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

1	Co	mp	any	detai	İs				
Company number	0	7	9	2	7	6	8	6	→ Filling in this form Please complete in typescript or in
Company name in full	The	e C	over	lale (	Orgar	isati	on L	imited	bold black capitals.
2	Liq	uic	lator	's na	me				
Full forename(s)	Eile	eer	1						
Surname	Bla	ickl	burn						
3	Liq	uic	ator	's ad	dres	s			
Building name/number	56								
Street	Pa	lme	erstor	Plac	e				
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Surname									another liquidator,
5	Liq	uic	lator	's ad	dres	s Ø	-	· · · · · · · · · · · · · · · · · · ·	
Building name/number									<b>⊘</b> Other liquidator
Street									Use this section to tell us about another liquidator.
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# LIQ03 Notice of progress report in voluntary winding up

6	Period of progress report
From date	d3 d0 m0 m8 y2 y0 y1 y7
To date	d 2 d 9 m 8 y 2 y 0 y 1 y 8
7	Progress report
	☑ The progress report is attached
	<b>\</b>
8	Sign and date
Liquidator's signature	Signature
	X Lie Ru
Signature date	$\begin{bmatrix} d & 2 & \boxed{d} & 5 & \boxed{m} & \boxed{m} & \boxed{m} & \boxed{g} & $

Our Ref EB/SJS/JM/CO0236CVLE/SED5
Your Ref TO ALL KNOWN CREDITORS AND MEMBERS



56 Palmerston Place, Edinburgh EH12 5AY Tel: 0131 243 0199 Fax: 0131 467 5667 busrecedinburgh@frenchduncan.co.uk www.frenchduncan.co.uk Legal Post: LP − 37 Edinburgh 2

25 October 2018

Dear Sirs

THE COVERDALE ORGANISATION LIMITED - IN LIQUIDATION FORMER REGISTERED OFFICE: 20-22 BEDFORD ROW, LONDON, WC1R 4JS FORMER TRADING ADDRESS: 10 YORK PLACE, EDINBURGH, EH1 3EP

### 1 Introduction

- 1.1 I refer to the above and now write to update the creditors and members on the progress of the liquidation to date, following my appointment as liquidator on 30 August 2016.
- 1.2 This is my second report to creditors and members.
- 2 Receipts and Payments Account
- 2.1 Attached at Appendix A is a summary of my Receipts and Payments to 29 August 2018.
- 2.2 You will note that I currently hold funds of £144,181.59
- 2.3 I am banking company funds with an authorised clearing bank and therefore on this occasion there is no account held by the Secretary of State with which to reconcile my accounts.
- 3 Assets

Investments - Coverdale China

3.1 As previously advised, the Statement of Affairs included an estimated to realise figure of £25,000 in both investments and sundry debtors in relation to Coverdale China, totalling £50,000. The sum due relates to a license agreement signed in 2015 between Coverdale China and Coverdale International Ltd, the agreement stipulating that the sum of £50,000 is to be paid to the Coverdale Organisation in five equal instalments of £10,000, with a clause that allows the payment period to be extended up to a maximum of 10 years. There also appears to have been a verbal agreement that these sums would only become due once Coverdale China began to make a profit. I had sought legal advice on the position, and given that the contract is between Coverdale International and Coverdale China, and that the payment period could extend as long as 10 years, I began negotiations with the aim of reaching an early settlement. However, it became clear that due to the financial position of Coverdale China, early settlement was not an option. In addition, various clauses contained within the



Where naminated Partners and Directors of French Duncan LLP act as Insolvency Practitioners and data controllers, French Duncan LLP act as data processors to support this function. Please see our Privacy Policy at http://www.frenchduncan.co.uk/privacy-policy/ agreement meant it was not feasible to try and conduct legal action to try and recover any funds. I subsequently received a letter from Browne Jackson Solicitors on behalf of Coverdale International Ltd to advise the company had exercised its right to reduce all instalments payable to The Coverdale Organisation to nil. Following consolation with my legal agents, it was agreed all possible options had been exhausted and no recovery would be made in this regard.

Investments - Coverdale Team Management Deutschland

3.2 An additional £1,188.04 has been realised in the period in relation to the sale of the company's shares held in Coverdale Team Management Deutschland, bringing the total figure recovered to £25,314.64.

Other

3.3 A further £822.12 has been recovered in relation to an insurance refund.

### 4 Creditors

Preferential

4.1 Employee claims have now been calculated, and preferential claims stand at £11,861. I estimate that this class of creditor will receive a dividend of 100p in the £.

Ordinary

4.2 Ordinary claims amount to £1,391,834 and it is anticipated creditors will receive a dividend of 9.26p in the £

#### 5 Shareholders

5.1 There is no prospect of a return to shareholders. Shareholders should inform their tax advisors accordingly.

# 6 investigations

My investigations into the company affairs have not revealed any potential recoveries that would be of benefit to creditors in addition to realisations in respect of the various assets mentioned above.

I am required to submit a "Report on the Conduct of Directors" to The Insolvency Service covering all directors who have served in the three years prior the commencement of the liquidation. This report has been duly submitted. The contents of this report are confidential and cannot be disclosed to creditors.

## 7 Liquidator's Remuneration

Post-appointment Fees

7.1 I can advise that I have drawn fees of £17,290.85 and category 2 disbursements of £220.47 during the period, as detailed in my last report to creditors and members. My time costs for this period are £7,502.13 which represents 64.1 hours of chargeable time by myself and my staff, at an average hours rate of £117.04, together with Category 2 Disbursements of £68.29.

I have attached a detailed schedule of time costs incurred and their respective categories for comparison with my original estimate.

7.2 I can further advise that no creditor voted with regards to the written resolution included with my letter of 1 August 2018 requesting a final fee of £5,000 in relation to the level of work undertaken during the case. It had therefore been my intention to seek approval of this fee through an application to Court under Rule 18.28 of the Insolvency (England and Wales) Rules 2018. However, having discussed the matter with various firms of solicitors, I am keen to avoid incurring additional costs if this can be avoided. I have therefore attached a further resolution requesting approval of the uplift with the aim of avoiding the aforementioned solicitor fees. Should no creditor respond, I will have no option but to make a Court applications with the associated costs. A copy of the time summary from the first period and a copy of the initial time summary estimate have also been included to highlight the additional time spent. No further fee increase will be sought.

The decision date is 13 November 2018, with the procedure and creditor rights detailed in the attached Notice of Written Resolution.

7.3 A copy of a Creditors' Guide to Liquidators' Fees can be located at the following website which provides information relating to Liquidators' remuneration <a href="https://www.r3.org.uk/what-we-do/publications/professional/fees/liquidators-fees">https://www.r3.org.uk/what-we-do/publications/professional/fees/liquidators-fees</a>

Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing

If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing. If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company.

7.3 In terms of rules governing circulars to creditors, I am obliged to make reference to Statement of Insolvency Practice 9 ("SIP9") which deals with the remuneration of Insolvency Office holders in every circular. This is available to download on the R3 website: <a href="https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice/e-and-w">https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice/e-and-w</a>

You may request a hard copy of either of these document, as follows:

- · In writing to the above address; or
- By telephoning on the above telephone number; or
- By emailing <u>businessrecovery@frenchduncan.co.uk</u>. Please ensure that the name of the
  debtor or insolvent company is clearly displayed in the email title. Include in the email the
  name of the creditor and your postal address if different to the address to which this letter has
  been sent.
- 7.4 Expenses Incurred by the Liquidator during period

Statutory costs in relation to the registered office and storage of books and records have been paid and are detailed in the attached Receipts and Payments account.

#### 8 Closure

Should the resolution in relation to my remuneration be passed, my intention is to declare and pay the final dividend in accordance with the attached estimated Scheme of Division, deliver the final account of the liquidation to the creditors and members, and submit the final account to the Register of Companies to close the case.

### 9 Other Matters

9.1 Creditors should be aware that all Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out professional work relating to an insolvency appointment. A full version of the code can be viewed at:

http://www.frenchduncan.co.uk/media/90862/Insolvency Code of Ethics.pdf

If you require a hard copy of the code please contact my colleague Jamie Mcilvride at this office on 0131 243 0199 and request a copy.

In terms of EC regulation no 1346/2000 on insolvency proceedings, these proceedings are considered to be main proceedings, and the company is not known to have an establishment in any other member state.

- 9.2 Please be advised that creditors may elect to opt out of receiving further documents relating to the proceedings. A creditor has the right to elect to opt out of receiving further documents about the proceedings unless:
  - (i) the Act requires a document to be delivered to all creditors without expressly excluding opted-out creditors,
  - (ii) it is a notice relating to a change in the office-holder or the office-holder's contact details, or

(iii) it is a notice of a dividend or proposed dividend or a notice which the court orders to be sent to all creditors or all creditors of a particular category to which the creditor belongs.

Opting-out will not affect the creditor's entitlement to receive dividends should any be paid to creditors, and unless the Insolvency (England and Wales) Rules 2016 provide to the contrary, opting-out will not affect any right the creditor may have to vote in a decision procedure or to participate in a deemed consent procedure in the proceedings, although the creditor will not receive notice of it. A creditor who opts out will be treated as having opted out in respect of any consecutive insolvency proceedings of a different kind in respect of the same company or individual.

A creditor wishing to opt out must send written notice to my office of their request to do, authenticated and dated, and may at any time revoke the election to opt out by the same method.

Please note that creditors may also request for electronic delivery of documentation by contacting my office.

In the meantime, if you have any queries or wish to discuss any of the above, please do not hesitate to contact Jamie Mcilvride on 0131 243 0199 at this office.

Yours faithfully

Eileen Blackburn Liquidator

Enc

Eileen Blackburn is licensed in the UK to act as an Insolvency Practitioner by the Institute of Chartered Accountants of Scotland

# The Coverdale Organisation Limited (In Liquidation) Liquidator's Summary of Receipts & Payments

Statement of Affairs £		From 30/08/2017 To 29/08/2018 £	From 30/08/2016 To 29/08/2018 £
	ASSET REALISATIONS		
	Third Party Funds	NIL	3,045.75
4,000.00	Fixed Assets	NIL	4,000.00
10,000.00	Investments- Coverdale International L	NIL	4,000.00 NIL
50,000.00	Investments - Coverdale China	NIL	NIL
00,000.00	Coverdale Ownership Trust	NIL	NIL
21,118.00	Investments-Coverdale Team Manage	1,188.04	25,314.64
6,000.00	Stock & IP	NIL	6,000.00
3,038.00	Work in Progress	NIL	3,038.45
57,968.00	Trade Debtors	NIL	55,893.03
4,100.00	Sundry Debtors	NIL	4,100.00
51,803.00	Cash at Bank	NIL	67,775.34
<b>-</b> -,	Bank Interest Gross	127.13	158.84
	Insurance refund	822.12	1,427.56
	Sundries	NIL	1.51
		2,137.29	170,755.12
	COST OF REALISATIONS		
	Bordereau	NIL	312.00
	Section 98 Meeting Costs	NIL.	3,045.75
	Liquidator's Fees	17,290.85	17,290.85
	Office Holder's Expenses	220.47	220.47
	IT / Consultant Fees	NIL	470.00
	Legal Fees (1)	NIL	200.00
	Storage Costs	1,744.47	2,346.52
	Registered Office/ Re-Direction of Mail	198.42	464.34
	Statutory Advertising	NIL	388.54
		(19,454.21)	(24,738.47)
	PREFERENTIAL CREDITORS	4.044.40	4 9 4 4 4 9
	Pension Schemes	1,011.10	1,011.10
	INGEOLOTO OPERITORO	(1,011.10)	(1,011.10)
(E4 076 00)	UNSECURED CREDITORS	<b>N111</b>	AIII
(51,276.00)	Trade & Expense Creditors	NIL NIL	NIL NIL
(8,003.40) 854,000.00)	Employees Pension Liability	NIL NIL	NIL
654,000.00)	Pension Liability	NIL NIL	NIL
	DISTRIBUTIONS	IVIL	IVIL
272,000.00)	Ordinary Shareholders	NIL	NIL
212,000.00)	Ordinary Griarenoiders	NIL	NIL
<del></del>			
977,252.40)	DEBDECENTED DV	(18,328.02)	145,005.55
	REPRESENTED BY		902.00
	Vat Receivable Fixed Current A/c		823.96
	Lixed Callent MC		144,181.59
			145,005.55

Eileen Blackburn

Eileen Blackburn Liquidator

# French Duncan Restructuring and Debt Advisory The Coverdale Organisation Limited Creditor Claims Summary Report

Key	Name F	Rep. Ву	S of A £	Claim £	Agreed Claim £
CB00	BT plc		0.00	0.00	0.00
	ES 8666 8604 & WM 4107 5588				
CC00	The Coverdale Organisation plc Pension &	Assu	854,000.00	1,358,500.00	1,358,500.00 (U)
CC01	The Coverdale Organisation (UK) Ltd		29,674.00	0.00	0.00
CC02	Coverdale Corporation		3,337.00	0.00	0.00
CD00	Document Data Solutions Limited		36.72	0.00	0.00
CE00	EE Customer Services 122603813		0.00	435.49	435.49 (U)
CH00	Hogg Robinson Card Transaction		3,603.00	0.00	0.00
CH01	H M Revenue & Customs 075F2113207		13,113.00	10,098.17	10,098.17 (U)
C100	The Insolvency Service		0.00	23,780.12	16,656.16 (U) 7,123.96 (P)
CL00	Lion 5COV01		420.00	420.00	420.00 (U)
CN00	NatWest 4273000400852754		0.00	0.00	Agreed Nil Claim
CP00	Premium Credit C600773A78/00		0.00	1,683.37	1,683.37 (U)
CRBS	The RBS Group PLC Commercial 427300400852754		0.00	158.97	158.97 (U)
CS00	Strathmore Business Centre		184.51	0.00	Agreed Nil Claim
CT00	TNT		50.59	0.00	0.00
CU00	Unpaid Dividends		825.00	0.00	0.00
CV00	Viking Direct		32.87	0.00	0.00
CY00	Campbell B Young		0.00	3,882.16	3,882.16 (U)
18 Entri	es Totalling	7.57.	905,276.69	1,398,958.28	1,398,958.28

U - Unsecured

P - Preferential

# THE COVERDALE ORGANISATION LIMITED - IN LIQUIDATION

# PROPOSED SCHEME OF DIVISION AS AT 24 OCTOBER 2018

		£	£	£
Balance at bank as at 24 October 203	18			144,236.49
Add Bank Int,est			16.00	
Add VAT receivable			823.96	
				839.96_
				145,076.45
	00/00/0047 : 00/00/0040	7 500 43		
Less Liquidator's fees	30/08/2017 to 29/08/2018	7,502.13		
	30/08/18 to close, est	2,500.00		
Restricted to			5,000.00	
Liquidator's disbursements	30/08/2017 to 29/08/2018	68.29		
Elquidator 3 disbursements	30/08/18 to close, est	140.00		
	30,00,10 to close, est		208.29	
			200.23	
Storage FD files		115.92		
			115.92	
		_		(5,324.21)
Estimated funds available for credit	ors		_	139,752.24
Sums due to Preferential Cred	litors to be paid			(10,850.45)
Estimated funds available to Ordina	ry Creditors		=	128,901.79
Ordinary Claims				1,391,834.32
Estimated Dividend , p in the £				9.261

# THE COVERDALE ORGANISATION LIMITED (IN LIQUIDATION)

Notice of written resolutions under Rule 15.8 of the Insolvency (England and Wales) Rules 2016

Name of Creditor :	
Address:	
Please indicate below whet estimate in accordance with	her you are for or against the resolution regarding the increase in fee Rule 18.24.
I vote as below (*please tick	box as appropriate) :
That the Liquidator be the previously approv	e authorised to draw a restricted final fee of £5,000 in accordance with red time cost basis :
	*FOR AGAINST
<b>NOVEMBER 2018 (THE DE</b>	IE LIQUIDATOR'S OFFICE BY NO LATER THAN 11.59PM ON 13 CISION DATE) THE FORM MUST BE ACCOMPANIED BY A PROOF LREADY PROVIDED), OTHERWISE YOUR VOTE WILL BE
This form must be signed	Signature
	Date
	Name in Capital Letters
Only to be completed if cre	editor has not signed in person :
	on with creditor or relationship to creditor or other authority nature :

#### Notes:

- A creditor whose debt is treated as a small debt in accordance with Rule 14.31 (1) must still
  deliver a proof if they wish to vote
- A creditor who has opted out from receiving notices may nevertheless vote if the creditor provides a proof
- A creditor may within 5 business days from the date of delivery of this notice request a physical
  meeting be held by writing to the Liquidator. In order for a meeting to be called, a minimum
  number of creditors must have made this request, minimum number being 10% in value of the
  creditors, 10% in number of the creditors or 10 creditors.
- A creditor may appeal a decision made by the convener in accordance with Rule 15.35. The
  appeal must be made to the Court, and may not be made later than 21 days after the decision
  date
- It should be noted that a decision is made by creditors when a majority (in value) of those voting have voted in favour of the proposed resolutions

Eileen Blackburn Liquidator

Dated:

24-10-18

The Coverdale Organisation Limited - In Liquidation

Time analysis

30/08/2017 to

29/08/2018

	Hours							
Classification of work function	Partner	Director	Manager	Other Senior Professionals	Administrator, Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	1.60	0.70	7.00	1.00	16.40	26.70	3,122.50	116.95
Investigations	0.00	0.00	0.40	0.00	1.10	1.50	180.00	120.00
Realisation of Assets	0.00	0.00	2.70	0.00	0.00	2.70	390.00	144,44
Creditors	0.40	0.00	5.20	0.00	12.60	18.20	2,339.50	128.54
Statutory Compliance	0.10	0.00	1.10	2.30	9.70	13.20	1,299.13	98.42
Closure	0.00	0.00	0.00	0.00	1.80	1.80	171.00	95.00
Total Hours	2.10	0.70	16.40	3.30	41.60	64.10	7,502.13	117.04

Category 2 disbursements

Postage Photocopying 37.29 31.00

68.29

Hourly Chargeable Rates		Hourly Chargeable Rates	
1 May 2017 30 April 2018 Partner	£350	1 May 2018 to date Partner	£370
Director	£275	Director	£290
Senior Manager / Manager	£195 - £240	Senior Manager / Manager	£205-£255
Other Senior Professionals	£150	Other Senior Professionals	£160
Administrator/Ass and Support staff	£70-£95	Administrator/Ass and Support staff	£75-£100

### The Coverdate Organisation Limited - in Liquidation

Time analysis

30/08/2016 to

29/08/2017

He		[						
Classification of work function	Partner	Director	Manager	Other Senior Professionals	Administrator, Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	4.00	1.20	9.10	2.70	36.60	53.60	6,310.00	117.72
Investigations	0.80	0.00	15.50	20.00	3.10	39,40	6,179.00	156.83
Realisation of Assets	0.40	0.00	24.20	0.00	14.30	38.90	5,173.00	132.98
Creditors	1.00	0.00	10.30	0.00	34,50	45.80	4,750.50	103.72
Statutory Compliance	2.20	0.00	5.80	0.40	8.70	17.10	2,500.00	146.20
Total Hours	8.40	1.20	64.90	23.10	97.20	194.80	24,912.50	127.89

Taxi fares	01/10/2016	24.69
	01/11/2016	8.31_
		33.00
Postage		31.30
Photocopying		87.00
		118.30
		<del></del>
		151.30
		01/11/2016

Hourty Chargeable Rates		Hourty Chargeable Rates 1 May 2017 to date				
1 May 2016 30 April 2017 Partner	£330		£350			
Director	£240	Director	£275			
Senior Manager / Manager	£165 - £200	Senior Manager / Manager	£195 - £240			
Other Senior Professionals	£140	Other Senior Professionals	£150			
Administrator/Ass and Support staff	£65-£90	Administrator/Ass and Support staff	£70-£95			

# THE COVERDALE ORGANISATION LIMITED

# Time Summary - Estimate

Classification of work function	Partner	Director	Manager	Other Senior Professionals	Administrator, Assistants & Support Staff	Total Hours	Time Cost (£)	Avarage Hourly Rate (£)
Administration & Planning	3.00	0.00	4.20	2.70	16.90	26.80	3,500.00	130.60
Investigations	1.90	0.00	5.90	3.20	17.10	28.10	3,500.00	124.56
Realisation of Assets	3.90	0.00	17.70	4.60	31.10	57.30	7,500.00	130.89
Creditors	0.70	0.00	3.10	1.40	12.50	17.70	2,000.00	112.99
Statutory Compilance	1.40	0.00	2.50	1.20	11.30	16.40	2,000.00	121.95
Total Hours	10.90	0.00	33.40	13.10	88.90	146,30	18,500.00	126.45

4 May 2016	Hourty Chargeable Rates	
1 May 2016	Partner	£330
	Director	£240
	Senior Manager / Manager	£165 - £200
	Other Senior Professionals	£140
	Administrator/Ass and Support staff	£65-£90

# The Coverdale Organisation Limited - In Liquidation

# Issues requiring addional work to be undertaken

Administration & Planning	Additional administration required in relation to volume of correspondence / admin in other work categories, including foreign based debtors and investments, sale of IP and computer WIP requiring site vists re data protection etc		
Investigations	Additional investigations into personal pension schemes and pension and salary payments		
Realisations of Assets	Issues with investment assets, including dealing with solicitors and investements based in foreign jurisdictions		
Creditors	Visit from RPS, issues with employees including tribunal and ACAS		
Statutory Compliance	Liaising with PPF and additional employee claims re RP15s		