

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

LIQ03

Notice of progress report in voluntary winding up



Companies House

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COMPANIES HOUSE

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1 Company details

Company number 00770529

Company name in full Monarch Realisations 2 Limited - in liquidation

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s) Russell

Surname Downs

3 Liquidator's address

Building name/number

Street 7 More London Riverside

Post town London

County/Region

Postcode SE1 2RT

Country

4 Liquidator's name ①

Full forename(s) Ian David

Surname Green

① Other liquidator
Use this section to tell us about another liquidator.

5 Liquidator's address ②

Building name/number

Street 7 More London Riverside

Post town London

County/Region

Postcode SE1 2RT

Country

② Other liquidator
Use this section to tell us about another liquidator.

LIQ03

Notice of progress report in voluntary winding up

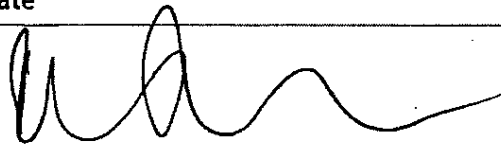
6 Period of progress report

From date	d	2	d	0	m	0	m	8	y	2	y	0	y	1	y	6
To date	d	1	d	9	m	0	m	8	y	2	y	0	y	1	y	7

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature	Signature	X		X												
Signature date	d	1	d	7	m	1	m	0	y	2	y	0	y	1	y	7

***Monarch Realisations 1
PLC and Monarch
Realisations 2 Limited –
in creditors’ voluntary
liquidation***

**Joint Liquidators’ progress
report to members and creditors**

For the period from 20 August 2016 to 19 August 2017

www.pwc.co.uk/monarch

17 October 2017





To all known members and creditors

17 October 2017

Dear Sir/Madam

Monarch Realisations 1 PLC and Monarch Realisations 2 Limited – in creditors' voluntary liquidation (together the "Companies")

This is our eighth annual progress report to members and all known creditors in the above liquidations for the period 20 August 2016 to 19 August 2017.

If you have any queries in connection with this report, please contact Madeline Finkill on +44 (0) 113 289 4075.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Russell Downs'.

Russell Downs
Joint Liquidator

Russell Downs and Ian Green have been appointed as Joint Liquidators of the Monarch Realisations 1 PLC and Monarch Realisations 2 Limited. The Joint Liquidators 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 bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

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 liquidations.

Definitions used in this report

Definition used	Meaning
the Companies	Monarch Realisations 1 PLC and Monarch Realisations 2 Limited – in creditors' voluntary liquidation
the Liquidators	Russell Downs and Ian Green, Joint Liquidators of the Companies, having formerly acted as Joint Administrators
the reporting period	20 August 2016 to 19 August 2017
the Rules	Insolvency Rules 2016
the Act	Insolvency Act 1986
PLC	Monarch Realisations 1 PLC (in liquidation)
Developments	Monarch Realisations 2 Limited (in liquidation)
Bidco	Mother Bidco Limited (in liquidation), the parent company
Preferential creditors	Primarily former employees with claims for unpaid wages earned in the four months preceding the Administration up to a maximum of £800, holiday pay and under some circumstances, unpaid pension contributions
Prescribed part	The amount specifically set aside for unsecured creditors from floating charge realisations under the provisions of Section 176A of the Act and the Insolvency Act (Prescribed Part) Order 2003. Prescribed part funds are subject to a statutory maximum of £600,000 before allowable costs
HMRC	HM Revenue and Customs
Newco	McCarthy & Stone (Developments) Limited and McCarthy & Stone Retirement Lifestyles Limited
Senior Lenders	The secured Senior Lenders which participated in the financial restructuring of the wider McCarthy & Stone group in April 2009 and which became stakeholders in Newco
Schemes	Schemes of arrangement sanctioned by the High Court on 21 April 2009 between the Companies and their respective Senior Lenders

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1. Introduction

1.1. Why we're sending you this report

This is our eighth annual progress report to members and creditors. It provides a summary of:

- The steps taken during the eighth year of the liquidations to 19 August 2017;
- An update on our remuneration; and
- Outstanding matters.

In Section 2 we provide more detailed information on what we've been doing during the period covered by this report and in Section 3 we provide information as to what the outcome for creditors might be.

By law, we have to give you certain statutory information; this is included in Appendix A.

1.2. Estimated dividend prospects

We set out in Section 3 the estimated outcome for the Companies' respective classes of creditors.

1.3. Closure

In our last report, we anticipated that, subject to discussions with Newco in respect of the remaining VAT assets, the liquidations would close by the end of April 2017.

As a result of matters arising during the reporting period, we now estimate that the liquidations will be closed in spring 2018.

2. Progress made during the period

2.1. Employers' liability claims

During the reporting period, we have dealt with two employers' liability claims made against PLC. One was for industrial deafness and the second related to mesothelioma from exposure to asbestos dust. There were a number of complexities arising from these claims, including the following:

- The extent to which PLC could be liable as employer's liability insurance group policy holder despite being the non-trading parent company, as opposed to Developments as beneficiary of the policy and principal trading entity and employer within the group;
- Ascertaining the respective status and rights of claimants as former employees or sub-contractors;
- The specific law applicable to mesothelioma claims and in particular potential joint and several liability of former employers where employers' liability insurance for the entire period of employment cannot be determined; and
- The impact of the claims on liquidation expenses and distributions to creditors.

The claim for industrial deafness was resolved as being properly attributable to Developments as former employer. The employer's liability insurers are dealing with the claim and there will be no impact on the liquidations of Developments or PLC going forward.

Within the last few days and subsequent to the reporting period, we have received confirmation that the claim for mesothelioma (which spans 27 years) is fully insured by historic employer's liability insurers. The insurers' legal representatives have advised that the insurers have no resource against PLC and that claim is unaffected by the liquidation of PLC or its dissolution in due course.

2.2. Asset realisations

Before the Companies and Bidco went into administration on 23 April 2009, HMRC raised an assessment against PLC as VAT group representative member for £384,561 in respect of deal fee costs relating to Bidco. HMRC applied Crown set off against the Companies' final pre-administration claim of £910,802 to recover this amount in full. PLC appealed and following a period of alternative dispute resolution this matter has now been resolved with HMRC.

PLC formally withdrew its appeal against the deal fee assessment and in August 2017 HMRC paid to PLC the balance of the pre-administration VAT refund of £358,061. PLC retained £43,726. In line with the VAT group's normal accounting policy, PLC accounted to Developments and Bidco for their shares of the recovery, being £108,044 and £206,322. The reduced deal fee assessment has been borne by Bidco in full.

In the reporting period, PLC earned interest of £50 and Developments received interest of £69 on funds held.

2.3. Tax assets

Creditors will recall from previous reports that the business sale agreements in the preceding administrations provided that the Companies would pursue tax asset realisations for the benefit of Newco. This has resulted in recoveries and savings of circa £44 million.

Three claims are still ongoing with a face value of circa £10 million, which remain subject to the outcome of decisions in complex, lead tribunal cases that are being appealed by HMRC. Earlier this year, Newco agreed to accept an assignment of the ongoing claims once we have completed our other substantive work, unless the claims are resolved in the meantime. The form of an assignment acceptable to HMRC has been prepared in anticipation of execution at the appropriate time.

2.4. Other matters

Recoveries for PLC from Bidco

As advised in earlier reports, the PLC business sale agreement provided that PLC would meet the costs of Bidco's insolvency from funds set aside under the financial restructuring to the extent that Bidco had insufficient assets to do so itself. The recovery from HMRC of the balance of the pre-administration VAT refund means that Bidco is now in a position to repay PLC £92,539, being the balance of the costs borne on Bidco's behalf.

Schemes

We remain in office as scheme administrators to facilitate the continued release of surplus funds to Newco in the place of the Senior Lenders as provided for by the schemes. The schemes will remain open until completion of the liquidations.

Liquidation Committees

We continue to consult with the Liquidation Committees on material developments in the liquidations.

Tax

We have the filed corporation tax returns for the year ended 22 April 2016. HMRC has raised no queries on returns submitted to date. We have also recovered input VAT of £20,594 and £18,748 allocated to PLC and Developments respectively.

Investigations

No matters have come to light during the period under review to suggest that we need to conduct any work additional to our review of the Companies' affairs prior to the administration and in compliance with our obligations under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

2.5. Work still to be done

The Liquidators' future work is shown in detail at Appendix C.

3. Outcome for creditors

3.1. Secured creditors

Amounts owed to secured creditors under the terms of debentures and cross guarantees at the date of the former Administrators' appointment totalled circa £898 million. Of this amount, circa £575 million of secured Senior Lender debt was discharged under the sale of the Companies' businesses leaving a balance of £323 million.

Assets excluded from the PLC and Developments' sales of the business are subject to security but secured creditors will suffer a shortfall as there are insufficient funds to enable the Liquidators' to repay them in full.

Amounts available for secured creditors comprise surplus floating funds after the prescribed part set aside for unsecured creditors (see below) and the associated costs of the administrations and liquidations of the Companies and of Bidco.

Under the terms of the wider restructuring, amounts distributable by the Companies to secured Senior Lender creditors are directed to be paid to Newco. Combined distributions to Newco to 19 August 2017 total £11.5 million. Further interim distributions will be made in due course with final surplus funds being remitted on completion of the liquidations.

3.2. Preferential creditors

As advised in earlier reports, no preferential claims made were made against the Companies by the staff employed when the administrations commenced as all employee contracts were transferred to Newco.

Developments received preferential claims of £4,800 as a result of protective awards made by the Employment Tribunal in respect of former employees who had been made redundant some time before the administration. These preferential claims were paid in full in March 2012.

3.3. Unsecured creditors

The prescribed part is a fund that has to be made available for unsecured creditors. It's paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. It only has to be made available where the floating charge was created on or after 15 September 2003.

The prescribed part applies to both Companies as the Secured Lenders' floating charges were created after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000;
- 20% of net property above £10,000; and
- Subject to a maximum of £600,000.

PLC

A third prescribed part dividend was declared and paid to PLC's unsecured creditors in November 2016 bringing cumulative dividends to 37.1727 pence in the pound. As a result of the pre-administration VAT refund and the recovery of all post-insolvency costs from Bidco, the Liquidators now think that they will be in a position to pay a fourth dividend to unsecured creditors.

The timing and amount of any further dividend will in part be determined by whether Bidco will have sufficient net property after costs to make a prescribed part distribution to its unsecured creditors, as this would result in a further recovery by PLC by virtue of its intercompany unsecured claim in Bidco's estate. Bidco's Liquidators are presently assessing its financial position.

Developments

On 18 May 2012, and in line with our earlier estimates, we distributed the maximum prescribed part fund, net of allowable costs, of £540,000. This represented a first and final dividend of 0.1634 pence in the pound on Developments' admitted unsecured claims totalling £330.4 million. There won't be any further dividends available to Developments' unsecured creditors.

4. Liquidators' fees and other financial information

4.1. Our fees and disbursements

The Companies' respective liquidation committees are responsible for fixing the bases and amounts of our remuneration and category 2 disbursements in respect of services provided by our own firm. The liquidation committees passed resolutions fixing our fees by reference to time properly given by us and our staff.

As stated above, surplus floating charge funds on completion of the liquidations are ultimately payable to Newco in accordance with the terms of the financial restructuring. Accordingly, we have sought the approval of Newco to draw fees in regard to time costs incurred since 23 April 2012.

Further details of our fees are included in Appendix C.

PLC

Between 20 August 2016 and 19 August 2017 we incurred time costs of £67,941 for 164 hours work, which works out at an average hourly rate of £413.

We've drawn fees of £447,264 for all periods up to 19 August 2016, with the balance of £37,929 being paid in the period of this report. We will seek approval from Newco to draw fees in respect of our time costs from 20 August 2016 to 19 August 2017 of £67,941 in due course.

Developments

During the reporting period, we incurred time costs of £85,390 for 160 hours work, which is an average hourly rate of £535.

We've drawn fees of £692,353 for all periods up to 19 August 2016. We are currently seeking approval from Newco to draw fees in respect of our time costs from 20 August 2016 to 19 August 2017 of £85,390.

4.2. Our disbursements

We've incurred combined disbursements of £56 during the period 20 August 2016 to 19 August 2017 and we're yet to draw these. Further details are provided in Appendix C.

4.3. Creditors' rights

Creditors have the right to request further information about the Liquidators' fees and expenses. Any request must be in writing. Creditors can also challenge the Liquidators' fees and expenses as set out in Rule 18.34 of the Rules. This information can also be found in the guide to fees at:

<http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/creditors%20guide%20to%20liquidators%20fees%20england%20and%20wales.ashx>

You can ask for a copy free of charge by calling Madeline Finkill on +44 (0) 133 289 4612.

4.4. Receipts and payments account

Receipts and payments accounts for the period 20 August 2016 to 19 August 2017 is provided in Appendix B.

4.5. Statement of expenses

A statement of expenses for each Company for the period 20 August 2016 to 19 August 2017 is provided in Appendix D.

This statement doesn't include any tax liabilities that may be payable for the period of this report as this will depend on the position at the end of the accounting period.

Appendix A. - Statutory and other information

Name of companies:	Monarch Realisations 1 PLC and Monarch Realisations 2 Limited
Registered numbers:	01146644 and 00770529
Registered office:	7 More London Riverside, London, SE1 2RT
Liquidators' names and address:	Russell Downs and Ian David Green of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT
Date of Liquidators' appointment:	23 April 2010

Appendix B. - Receipts and payments accounts for the period 20 August 2016 to 19 August 2017

PLC	Total to 19 August 2016 £	Transactions 20 August 2016 to 19 August 2017 £	Total to 19 August 2017 £	Notes
<u>Receipts</u>				
Funds transferred from the Administration	1,092,360	-	1,092,360	
Pre appointment VAT refund	3,680,926	358,061	4,038,987	1
Dividend from Monarch Realisations 2 Limited	422,779	-	422,779	
Recovery of costs from Mother Bidco Limited	338,226	85,512	423,738	
Reimbursement of postage and printing costs	460	-	460	
VAT refunds for associated companies	329,114	49,517	378,631	2
Interest	10,011	50	10,061	
Bank charges refund	33	-	33	
Investment income	1,557,293	-	1,557,293	
Total	7,431,202	493,140	7,924,342	3
<u>Payments</u>				
Payment of pre appointment VAT refund to purchaser	3,648,476	-	3,648,476	4
Payment of VAT refund to Monarch Realisations 2 Limited	264,579	126,792	391,371	5
Payment of VAT refund to Mother Bidco Limited	77,862	208,570	286,432	5
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	6
Joint Liquidators' fees	409,335	37,929	447,264	7
Joint Liquidators' disbursements (Category 1)	29	6	35	
Joint Liquidators' disbursements (Category 2)	51,742	-	51,742	6
Joint Liquidators' fees - Mother Bidco Limited	172,735	40,218	212,953	
Joint Liquidators' disbursements - Mother Bidco Limited	2	-	2	
Insurance/bonding	5,352	1,784	7,136	
Room hire and statutory advertising	762	-	762	
Legal fees and disbursements	39,493	-	39,493	
Legal fees and disbursements - Mother Bidco Limited	30,607	-	30,607	
Corporation tax	1,810	177	1,987	
Postage, printing and other statutory costs	9,246	479	9,725	
Bank charges	260	-	260	
Net VAT receivable / (payable)	78,443	15,638	94,081	
Distribution to unsecured creditors	81,464	40,500	121,964	8
Release of funds recovered from French subsidiaries	1,521,334	-	1,521,334	
Release of funds to purchaser pursuant to the scheme	722,779	-	722,779	
Sub total	7,328,268	472,091	7,800,359	
Cash in hand / (movement)	102,934	21,048	123,982	9

Notes

- 1) Balance of pre appointment VAT refund paid to PLC as VAT group representative member
- 2) VAT refunds for PLC, Developments and Bidco are claimed by PLC as representative member of the VAT group
- 3) 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
- 4) As stated previously, the Joint Liquidators are working to recover tax assets, which are payable to the Newcoa per the terms of the wider financial restructuring and as directed by the secured creditors
- 5) Includes allocation of pre appointment VAT refund to Developments and Bidco in addition to refunds of VAT incurred on expenses of their respective Liquidations
- 6) 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, and time costs of PwC France to realise assets from the French subsidiaries
- 7) The Joint Liquidators are remunerated on a time costs basis
- 8) Comprises a first dividend of 15.0206p in the £ declared on 18 May 2012, a second of 9.8083p in the £ declared on 23 August 2012 and a third dividend of 12.3438p in the £ declared on 8 November 2016
- 9) Funds are held in an interest-bearing bank account

Developments	Transactions			Notes
	Total to 19 August 2016 £	20 August 2016 to 19 August 2017 £	Total to 19 August 2017 £	
<u>Receipts</u>				
Funds transferred from the Administration	10,189,768	-	10,189,768	
Pre appointment VAT refund	10,426	108,044	118,470	
Sale of preference shares	2,000,000	-	2,000,000	
Land contract deposits	37,027	-	37,027	
VAT refund from Monarch Realisations 1 PLC	251,252	18,748	270,000	
Sundry refunds	438	-	438	
Recovery of costs from third party	938	-	938	
Rate refund re excluded property	969	-	969	
Interest	39,498	69	39,567	
Corporation tax refund	1,276	-	1,276	
Bank charges refund	25	-	25	
Cancelled cheques	1,066	-	1,066	
Total	12,532,683	126,861	12,659,544	1
<u>Payments</u>				
Reimbursement of costs borne by Monarch Realisations 1 Plc	-	33,468	33,468	
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	10,775,000	-	10,775,000	3
Legal fees and disbursements	117,909	-	117,909	
Joint Administrators' final fees	108,024	-	108,024	
Scheme Administrators' fees	2,015	-	2,015	
Scheme Administrators' expenses	3,567	-	3,567	
Joint Administrators' final disbursements (Category 1)	724	-	724	
Joint Liquidators' fees	613,046	79,307	692,353	4
Joint Liquidators' disbursements (Category 1)	31	-	31	
Joint Liquidators' disbursements (Category 2)	3,236	-	3,236	
Statutory advertising	74	-	74	
Corporation tax	409	62	471	
Postage, printing and other statutory costs	3,481	-	3,481	
National insurance contributions	2,619	-	2,619	
Bank charges	571	178	749	
Distribution to preferential creditors	4,800	-	4,800	5
Distribution to unsecured creditors	541,066	-	541,066	6
Insurance/bonding	5,352	1,784	7,136	
Tax deducted on interest	1,879	-	1,879	
Net VAT receivable	114,635	-	114,635	
Total	12,309,157	81,331	12,390,487	
Cash in hand / (movement)	223,526	45,530	269,057	7

Notes

- 1) No comparison has been made to the estimate of realisations in the directors' statement of affairs in the Ad as the Liquidation is a successor proceeding and realisations comprise surplus cash on completion of the Admi net of associated costs and recoveries in the Liquidation itself. All receipts are floating charge assets
- 2) As stated previously, the Joint Liquidators are working to recover tax assets, which are payable to the New 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 the secured lenders
- 4) The Joint Liquidators are remunerated on a time costs basis
- 5) A first and final dividend of 100p in the £ was paid to preferential creditors on 6 March 2012
- 6) The maximum prescribed part of floating charge funds net of allowable costs was distributed to unsecured of a dividend of 0.1634p in the £ on 18 May 2012
- 7) Funds are held in an interest-bearing bank account

Appendix C. - Details of our remuneration and disbursements and other professional costs

Background

This section sets out the process that was established for setting and monitoring the Liquidators' remuneration.

The basis of our fees and certain disbursements was agreed in the prior administration by resolution of the Creditors' Committee on 24 March 2010 and have transferred across to the liquidation in accordance with the Rules.

The basis of our fees is by reference to time properly given. Details of the amounts we have drawn can be found at Appendix D.

Liquidators' charging policy

The time charged to the liquidations is by reference to the time properly given by our staff and us in attending to matters arising.

It is our policy to delegate tasks in the liquidations to appropriate members of staff, considering their level of experience and any requisite specialist knowledge needed and they are supervised accordingly to maximise the cost effectiveness of the work performed.

Our junior people have done the routine work in the liquidations to keep the costs down. But we and our senior staff have supervised them and we have dealt with any complex or significant matters ourselves.

Details of subcontracted work

No work which we or our staff would normally do has been subcontracted during the period covered by this report.

Narrative of key areas of work carried out for the period 20 August 2016 to 19 August 2017

There remain a number of distinct work streams within the work we have done. It should be noted that individuals will have worked in more than one area. Whilst this is not an exhaustive list, the key areas of work in the liquidations have been as follows:

Area of work	Activities completed	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy and planning	<ul style="list-style-type: none"> Team meetings to discuss case strategy. Six monthly reviews of progress to 22 October 2016 and 22 April 2017. Review of junior staff correspondence. Consideration of the Joint Liquidators' position and stakeholders' interests in the context of outstanding matters. 	<ul style="list-style-type: none"> Ongoing maintenance of the liquidations. 	<ul style="list-style-type: none"> The Liquidators have a duty to act in the best interests of creditors as a whole, maintain proper records and manage costs.

Assets	<ul style="list-style-type: none"> ▪ Liaising with lawyers and Newco in respect of queries received regarding title to property in Scotland subject to the business sale agreement. 	<ul style="list-style-type: none"> ▪ Asset realisations for the benefit of creditors. 	<ul style="list-style-type: none"> ▪ As required under the business sale agreement.
Creditor claims / distributions	<ul style="list-style-type: none"> ▪ Replying to creditor queries in response to progress report circulated for the year ended 19 August 2016. ▪ Dealing with employer's liability claims including for industrial deafness and mesothelioma. ▪ Arranging third distribution to PLC's unsecured creditors. 	<ul style="list-style-type: none"> ▪ Stakeholder management 	<ul style="list-style-type: none"> ▪ The Liquidators have a duty to act in the best interests of creditors as a whole, maintain proper records and manage costs.
Accounting and treasury	<ul style="list-style-type: none"> ▪ Reviewing, authorising and processing receipts and payments. ▪ Carrying out periodic reconciliations of the liquidations' bank accounts. 	<ul style="list-style-type: none"> ▪ Ongoing maintenance of the liquidations. 	<ul style="list-style-type: none"> ▪ Statutory duty to keep proper books and records to evidence transactions.
Reporting to appointor / committee	<ul style="list-style-type: none"> ▪ Drafting resolutions to seek formal approval from Newco. ▪ Preparation of updates for Newco in respect of the status of the liquidations and assignment of remaining VAT asset claims. 	<ul style="list-style-type: none"> ▪ Engagement with creditors. 	<ul style="list-style-type: none"> ▪ Required by statute. ▪ In compliance with PLC's and Developments' obligations to realise tax and VAT assets for the benefit of Newco. ▪ As required by the schemes.
Statutory and compliance	<ul style="list-style-type: none"> ▪ Dealing with the various statutory, other regulatory and internal compliance procedures in the liquidations. ▪ Preparation, review and circulation of statutory receipts and payments accounts for the six months ended 22 October 2016. ▪ Preparation, review and circulation of progress reports to members and creditors for the year ended 19 August 2016. 	<ul style="list-style-type: none"> ▪ Required to meet statutory and regulatory requirements. 	<ul style="list-style-type: none"> ▪ Required by statute or regulation.
Tax/VAT/ Pensions	<ul style="list-style-type: none"> ▪ Reviewing supporting transaction reports, preparing corporation tax computations for the year ended 22 April 2016 and arranging payment to HMRC. ▪ Arranging recovery of input VAT from HMRC to PLC as the group representative. ▪ Monitoring status of lead cases in regard to ongoing claims and correspondence with Newco in respect of the same. ▪ Reviewing the current position in regard to assignment of VAT claims. 	<ul style="list-style-type: none"> ▪ Ongoing maintenance of the liquidations. ▪ Asset realisations for the benefit of creditors. 	<ul style="list-style-type: none"> ▪ Governance. ▪ To ensure tax accounting is accurate for the benefit of creditors as a whole. ▪ Pursuit of VAT assets for the benefit of Newco as required under the business sale agreements.

Our future work

We anticipate dealing with the following work streams and tasks on the assumption that the liquidations are completed before the end of April 2018:

Area of work	Activities to be completed	Estimated cost (£ subject to VAT)	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy and planning	<ul style="list-style-type: none"> Six monthly reviews of progress. Review of junior staff correspondence. Consideration of the Liquidators' position and stakeholders' interests in the context of outstanding matters. Planning for closure of the liquidations. 	4,250	<ul style="list-style-type: none"> The Liquidators have a duty to act in the best interests of creditors as a whole, maintain proper records and manage costs.
Assets	<ul style="list-style-type: none"> Final queries and checks regarding Developments' land and title registrations. Closing queries in regard to the French subsidiaries of PLC. 	2,500	<ul style="list-style-type: none"> As required under the Developments business sale agreement.
Creditor claims / distributions	<ul style="list-style-type: none"> Replying to creditor queries in response to progress reports. Calculating and declaring a fourth prescribed part distribution to PLC's unsecured creditors. 	5,750	<ul style="list-style-type: none"> The Liquidators have a duty to act in the best interests of creditors as a whole, maintain proper records and manage costs.
Accounting and treasury	<ul style="list-style-type: none"> Reviewing, authorising and processing receipts and payments. Carrying out periodic reconciliations of bank accounts. Closure of the accounts. 	6,250	<ul style="list-style-type: none"> Statutory duty to keep proper books and records to evidence transactions
Reporting to appointor / committee	<ul style="list-style-type: none"> Preparation of updates for Newco as key stakeholder. Accounting to Newco for surplus funds. 	12,330	<ul style="list-style-type: none"> Required by statute. In compliance with PLC's and Developments' obligations under the schemes to account for surplus funds to Newco in place of secured senior lenders.
Statutory and compliance	<ul style="list-style-type: none"> Dealing with the various statutory, other regulatory and 	11,500	<ul style="list-style-type: none"> Required by statute or regulation.

Area of work	Activities to be completed	Estimated cost (£ subject to VAT)	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
	internal compliance procedures in the liquidations.		
	<ul style="list-style-type: none"> Preparation, review and circulation of progress reports to creditors and members. Preparation of final accounts in anticipation of seeking release. 		
Tax/VAT/Pensions	<ul style="list-style-type: none"> Agreeing a strategy with Newco regarding the remaining VAT claims, including seeking legal input as needed. Preparing and filing final tax computations and seeking tax clearance. Preparing and filing VAT returns to recover input VAT on closing costs. 	20,358	<ul style="list-style-type: none"> For the benefit of Newco under the provisions of the sale of business agreements of PLC and Developments. In compliance with the Liquidators' duties as proper officers for tax.

Hourly rates

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 structures. During the period covered by this report the charge out rates were increased on 1 July 2017.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually involved on this assignment. All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment and the minimum time charged is three minutes (i.e. 0.5 units). There was no allocation of any general costs or overhead costs.

Specialist departments with our firm, such as Tax, VAT, Property and Pensions were also used where expert advice was required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour:

Grade	Maximum rate per hour	Maximum rate per hour	Specialist maximum rate per hour	Specialist maximum rate per hour
	Up to 30 June 2017	From 1 July 2017	Up to 30 June 2017	From 1 July 2017
	(£)	(£)	(£)	(£)
Partner	840	865	1,250	1,315
Director	740	760	1,150	1,210
Senior Manager	560	575	970	1,020
Manager	480	495	700	735
Senior Associate	400	412	515	545
Associate	250	258	255	270
Support staff	125	129	150	160

Our relationships

We have had no business or personal relationships with the parties who approve our fees or who provide services to the liquidation where the relationship could give rise to a conflict of interest.

Payments to associates

We have not made any payments to associated companies in the period covered by this report.

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying and communication facilities. These type of expenses are called "category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees. Expenses paid to third parties are known as "category 1" disbursements.

Our disbursements in the period 20 August 2016 to 19 August 2017

We have incurred the following disbursements (excluding VAT):

Category 1:	£	Entity
Postage	6.73	PLC
Travel costs	49.20	Developments
Total	55.93	

The statement of expenses at Appendix D shows what we have drawn in total.

Other professional advisors we've used

We continue to retain Linklaters LLP, who were engaged in the preceding administrations, to provide legal services. No legal fees were incurred during the year to 19 August 2017. All professional advisers' fees are reviewed and approved before payment. We're satisfied that the fees charged throughout the liquidations are reasonable.

During the year, we engaged Brodies LLP to assist with finalising the legal transfer of land in Scotland, which was sold to Newco under the terms of the business sale agreement.

Name of firm / organisation	Service provided	Reason selected	Basis of fees	Amount paid in period (£)
Linklaters LLP	Legal advisers	Specialist insolvency and industry knowledge; retained from preceding Administration	Time costs	-
Brodies LLP	Legal advisers	Specialist Scottish property solicitors	Time costs	-

Analysis of our time costs by grade and work area from 20 August 2016 to 19 August 2017

PLC

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support Staff	Total hours	Time cost £	Average hourly rate £
Strategy and planning	-	-	10.30	-	0.50	2.55	-	13.35	6,593.65	493.91
Assets	-	-	0.85	-	0.20	3.25	-	4.30	1,368.50	318.26
Creditor claims/distributions	-	-	13.30	-	2.21	20.25	-	35.76	13,172.95	368.37
Accounting and treasury	1.00	-	1.05	-	4.80	7.15	-	14.00	3,804.05	271.72
Reporting to appointor/committee	-	-	4.15	0.60	5.16	11.55	-	21.46	7,078.30	329.84
Statutory and compliance	0.50	-	6.10	0.40	27.23	4.85	-	39.08	13,136.85	336.15
Tax/VAT/Pensions	5.09	-	11.28	5.02	2.14	11.88	0.99	36.39	22,786.20	626.14
Total	6.59	-	47.03	6.02	42.24	61.48	0.99	164.34	67,940.50	413.41
Brought forward from 19/08/16									450,729.77	
Overall time costs to 19/08/17									518,670.27	

Developments

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support Staff	Total hours	Time cost £	Average hourly rate £
Strategy and planning	-	-	9.65	-	-	2.55	-	12.20	6,077.65	498.17
Assets	-	-	2.95	-	-	-	-	2.95	1,652.00	560.00
Creditor claims/distributions	-	-	3.50	0.30	-	0.25	-	4.05	2,166.50	534.94
Accounting and treasury	0.50	-	0.95	-	5.00	7.00	-	13.45	3,268.55	243.01
Reporting to appointor/committee	-	-	3.65	0.60	1.46	12.75	-	18.46	5,997.80	324.91
Statutory and compliance	-	-	6.00	-	12.68	2.30	-	20.98	7,539.10	359.35
Tax/VAT/Pensions	31.23	-	13.59	6.20	15.13	20.45	0.99	87.59	58,688.18	670.06
Total	31.73	-	40.29	7.10	34.27	45.30	0.99	159.68	85,389.78	534.77
Brought forward from 19/08/16									718,233.57	
Overall time costs to 19/08/17									803,623.35	

Appendix D. - Statement of expenses

The Rules requires this progress report to include a statement of expenses incurred by the Liquidators during the period of the report, irrespective of whether payment has been made or not. This relates to all costs incurred, and not just the Liquidators' disbursements. Such a summary of expenses is found below:

PLC	Brought forward from 19/08/16 £	Paid 20/08/16 to 19/08/17 £	Incurred but not yet paid £	Estimated future £	Anticipated total £	Notes
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	
Joint Liquidators' fees	409,335	37,929	67,941	25,203	540,407	
Joint Liquidators' disbursements (Category 1)	29	6	7	7	48	
Joint Liquidators' disbursements (Category 2)	51,742	-	-	-	51,742	
Joint Liquidators' fees - Mother Bidco Limited	172,735	40,218	-	-	212,953	
Joint Liquidators' disbursements - Mother Bidco Limited	2	-	-	-	2	
Insurance/bonding	5,352	1,784	-	-	7,136	
Room hire and statutory advertising	762	-	-	775	1,537	
Legal fees and disbursements	39,493	-	-	-	39,493	
Legal fees and disbursements - Mother Bidco Limited	30,607	-	-	-	30,607	
Corporation tax	1,810	177	-	350	2,337	
Postage, printing and other statutory costs	9,246	479	-	350	10,075	
Bank charges	260	-	-	90	350	
	933,331	80,591	67,947	26,775	1,108,644	1

Note

1) Excludes payments to Newco in respect of tax and VAT asset realisations.



Developments	Brought forward from 19/08/16 £	Paid 20/08/16 to 19/08/17 £	Incurred but not yet paid £	Estimated future £	Anticipated total £	Notes
Reimbursement of costs borne by Monarch Realisations 1 Plc	-	33,468	-	-	33,468	
Legal fees and disbursements	117,909	-	-	35,000	152,909	
Joint Administrators' final fees	108,024	-	-	-	108,024	
Scheme Administrators' fees	2,015	-	-	-	2,015	
Scheme Administrators' expenses	3,567	-	-	-	3,567	
Joint Administrators' final disbursements (Category 1)	724	-	-	-	724	
Joint Liquidators' fees	613,046	79,307	63,808	56,735	812,896	
Joint Liquidators' disbursements (Category 1)	31	-	49	-	80	
Joint Liquidators' disbursements (Category 2)	3,236	-	-	-	3,236	
Statutory advertising	74	-	-	75	149	
Corporation tax	409	62	-	80	551	
Postage, printing and other statutory costs	3,481	-	-	350	3,831	
National insurance contributions	2,619	-	-	-	2,619	
Bank charges	571	178	-	60	809	
Insurance/bonding	5,352	1,784	25	100	7,261	
Tax deducted on interest	1,879	-	-	-	1,879	
	862,937	114,799	63,882	92,400	1,134,018	1




Notes

1) Excludes payments to Newco in respect of tax and VAT asset realisations.

LIQ03

Notice of progress report in voluntary winding up

	Presenter information
You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.	
Contact name	MADELINE PINKILL
Company name	PRICEWATERHOUSE COOPERS LLP
Address	CENTRAL SQUARE 8 th FLOOR 29 WELLINGTON STREET
Post town	LEEDS
County/Region	
Postcode	L S I 4 D L
Country	UK
DX	
Telephone	0113 289 4075
	Checklist
We may return forms completed incorrectly or with information missing.	
Please make sure you have remembered the following:	
<input type="checkbox"/> The company name and number match the information held on the public Register. <input type="checkbox"/> You have attached the required documents. <input type="checkbox"/> You have signed the form.	

	Important information
All information on this form will appear on the public record.	
	Where to send
You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:	
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ. DX 33050 Cardiff.	
	Further information
For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk	
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse	