

The Insolvency Act 1986
Liquidator's progress
report

S.192

Pursuant to Section 92A and
104A of the Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

00770529

Name of Company

(a) Insert full name of
company

(a) Monarch Realisations 2 Limited

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

I/We (b) Russell Downs of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, Edward Mark Shires of PricewaterhouseCoopers LLP, Donington Court Pegasus Business Park, Castle Donington DE74 2UZ and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP

the liquidator(s) of the company attach a copy of our progress report under section 192 of the Insolvency Act 1986

Signed



Date

17 June 2013

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

For Official Use

Liquidation Section

Post Room

SATURDAY



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COMPANIES HOUSE

#275



**Monarch Realisations 1 PLC (formerly
McCarthy & Stone PLC) and Monarch
Realisations 2 Limited (formerly McCarthy &
Stone (Developments) Limited**

– in Creditors' Voluntary Liquidation

**Joint Liquidators' progress report to members
and creditors for the year ended 22 April 2013**

17 June 2013

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1. Joint Liquidators' progress report to members and creditors for the year ended 22 April 2013

Introduction

On 23 April 2009 Russell Downs, Mark Shires and Ian Green of PricewaterhouseCoopers LLP were appointed Joint Administrators of Monarch Realisations 1 PLC (formerly McCarthy & Stone PLC) ("PLC") and Monarch Realisations 2 Limited (formerly McCarthy & Stone (Developments) Limited ("Developments")) (together "the Companies")

Creditors will recall that the Administrations were concluded on 23 April 2010, whereupon the Companies went into creditors' voluntary liquidation

In accordance with Rule 4 49C of the Insolvency Rules 1986 ("IR86"), this is the Joint Liquidators' third progress report to members and all known creditors and should be read in conjunction with the Joint Liquidators' report dated 22 June 2012, a further copy of which is available on request

Liquidation Committees

The Joint Liquidators have continued to report to the Liquidation Committees to review material developments and the progress of the Liquidations

Asset realisations

Business assets

As previously reported, the Companies' businesses and assets and substantially all of the trading liabilities were transferred on a going concern basis to two new companies ("Newco") immediately following the Joint Administrators' appointment as part of the wider financial restructuring of the McCarthy & Stone group of companies

Cash balances

Surplus funds of approximately £1 million and £10 million were released to the Joint Liquidators of PLC and Developments respectively on completion of the Administrations

Land contracts

The sale of Developments' business and assets excluded 21 conditional land contracts. Deposits recovered in the Liquidation and preceding Administration in respect of these contracts total £239,700

When the Joint Liquidators reported last year, one land contract deposit for £90,000, which was subject to dispute, remained outstanding. At that time, the vendor company had recently been restored to the Register of Companies, having previously been struck off. The Joint Liquidators were therefore exploring whether any recoveries could be achieved.

Regrettably, this was not possible as the vendor company was restored to the Register of Companies only to effect the release of bank security. The vendor company was dissolved in October 2012.

As the costs of applying for restoration of the vendor company and seeking to resolve the original dispute surrounding the deposit would likely outweigh any realisations, the Joint Liquidators have ceased pursuit. Realisations of land contract deposits are therefore now complete.

Leasehold property

Creditors may recall that no value was attributed to Developments' leasehold interest in five operating sites which were vacated prior to the Administration and excluded from the business sale. During the Liquidation, the lease to one site has been surrendered and the Joint Liquidators have formally disclaimed Developments' interest in the remaining four properties thereby enabling the unsecured claims of the landlords to be quantified with certainty.

1. Joint Liquidators' progress report to members and creditors for the year ended 22 April 2013

Preference shares

As previously reported, Developments was granted 12% non redeemable shares in Newco as part of the consideration for its business and assets. Following tax and legal advice and Liquidation Committee sanction, the shares were sold on 15 March 2011 to the successor company of PLC for £2 million.

Assets to be realised

Unrealised assets in both Liquidations now comprise solely various tax assets, which are discussed below.

Receipts and payments accounts

Accounts of the Joint Liquidators' receipts and payments for the year ended 22 April 2013 are shown in Section 2. All funds are held on interest-bearing accounts.

Investigations

No matters have come to light during the last 12 months to suggest that the Joint Liquidators need to conduct any work additional to their review of the Companies' affairs prior to the Administration and compliance with their obligations under the Company Directors' Disqualification Act 1986.

Claims agreement and outcome for creditors

Secured creditors

Amounts due to secured creditors by the Companies under the terms of debentures and cross-guarantees at the date of the Joint Administrators' appointment totalled circa £898 million. Approximately £575 million of secured debt was discharged under the sale of the Companies' businesses.

Assets excluded from the sales of business are subject to security but are insufficient to repay the balance of the secured debt. Amounts available for secured creditors comprise surplus funds net of prescribed part floating charge funds set aside for unsecured creditors (see below) and the associated costs of the Administrations and Liquidations of the Companies and of their parent, Mother Bidco Limited ("Bidco").

The terms of the wider financial restructuring provide that amounts distributable by the Companies to secured creditors are directed to be paid to Newco. To date, Developments has released £10 million to Newco. Following receipt of the dividend on its admitted unsecured claim in the Liquidation of Developments, PLC has distributed £422,779 to Newco.

Preferential creditors

No preferential claims have been made against the Companies from staff employed when the Joint Administrators were appointed as all employee contracts were transferred to Newco.

Preferential claims against Developments of £4,800 result from protective awards made by the Employment Tribunal in regard to several employees made redundant some time before the Administration. The Joint Liquidators paid preferential claims in full on 6 March 2012 with Liquidation Committee sanction. No preferential claims have been made against PLC as a result of Employment Tribunal awards.

Unsecured creditors

All unsecured claims against the Companies have been formally dealt with. Distributions to unsecured creditors derive from the prescribed part of floating charge funds specifically set aside for unsecured creditors under the provisions of Section 176A of the Insolvency Act 1986 ("IA86"). Prescribed part funds are subject to an overall statutory maximum of £600,000.

1. Joint Liquidators' progress report to members and creditors for the year ended 22 April 2013

On 18 May 2012, and in line with previous estimates, Developments distributed £540,000 by way of a first and final dividend of 0.1634 pence in the pound on admitted unsecured claims totalling £330.4 million. No further dividends will be declared by Developments as it has distributed the maximum sum available for unsecured creditors net of allowable costs.

PLC declared a first dividend on unsecured claims of 15.0206 pence in the pound on the same day. Following the resolution of a disputed claim, a second and final dividend of 9.8083 pence in the pound was declared on 23 August 2012. Distributions to unsecured creditors totalled £81,464.

It is uncertain whether PLC will be in a position to declare further dividends on unsecured claims. This is primarily dependent on the extent to which Bidco will be able to repay the costs of its Liquidation and Administration that have been borne by PLC under the terms of the wider financial restructuring and business sale agreements. Bidco in turn awaits the outcome of VAT asset claims.

Professional advisers

The Joint Liquidators have retained Linklaters LLP, which was engaged in the preceding Administrations, to provide legal services. This is based upon the advisers' experience and ability to perform this type of work, their knowledge of the complexity and nature of the assignment and the basis of the fee arrangement with them.

The Joint Liquidators continue to review fees charged and remain satisfied that they are reasonable in the circumstances of these cases.

Liquidators' remuneration and expenses

The respective Liquidation Committees of the Companies are responsible for fixing the basis and amount of the Joint Liquidators' remuneration and Category 2 disbursements in respect of services provided by the Joint Liquidators' own firm.

The Liquidation Committees resolved that the Joint Liquidators' remuneration would be fixed by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the Liquidations at the Joint Liquidators' normal scale rates for work of this nature. Fees have been drawn pursuant to that resolution up to 22 April 2012 for all time costs with the exception of £30,000 in Developments which is subject to the recovery of further tax assets above £500,000.

A summary of the Joint Liquidators' remuneration and expenses is as follows:

	Developments		PLC	
	Fees £	Expenses £	Fees £	Expenses £
Approved by the Liquidation Committee and drawn				
For the period 23/04/10 to 31/08/10	106,118.40	1,784.00	46,754.26	15,930.18
For the period 01/09/10 to 31/03/11	118,810.91	359.39	45,067.59	477.00
For the period 01/04/11 to 22/04/12	138,927.75	3,318.00	109,682.39	81.80
Approved by the Liquidation Committee and not yet drawn				
For the period 01/04/11 to 22/04/12	30,000.00	-	-	-
Liquidation Committee approval not yet sought				
For the year ended 22/04/13	99,326.93	9.30	80,247.99	9.00
Forecast totals to 22/04/13	<u>493,183.99</u>	<u>5,470.69</u>	<u>281,752.23</u>	<u>16,497.98</u>

As required by Statement of Insolvency Practice No 9 ("SIP9"), an analysis of the Joint Liquidators' time costs for the period 1 April 2011 to 22 April 2012 is provided at Section 3.

In addition to the information required by SIP9, the Joint Liquidators provide the Liquidation Committees with a detailed budget to enable the Liquidation Committees to fully assess the reasonableness of potential overall costs.

Monarch Realisations 1 PLC and Monarch Realisations 2 Limited – in Creditors' Voluntary Liquidation

1. Joint Liquidators' progress report to members and creditors for the year ended 22 April 2013

The receipts and payments accounts in Section 2 detail expenses met from funds in the Liquidations to 22 April 2013. The Joint Liquidators have incurred legal and other costs of circa £10,000 in PLC and Developments respectively, which have not yet been billed.

Creditors' rights

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

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-liquidators-fees-england-and-wales-apr-10.pdf>

Other matters

The business sale agreements provided that the Companies would pursue tax asset realisations for the benefit of Newco. Work in the preceding Administrations resulted in recoveries and savings of over £38 million. A further £1.1 million has been paid by HM Revenue & Customs ("HMRC") to Newco direct as a result of work in the Liquidations.

Tax asset realisations to 22 April 2013 received into the Liquidations and remitted to Newco comprise £253,941 from PLC and £10,426 from Developments. Since that date, PLC has successfully recovered a further £1.4 million from HMRC and released this to Newco. Various claims remain ongoing.

During the year under review, Developments continued to comply with its obligations under the business sale agreement to assist with resolving sundry title issues in regard to properties transferred to Newco. PLC has similarly assisted Newco in seeking to recover dividends due from an overseas subsidiary of circa £800,000 which is in liquidation.

The Joint Liquidators have filed the corporation tax returns for all periods up to 22 April 2012. No queries have been raised by HMRC on the returns submitted.

The Joint Liquidators have also filed notice of further directors' resignations at Companies House.

Next report and enquiries

The Joint Liquidators will circulate their next report in 12 months' time. If any creditor has any queries in the meantime or would like a copy of the creditors' guide to a liquidator's remuneration (free of charge), please contact Aidan Donaldson on 020 7804 1402.



Signed . . .

Russell Downs
Joint Liquidator

R Downs, E M Shires and I Green have been appointed as joint liquidators of Monarch Realisations 1 PLC (formerly McCarthy & Stone PLC) and Monarch Realisations 2 Limited (formerly McCarthy & Stone (Developments) Limited). R Downs, E M Shires and I Green are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The joint liquidators 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 liquidation.

2. Receipts and payments accounts

PLC	Total to 22 April 2012 £	Transactions 23 April 2012 to 22 April 2013 £	Total to 22 April 2013 £	Notes
<u>Receipts</u>				
Funds transferred from the Administration	1,092,360	-	1,092,360	
Pre appointment VAT refund	253,941	-	253,941	
Dividend from Monarch Realisations 2 Limited	-	422,779	422,779	
Recovery of costs from Mother Bidco Limited	-	113,226	113,226	
Reimbursement of postage and printing costs	-	460	460	
VAT refunds for associated companies	182,665	-	182,665	1
Interest	3,572	1,965	5,537	
Total	1,532,538	538,430	2,070,968	2
<u>Payments</u>				
Payment of pre appointment VAT refund to purchaser	253,941	-	253,941	3
Payment of VAT refund to Monarch Realisations 2 Limited	153,268	-	153,268	
Payment of VAT refund to Mother Bidco Limited	42,724	-	42,724	
Joint Administrators' final fees	43,362	-	43,362	
Joint Administrators' final fees - Mother Bidco Limited	45,156	-	45,156	
Scheme Administrators' fees	1,950	-	1,950	
Scheme Administrators' expenses	3,567	-	3,567	
Joint Administrators' final disbursements (Category 1)	108	-	108	
Joint Administrators' final disbursements (Category 2)	117,815	-	117,815	4
Joint Liquidators' fees	91,822	109,682	201,504	
Joint Liquidators' disbursements (Category 2)	14,623	82	14,705	
Joint Liquidators' fees - Mother Bidco Limited	58,934	53,810	112,744	
Joint Liquidators' disbursements - Mother Bidco Limited	-	2	2	
Room hire and statutory advertising	688	74	762	
Legal fees and disbursements	39,493	-	39,493	
Legal fees and disbursements - Mother Bidco Limited	30,607	-	30,607	
Corporation tax	222	470	692	
Postage and printing	1,939	921	2,860	
Bank charges	91	45	136	
Net VAT receivable / (payable)	(14,096)	32,730	18,634	
Distribution to unsecured creditors	-	81,464	81,464	
Release of funds to purchaser pursuant to the scheme	-	422,779	422,779	
Sub total	886,214	702,059	1,588,273	
Cash in hand / (movement)	646,324	(163,629)	482,695	5

Notes

- 1) VAT refunds for PLC, Developments and Bidco are claimed by PLC as representative member of the VAT group
- 2) No comparison has been made to the estimate of realisations in the directors' statement of affairs in the Administration as the Liquidation is a successor proceeding and realisations comprise surplus cash on completion of the Administration net of associated costs and recoveries in the Liquidation itself. All receipts are floating charge assets
- 3) As stated in the report, the Joint Liquidators are working to recover tax assets, which are payable to the Newcos per the terms of the wider financial restructuring and as directed by the secured creditors
- 4) Category 2 disbursements include the time costs for PwC Legal LLP in relation to work to strike off the dormant non trading companies within the wider group, as envisaged under the terms of the business sale agreement and as approved by the Liquidation Committee
- 5) Funds are held in an interest-bearing bank account

2. Receipts and payments accounts

Developments

	Total to 22 April 2012	Transactions 23 April 2012 to 22 April 2013	Total to 22 April 2013	Notes
	£	£	£	
Receipts				
Funds transferred from the Administration	10,189,768	-	10,189,768	
Pre appointment VAT refund	-	10,426	10,426	
Sale of preference shares	2,000,000	-	2,000,000	
Land contract deposits	37,027	-	37,027	
VAT refund from Monarch Realisations 1 PLC	139,941	-	139,941	
Sundry refunds	438	-	438	
Recovery of costs from third party	-	938	938	
Rate refund re excluded property	969	-	969	
Interest	12,798	16,235	29,033	
Total	12,380,941	27,599	12,408,540	1
Payments				
Payment of refund to purchaser	292	-	292	2
Payment of pre appointment VAT refund to purchaser	-	10,426	10,426	2
Release of funds to purchaser pursuant to the scheme	9,500,000	500,000	10,000,000	3
Legal fees and disbursements	117,909	-	117,909	
Joint Administrators' final fees	108,024	-	108,024	
Scheme Administrators' fees	1,950	65	2,015	
Scheme Administrators' expenses	3,567	-	3,567	
Joint Administrators' final disbursements (Category 1)	724	-	724	
Joint Liquidators' fees	224,929	138,928	363,857	
Joint Liquidators' disbursements (Category 1)	-	17	17	
Joint Liquidators' disbursements (Category 2)	-	3,236	3,236	
Statutory advertising	-	74	74	
Corporation tax	203	-	203	
Postage and printing	1,162	460	1,622	
National insurance contributions	2,619	-	2,619	
Bank charges	187	108	295	
Distribution to preferential creditors	4,800	-	4,800	4
Distribution to unsecured creditors	-	540,000	540,000	4
Net VAT receivable	70,288	28,464	98,752	
Total	10,036,655	1,221,778	11,258,433	
Cash in hand / (movement)	2,344,286	(1,194,179)	1,150,107	5

Notes

- 1) No comparison has been made to the estimate of realisations in the directors' statement of affairs in the Administration as the Liquidation is a successor proceeding and realisations comprise surplus cash on completion of the Administration net of associated costs and recoveries in the Liquidation itself. All receipts are floating charge assets.
- 2) As stated in the report, the Joint Liquidators are working to recover tax assets, which are payable to the Newcos per the terms of the business sale agreement. Certain other refunds are also payable to Newco.
- 3) Surplus funds are payable to the Newcos per the wider financial restructuring and scheme of arrangement as directed by the secured lenders.
- 4) A first and final dividend of 100p in the £ has been paid to preferential creditors and the maximum prescribed part of floating charge funds has been distributed to unsecured creditors net of allowable costs for claims agreement and payment.
- 5) Funds are held in interest-bearing bank accounts.

3. Information in support of the Joint Liquidators' time costs and disbursements for the year to 22 April 2013

Charging and disbursements policy

The time charged to the Liquidations is by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising

It is the Joint Liquidators' policy to delegate tasks in the Liquidations to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Joint Liquidators themselves

Staff (including cashiers, support and secretarial staff) charge time directly to the assignments 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 assignments in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units). There has been no allocation of any general costs or overhead costs

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Joint Liquidators' staff actually or likely to be involved

Grade	Up to 30 June 2012 £	From 1 July 2012 £
Partner	730	755
Director	641	660
Senior manager	494	510
Manager	415	430
Senior associate – qualified	347	358
Senior associate – unqualified	257	266
Associate	221	225
Support / secretarial	112	112

Specialist departments within the Joint Liquidators' firm such as Tax and VAT are also used where their expert advice is required. The figures below provide an indication of the maximum rate per hour

Partner	875
Director	816
Senior manager	741
Manager	486
Executive / consultant	330
Analyst / assistant consultant	192
Support staff	94

In common with many professional firms, the scale rates used by the Joint Liquidators may increase to cover annual inflationary cost increases

There is no statutory requirement for the Joint Liquidators to seek approval to draw expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the Joint Liquidators propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Joint Liquidators' own firm), they must be disclosed and be authorised by those responsible for approving their remuneration. Such expenses are known as "Category 2" disbursements and they must be directly incurred on the case and subject to a reasonable method of calculation and allocation

The Joint Liquidators' expenses policy allows for all properly incurred expenses to be recharged to the case. Category 2 disbursements are approved by the Liquidation Committees. No Category 2 disbursements were incurred in either of the Liquidations during the year under review

Monarch Realisations 1 PLC and Monarch Realisations 2 Limited – in Creditors' Voluntary Liquidation

3. Information in support of the Joint Liquidators' time costs and disbursements for the year to 22 April 2013

Other matters

No work has been carried out by subcontractors that could otherwise have been undertaken by the Joint Liquidators or their staff

The Joint Liquidators have no business or professional relationships with parties responsible for approving the basis of their remuneration or who provide services to the Liquidations where the relationship could give rise to a conflict of interest

Tables summarising the Joint Liquidators' time costs

PLC

Aspect of assignment	Partner	Director	Senior		Senior		Support	Total hours	Time cost £	Average hourly rate £
			Manager	Manager	Associate	Associate				
Strategy & planning	2 00	-	10 30	-	0 60	0 10	-	13 00	6,977 20	536 71
Assets	-	-	6 40	-	2 20	0 40	-	9 00	4,111 70	456 86
Creditor claims/distributions	-	-	8 60	-	2 00	35 40	-	46 00	12,851 00	279 37
Accounting and treasury	-	-	1 85	0 25	12 60	11 50	-	26 20	7,063 05	269 58
Reporting to appointor/committee	-	-	7 50	-	4 90	-	-	12 40	5,528 20	445 82
Statutory and compliance	-	-	5 50	-	2 00	9 00	-	16 50	5,424 30	328 75
Tax and VAT	0 80	9 28	13 69	9 96	55 55	3 00	0 10	92 38	37,209 44	402 79
Employees	-	-	0 10	1 50	1 40	0 30	-	3 30	1,083 10	328 21
Total	2 80	9 28	53 94	11 71	81 25	59 70	0 10	218 78	80,247 99	366 80

Developments

Aspect of assignment	Partner	Director	Senior		Senior		Support	Total hours	Time cost £	Average hourly rate £
			Manager	Manager	Associate	Associate				
Strategy & planning	0 50	-	8 10	-	0 50	0 60	-	9 70	4,649 40	479 32
Assets	-	-	5 50	-	6 00	7 60	-	19 10	6,648 90	348 11
Creditor claims/distributions	-	-	6 70	0 20	1 90	37 30	-	46 10	12,335 50	267 58
Accounting and treasury	-	-	2 00	-	2 20	2 40	-	6 60	2,262 60	342 82
Reporting to appointor/committee	-	-	4 20	-	5 20	-	-	9 40	3,955 20	420 77
Statutory and compliance	1 50	-	5 80	-	2 00	10 00	-	19 30	6,583 90	341 13
Tax and VAT	-	52 36	16 70	3 58	21 29	0 70	0 10	94 73	60,550 93	639 19
Employees	-	-	0 20	1 00	6 00	-	-	7 20	2,340 50	325 07
Total	2 00	52 36	49 20	4 78	45 09	58 60	0 10	212 13	99,326 93	468 24

Narrative explanation of the Joint Liquidators' work

Strategy and planning

- Team meetings to discuss case strategy
- Six monthly reviews of progress to 22 April and 22 October 2012
- Review of junior staff correspondence
- Regular consideration of the Joint Liquidators' position and stakeholders' interests in the context of outstanding matters

3. Information in support of the Joint Liquidators' time costs and disbursements for the year to 22 April 2013

Assets

- Liaising with legal advisers and Newco to remedy title issues to various properties transferred by Developments under the business sale
- Consideration of strategy and review of the legal position and likely future costs in regard to the vendor company holding the remaining land contract deposit
- Assisting Newco and corresponding with the liquidator of an overseas subsidiary about dividends properly payable by the liquidator to Newco under the business sale agreement in place of PLC

Creditor claims/distributions

- Finalising the review of additional information in support of intercompany claims
- Agreeing the position with management and legal advisers regarding the same in relation to set-off
- Formally adjudicating on intercompany claims
- Completing first and final dividend calculation in Developments and effecting the distribution
- Recovering costs awarded by the court to Developments from dividend payable to disputed creditor
- Calculating interim dividend in PLC and distributing the same
- Liaison with the legal advisers in regard to the disputed unsecured claim against PLC
- Adjudication on the reduced proof of debt and supporting information subsequently submitted
- Distribution of second dividend on admitted claims in PLC
- Dealing with unclaimed dividend payments
- Maintaining and updating creditor schedules throughout

Accounting and treasury

- Reviewing, authorising and processing receipts and payments
- Liaising with Newco regarding proposed distributions of surplus assets under the terms of the schemes of arrangement
- Carrying out periodic reconciliations of the Liquidations' bank accounts

Reporting to appointor/committee

- Preparation and circulation of a formal report to the Liquidation Committee in August 2012
- Discussions with the Liquidation Committee members on matters arising

Statutory and compliance

- Preparation, review and circulation of statutory receipts and payments accounts for the six months ended 22 April and October 2012
- Preparation, review and circulation of progress report to creditors and members for the year ended 22 April 2012.

Tax and VAT

Due to the ongoing nature and commercial sensitivity of certain aspects of work in connection with tax assets, the following is intended to provide a high level overview. Further detail will be provided to the Liquidation Committees

- Preparation and review of computations and corporation tax returns for the year ended 22 April 2012
- Agreeing amounts due as expenses of the Liquidations and arranging payment
- Preparation and submission of additional claim for VAT asset identified
- Monitoring developments in lead case hearings / tribunals on VAT claims to assess possible impact
- Consideration of the relationship between PLC as representative member of the VAT group and its obligations to account to Developments and Bidco for recoveries
- Consideration of recent legal developments and HMRC's current position on assignments of claims
- Preliminary discussions with Newco about ongoing costs and the impact on available funds in the context of the continued pursuit of claims
- Liaison with Newco and HMRC in regard to the success of one of the claims, recovery of an undisputed sum of £1.4 million and accounting to Newco

Employees

- Communications with former employees in regard to queries about the extent to which Employment Tribunal claims rank as unsecured rather than preferential claims
- Responding to third party requests for former employee references