 00	-
Mail redirection	103 94	-	103 94	103 94	-
Office holder's disbursements	785 00	-	785 00	785 00	-
Office holders' fees	54,404 00	25,537 86	79,941 86	84,270 75	-
Professional fees	470 00	-	470 00	470 00	-
Insurance	-	-	-	6,490 86	-
Statement of affairs costs	6,613 27	-	6,613 27	6,613 27	-
Statutory advertising	220 86	-	220 86	294 48	-
Storage costs	120 50	-	120 50	600 00	-
VAT receivable	-	8,024 69	8,024 69	10,843 20	-
	<u>73,191 63</u>	<u>34,513 04</u>	<u>107,704 67</u>	<u>131,659 78</u>	<u>-</u>
Available to secured creditors	441,354 81		448,538 21	688,132 61	300,000
Less amount paid to secured creditors			-	(300,000 00)	(300,000)
Available to preferential creditors			448,538 21	388,132 61	548,616
Less amount paid to preferential creditors (100 p/£)			(30,344 06)	(30,344 06)	(28,000)
Available to floating charge holders			418,194 15	357,788 55	520,616
Less amount paid to floating charge holders			-	(357,788 55)	(520,616)
Net funds			<u>418,194 15</u>		
Available to unsecured creditors				-	-
Unsecured creditors (estimate)					(1,866,718 00)
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 2012

Work type	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support staff	Total hours	Time costs	Average hourly rate
									£	£
1 Strategy & planning	-	-	6 30	13 60	5 35	2 10	-	27 35	7,482 00	273 56
2 Trading	-	-	-	-	-	-	-	-	-	-
3 Assets	-	4 25	-	221 55	22 00	5 00	-	252 80	70,427 50	278 59
4 Investigations	-	-	-	3 40	12 55	-	-	15 95	3,120 25	195 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 82	2 20	13 65	22 95	8 10	47 72	6,932 00	145 26
7 Statutory and compliance	-	1 75	0 30	37 80	52 60	4 65	-	97 10	22,560 15	232 34
8. Tax/VAT/Pensions/Insurance	-	-	3 00	45 65	16 75	29 45	-	94 85	22,435 65	236 54
9 Employees	-	-	1 10	0 50	39 95	-	-	41 55	8,672 24	208 72
Total for period to 20 May 2011	0 5	10 25	11 52	328 70	179 70	64 15	24 05			
								618.87	149,210.49	241.10

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	-