

Liquidators' Progress Report

Pursuant to Sections 92A, 104A and 192 of the Insolvency Act 1986

S.192

To the Registrar of Companies

Company Number

01022107

Name of Company

(a) Insert full name of company

(a) COVTS (Realisations)

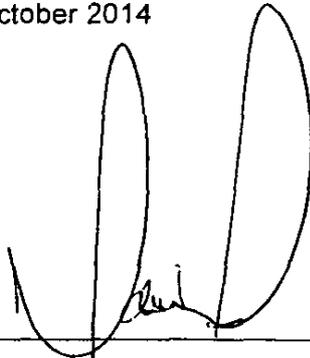
Limited

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

We (b) David Matthew Hammond of PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW, Anthony Steven Barrell of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Michael John Andrew Jervis and Ian David Green of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT

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 1 November 2013 to 31 October 2014



Signed

Date 18.12.14

TUESDAY



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A26

23/12/2014

#287

COMPANIES HOUSE

Presenter's name, Sarah Corbett PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP address and SC/MG/20141119/COVTP/CVL033 reference (if any)



**First progress report
to members & creditors**

22 December 2014

Company	COVTS (Realisations) Limited
Registered Number	01022107
Registered Address	Benson House, 33 Wellington Street, Leeds, LS1 4JP
Type of Insolvency	Creditors' Voluntary Liquidation
Date of Appointment	1 November 2013
Appointees	David Matthew Hammond, Anthony Steven Barrell, Ian David Green and Michael John Andrew Jervis
Address	PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

Dividend Prospects	Current estimate p in £
Preferential	n/a
Unsecured	60 - 70

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.

COVTS (Realisations) Limited – In Creditors’ Voluntary Liquidation (“the Company”/ “the Liquidation”)

Report to members & creditors

In accordance with Rule 4 49C of the Insolvency Rules 1986 (“IR86”), this is the Liquidators’ first progress report to members and all known creditors. Attached at appendix A is a summary of the financial information relating to the Liquidation.

Appointment of administrators

On 30 October 2012, Matthew Hammond, Anthony Barrell, Ian Green and Michael Jervis of PricewaterhouseCoopers LLP were appointed joint administrators (“the Administrators”) of the Company. The Administration was concluded on 1 November 2013, being the date the Company moved into creditors’ voluntary liquidation. Matthew Hammond, Anthony Barrell, Ian Green and Michael Jervis of PricewaterhouseCoopers LLP were appointed joint liquidators (“the Liquidators”).

Asset realisations

To date there have been no realisations for the Company.

Assets not yet realised

The main asset of the Company is a profit share agreement with Black Horse Taxi Finance (“BHFT”), which provided financing for the purchase of taxis sold by a group company.

Further information in respect of the BHFT profit share agreement can be found in the Administrators’ reports on www.pwc.co.uk/mbh. The profit attributable to the agreement could only be established once the level of claims against credit providers had been ascertained, as these are offset from the profit.

Following the Liquidators’ appointment, discussions have continued with BHFT regarding their provision of claims. BHFT have now submitted their year-end accounts and it is currently anticipated that there will be circa £1 million paid over to the Company in relation to the profit share agreement, in the next few weeks. In addition it is anticipated that a further, smaller amount may be realised in respect of the agreement’s run off value.

In addition, the Company’s cash at bank at the time of the Administrators’ appointment was used to off set MBH’s borrowings under group banking arrangements. As a result a marshalling exercise has been undertaken which is anticipated to result in the Company receiving circa £735,000 from MBH when that company is in funds.

Outcome for creditors

- **Secured and preferential creditors**

The Company has no secured or preferential creditors.

- **Unsecured creditors**

The Liquidators currently anticipate that there will be sufficient funds to enable a distribution to the unsecured creditors of the Company. It is currently estimated that the dividend will be in the region of 60-70p in the £. The level of any distribution will be dependent on the final level of realisations from the BHFT profit share agreement.

Following the Liquidators’ appointment creditor claims have been reviewed and formal confirmation of their agreement or rejection will shortly be sent.

If you have not already submitted your claim, please do so using the form enclosed with this report.

Investigations

The Liquidators have reviewed the affairs of the Company prior to liquidation, and have also considered the points raised by creditors, in discharging their duties under the Company Directors' Disqualification Act 1986

Creditors are reminded that the Liquidators have a statutory obligation to consider the directors' conduct and to submit a return/report to the Insolvency Service. The Liquidators can confirm that they have complied with this requirement

Liquidators' remuneration

You may recall that during the previous Administration, in accordance with resolutions passed at the initial creditors' meeting held on 19 December 2012, the Administrators' fees were fixed under Rule 2.106 IR86 by reference to time properly given by the Administrators and their staff in attending to matters arising. The balance of any unpaid Administrators' fees will be drawn in due course. In accordance with Rule 4.127 IR86, the remuneration basis agreed in the Administration will continue in the Liquidation.

To 31 October 2014, the Liquidators have incurred time costs of £32,414. This represents 103 hours at an average hourly rate of £315. To date nothing has been drawn in this respect. The balance will be drawn in due course together with the balance of unpaid fees in respect of the previous Administration. These figures include a change in charge out rates effective from 1 July 2014 for insolvency and specialist staff.

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 1 November 2013 to 31 October 2014, by work category, are attached at Appendix B, together with a narrative of work undertaken.

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' appointment the charge out rates were increased on 1 July 2014. 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, however, the figures given provide an indication of the maximum rate per hour.

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. 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 assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

Liquidators' disbursements

Category 1 disbursements

The Liquidators' have not incurred any disbursements during the period 1 November 2013 to 31 October 2014

Category 2 disbursements

The Liquidators' current disbursements policy, as approved by the creditors, is as follows

- 1 Photocopying for circulars or any other bulk copying is charged at 5p per sheet,
- 2 Mileage – this is reimbursed at a maximum of 71p per mile (up to 2,000cc) and 93p per mile (over 2,000cc)

All other disbursements are reimbursed at cost. The Liquidators have not incurred any costs in respect of photocopying and mileage during the period 1 November 2013 to 31 October 2014

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 in the period 1 November 2013 to 31 October 2014 (£)
Office holders' fees	32,413 85
Statutory advertising	90 44

Additional information

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>

A copy may also be obtained free of charge by telephoning Sarah Corbett on 0113 289 4014

If any creditor requires further explanations on any aspect of the Liquidators' progress report, then please telephone or write to Sarah Corbett, 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 IR86)

In addition, should any creditor consider the Liquidators' remuneration and disbursements to be excessive or inappropriate, they have the right to challenge the amounts in accordance with Rule 4 131 IR86

Appendix A

COVTS (Realisations) Limited - in creditors' voluntary liquidation
Receipts and payments account for the period 1 November 2013 to 31 October 2014

	1 November 2013 to 31 October 2014
Receipts	£
	-
	<hr/>
	-
Payments	£
	-
	<hr/>
	-
VAT control account	-
Balance held	<hr/> <hr/>

COVTS (Realisations) Limited - in creditors' voluntary liquidation

Analysis of time costs for the period from 1 November 2013 to 31 October 2014

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	-	-	-	0.75	1.30	-	2.05	388.00	189.27
2 Secured creditors	-	-	-	-	-	-	-	-	-	-
3 Trading	-	-	-	-	-	-	-	-	-	-
4 Assets	-	-	33.50	-	0.20	1.00	-	34.70	13,930.50	401.46
5 Investigations	-	-	0.16	0.75	1.30	-	-	2.21	616.80	279.10
6 Creditors	-	0.50	1.00	-	2.55	2.20	2.25	8.50	1,778.00	209.18
7 Accounting and treasury	-	-	-	0.15	-	-	-	0.15	48.00	320.00
8 Statutory and compliance	1.00	1.60	3.15	5.55	9.12	1.50	12.20	34.12	7,835.55	229.65
9 Tax & VAI	-	0.80	0.50	2.00	13.20	-	0.20	16.70	5,629.50	337.10
10 Pensions	-	0.40	-	3.40	0.70	-	-	4.50	2,163.50	480.78
11 Pre-appointment work	-	-	-	-	-	-	-	-	-	-
12 Closure procedures	-	-	-	-	0.10	-	-	0.10	24.00	240.00
Total for the period	1.00	3.30	38.31	11.85	27.92	6.00	14.65	103.03	32,413.85	314.61

- insolvency rates from 1 July 2013

- insolvency rates from 1 July 2014

- specialist maximum

COVTS (Realisations) Limited – in creditors voluntary liquidation

Narrative of work undertaken in the period 1 November 2013 to 31 October 2014

Assets

- Liaising with BHTF in respect of the profit share agreement and responding to BHTF queries
- Review of BHTF profit run off analysis and finalising BHTF analysis

Creditors

- Agreeing creditors' claim agreement strategy
- Reviewing unsecured creditor claims and adjudicating on / requesting further information in respect of unsecured creditor claims
- Dealing with creditor queries and correspondence

Statutory and compliance

- Finalising and sending out the previous joint administrators' final progress report
- Maintaining case files and records
- Preparation of and sending out statutory notices and letters following Liquidators' appointment
- Appointee reviews of case progression
- Calculating and obtaining insurance policies for the Liquidators

Tax & VAT

- Liaising with tax and VAT teams and provision of information for completion of computations and returns
- Preparation and review of VAT returns
- Preparation of pre-appointment and administration period tax computations
- Review and submission of pre-appointment and administration period tax comps

Pensions

- Sending out statutory notices to the pension scheme and the Pension Protection Fund ("PPF")
- Liaising with the internal pension team regarding clearance for distributions
- Discussions with the internal pension team regarding the PPF claim and review of the PPF claim