

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 4JPthe liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 21 May 2012
to 20 May 2013

Signed



Date 15 July 2013

Presenter's name,
address and
reference
(if any)Rachel Wilkinson
PricewaterhouseCoopers LLP, Benson House, 33 Wellington

SATURDAY

QIQ 20/07/2013 #48
COMPANIES HOUSE

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

Third annual report to members and creditors

In accordance with Rule 4 49C of the Insolvency Rules 1986 ("IR86"), this is the Joint Liquidators' ("the Liquidators") third 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* | 123,000 | 300,000 |
| Deposit received | 30,000 | |
| Less due to Barclays Bank plc | (943,544) | (943,544) |
| | <u>(790,544)</u> | <u>(643,544)</u> |
| <i>*Funds currently held in a client account at our legal advisor but will be received into the Liquidators' bank account shortly</i> | | |
| 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 | - |
| | <u>561,853</u> | <u>548,616</u> |

Assets specifically pledged

- Freehold land and buildings**

As stated in previous reports, the Company held freehold and leasehold titles to property in Glossop, Derbyshire.

On 30 May 2013, the sale of the property completed for £123,000, which was below the estimate provided by the directors in the Statement of Affairs. This is due to the fact that a significant interested party withdrew from developing in the area. After considerable marketing, it was clear that there was only one potential purchaser. Taking into account the costs and risks of retaining the premises for a further period of marketing, the Liquidators determined that selling the property for the price offered was in the best interests of the creditors. The funds will shortly be transferred to the Liquidators' bank account as they are currently held in a client account at our legal advisor.

Assets not specifically pledged

- **Investments**

Investments relate 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 £544,932. There are no further collections to realise

- **Other debtors**

£1,581 has been realised from Cardiff City Council for a refund of business rates

- **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 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 the unsecured creditors. The provisions in relation to the Prescribed Part do not apply in this case as the charges in favour of the secured creditor were created prior to 15 September 2003.

Preferential creditors have been discharged in full with payments totalling £30,344 being made representing a dividend of 100p/£.

Professional Advisors

On this assignment the Liquidators have used the following professional advisors and service providers

| 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 (retention sum) | Time costs |
| PA Miller | Records management | Time costs |
| TLF LLP | Legal advice (property) | Time costs |
| Delta Force Security Limited | Agents (site security) | Set fee per visit |
| Delta Force Close Protection Limited | Agents (site security) | Set fee per visit |
| Hicks Day Jones Westlake | Asset disposal | Time costs |

| | | |
|-------------------------------------|------------------------------------|-------------------|
| Safe Estates | Agents (site security) | Fixed fee |
| Moorland Property Solutions Limited | Agents (site security and repairs) | Set fee per visit |
| Knight Frank LLP | Agents advice (lease valuation) | 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 2013, the Liquidators have incurred time costs of £229,235. This represents 768 hours at an average hourly rate of £298. This compares with the average hourly rate at the time of the Liquidators' last progress report of £241. Against this £90,671.11 has been drawn 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.

Details of the time costs incurred from 21 May 2010 to 20 May 2013, 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, or any successor firm, reserves the right to change the rates and grade structure. Following the Liquidators' previous progress report the charge out rates were increased on 1 July 2012. 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 although the figures given provide an indication of the maximum rate per hour.

Liquidators' disbursements

Category 1:

These disbursements are reimbursed at cost. The Liquidators have incurred disbursements of £391.33 during the period 21 May 2010 to 20 May 2013.

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, and
- 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 £383 62 and £63 23 in respect of photocopying and mileage respectively during the period 21 May 2010 to 20 May 2013

£785 has been drawn to date

Statement of expenses

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

| Category | Amount incurred and paid | Amount incurred and outstanding |
|--|--------------------------|---------------------------------|
| Bank charges and fees | £4 64 | |
| Legal fees | £1,051 00 | £1,049 00 |
| Legal disbursements | £30 40 | |
| Office holders' fees and disbursements | | *£138,563 89 |
| Security | | £9,492 00 |
| Insurance | | £8,780 46 |

**The Liquidators may not take the full amount*

Additional information

Soon after we receive the property funds from our legal advisors, we will prepare a final report and hold a final meeting. The liquidation will come to an end and the Company will move to dissolution.

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Rachel Wilkinson who will be pleased to deal with such enquiries. However, any request for further information regarding the Liquidators' remuneration or disbursements should be made in writing (Rule 4 49E).

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.

An explanatory note giving creditors a statement of their rights in relation to the Liquidators' remuneration and expenses, and their rights to request further information, can be found online at

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-liquidators-fees-final.pdf>

Evans & Reid Coal Company Limited – in Creditors' Voluntary Liquidation
Summary of financial information from 21 May 2010 to 20 May 2013

| | 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 | Receipts and payments for the period from 21 May 2012 to 20 May 2013 | Total for the period from 21 May 2010 to 20 May 2013 | Estimated outcome | Values as per directors' statement of affairs |
|--|---|---|---|---|----------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Fixed charge realisations | | | | | | |
| Freehold land & buildings | - | - | 30,000 00 | 30 000 00 | 153 000 00 | 300 000 |
| | - | - | 30 000 00 | 30 000 00 | 153 000 00 | |
| Fixed charge cost of realisations/payments | | | | | | |
| Repairs and maintenance | 435 28 | 2 020 00 | - | 2 455 28 | 2 455 28 | |
| Legal fees | - | - | 1 051 00 | 1,051 00 | 2 072 00 | |
| Legal disbursements | - | - | 30 40 | 30 40 | 58 40 | |
| Security | 2 300 00 | 946 36 | - | 3 246 36 | 12 738 36 | |
| Office holders' fees | - | 10 729 25 | - | 10 729 25 | 45 729 25 | |
| | 2 735 28 | 13 695 61 | 1 081 40 | 17 512 29 | 61 053 29 | |
| Floating charge realisations | | | | | | |
| 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 – Millennium 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 | 1 259 21 | 4 156 06 | 4 200 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 | |
| | 511,978 52 | 52 770 56 | 1 259 21 | 566 008 29 | 566,052 23 | |
| Floating charge cost of realisations/payments | | | | | | |
| Agents' disbursements | 213 60 | - | - | 213 60 | 213 60 | |
| Agents' fees | 8,450 00 | 500 00 | - | 8 950 00 | 8,950 00 | |
| Bank charges and fees | 71 18 | 10 19 | 4 64 | 89 31 | 150 00 | |
| Cleaning and site clearance costs | 1 038 28 | - | - | 1 038 28 | 1 038 28 | |
| Legal expenses | 98 00 | - | - | 98 00 | 98 00 | |
| Legal fees | 600 00 | 390 00 | - | 990 00 | 990 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 | 183 505 75 | |
| Professional fees | 470 00 | - | - | 470 00 | 470 00 | |
| Insurance | - | - | - | - | 8 780 46 | |
| Brokerage fee | - | 50 00 | - | 50 00 | 50 00 | |
| 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 control account | (2 567 92) | 2 667 92 | 211 28 | 311 28 | - | |
| | 70 623 71 | 29 156 27 | 215 92 | 99,995 90 | 212 642 78 | |
| Available to secured creditors | 438 619 53 | 9,918 68 | 29 961 89 | 478 500 10 | 443,356 16 | |
| Less amount paid to fixed charge creditors | - | - | - | - | (89 946 71) | |
| Available to preferential creditors | - | - | - | 466 012 39 | 353 109 45 | |
| Less amount paid to preferential creditors (100 p/£) | - | - | - | (30 344 06) | (30 344 06) | (28 000) |
| Available to floating charge holders | - | - | - | 435 668 33 | 323 065 39 | |
| Less amount paid to floating charge holders | - | - | - | - | (321 065 39) | |
| Net funds | | | | 435 668 33 | | |
| Unsecured creditors (estimate) | | | | | (1 866,718 00) | (1 866 718 00) |
| Dividend for unsecured creditors (estimate)(p/£) | | | | | | |

Evans & Reid Coal Company Limited - in Creditors' Voluntary Liquidation

Analysis of time costs for the period from 21 May 2010 to 20 May 2013

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Secretarial | Total hours | Time cost £ | Average hourly rate £ |
|--|---------|-------------|----------------|-------------|------------------|------------|-------------|---------------|------------------|-----------------------|
| 1 Strategy & Planning | - | - | 0 15 | 1 45 | - | - | - | 1 60 | 508 75 | 317 97 |
| 2 Administration | - | - | - | 0 50 | - | - | - | 0 50 | 155 00 | 310 00 |
| 3 Trading | - | - | - | - | - | - | - | - | - | - |
| 4 Assets | - | 89 75 | - | 52 65 | - | - | - | 142 40 | 75 332 25 | 529 02 |
| 5 Investigations | - | - | - | - | - | - | - | - | - | - |
| 6 Creditor claims/distributions | - | - | - | - | - | - | - | - | - | - |
| 7 Accounting and treasury | - | - | 0 05 | 0 90 | 1 10 | 2 65 | - | 4 70 | 870 85 | 185 29 |
| 8 Reporting to appointor/committee | - | 1 25 | - | 15 10 | - | - | - | 16 35 | 5 233 70 | 319 49 |
| 9 Statutory and compliance | - | - | 1 70 | 16 60 | - | 0 05 | - | 18 35 | 5 744 50 | 313 05 |
| 10 Tax/AAT/Pensions | - | - | 0 20 | 2 40 | - | 4 70 | - | 7 30 | 1 557 50 | 213 36 |
| 11 Employees | - | - | - | - | - | - | - | - | - | - |
| 12 Pre-appointment work | - | - | - | - | - | - | - | - | - | - |
| 13 Closure procedures | - | 0 50 | - | - | - | - | - | 0 50 | 225 00 | 450 00 |
| Total for the period from 21 May 2012 | - | 91 5 | 2 1 | 89 6 | 1 1 | 7 4 | - | 191 70 | 89 617 55 | 467 49 |

Brought forward at 20 May 2012

Total for the period to 20 May 2013

Current Charge out rates per hour

- insolvency
- specialist

540 395 310 233 146 112
974 620 495 350 245 100

229 234 55

768 07