

Joint liquidators' progress report from 19 October 2022 to 18 October 2023

15 December 2023

MP & Silva limited - in Liquidation

Table of contents

Abbreviations and definitions	2
Key messages	4
Overview of what we've done to date	5
Outcome for creditors	6
Progress since we last reported	7
Appendix A: Receipts and payments	12
Appendix B: Expenses	14
Appendix C: Remuneration update	16
Appendix D: Other information	25

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report

Abbreviation or definition	Meaning
Advance Payments	Payments made by customers for sports rights in advance of the actual tournament concerned, the ownership of only one such payment is now being being disputed
Advance Payers	Customers who made Advance Payments
Company	MP & Silva Limited - in Compulsory Liquidation
FIFA	Federation Internationale de Football Association
HMRC	HM Revenue & Customs, the UK government's agency concerned with collecting taxes
Insolvency Service	An executive agency of the Department for Business and Trade (formerly Department for Business, Energy and Industrial Strategy) responsible for administering compulsory liquidations
IR16	Insolvency (England and Wales) Rules 2016
IA86	The Insolvency Act 1986
ISA	Insolvency Services Accounts – a bank account maintained with the Bank of England typically used for all receipts and payments of company assets in a compulsory liquidation.
Joint Liquidators/we,our, us or I	Zelf Hussain David Baxendale (From 23 March 2023 onwards) Michael John Andrew Jervis (From 19 October 2018 - 4 January 2023)
Liquidation Committee	A body made up of creditors that supports the Joint Liquidators in winding up the affairs of the Company and provides approval on remuneration
Preferential Creditors	Creditors with claims for: <ol style="list-style-type: none">1. unpaid wages for the whole or any part of the period of four months before 17 October 2018 (up to a maximum of £800);2. accrued holiday pay for any period before 17 October 2018; and3. unpaid pension contributions in certain circumstances
Prescribed Part	The amount set aside for Unsecured Creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003. In this instance the Company had not granted a floating charge and therefore the prescribed part does not apply.
PwC	PricewaterhouseCoopers LLP
the Group	The Company was the UK based subsidiary of a world wide group of companies that bought and sold media rights
Secured Creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
Unsecured Creditors	Creditors who are neither Secured nor Preferential

This report has been prepared by Zelf Hussain and David Baxendale as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under IR16 on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Liquidators' previous reports issued to the Company's creditors, which can be found at <https://www.pwc.co.uk/mpsilva>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain and David Baxendale have been appointed as Joint Liquidators of the Company. Both 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 may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Liquidators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

I'm writing to update you on the progress of the liquidation of the Company in the 12 months since the last report dated 6 December 2022.

You can still view our earlier reports on our website at www.pwc.co.uk/mpsilva

How much creditors have received

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured Creditor(s)	Not applicable	Not applicable
Preferential Creditors	100 p/£ paid	100 p/£ paid
Unsecured Creditors*	1.4 - 9.3p*	1.4 - 9.2 p

* This range does not reflect a settlement that is in the process of being finalised in relation to the Advance Payments matter, further details will be provided once a settlement is signed and finalised.

The slight increase in the dividend range for Unsecured Creditors, is driven primarily by a change in foreign exchange rates of assets we expect to be realised in the future and increased interest receipts following an increase in interest rates.

What you need to do

We have asked for outstanding claims from Unsecured Creditors so that we can agree them for dividend purposes.

If you haven't already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at www.pwc.co.uk/mpsilva or you can get one by emailing Syed Shah on syed.s.shah@pwc.com.

We may decide that some or all Unsecured Creditors who are owed £1,000 or less by the Company won't be required to submit a proof of debt in order to receive the anticipated dividend payment.

An Unsecured Creditor who we decide is not required to submit a proof of debt will be notified, when we deliver notice of our intention to pay a dividend, of the amount we will treat as their admitted debt for the purpose of the dividend, unless the Unsecured Creditor advises us that the amount is incorrect (in which case a proof of debt will be required) or not owed.

Please note that should you wish to vote in relation to any future decision procedure during the liquidation or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Overview of what we've done to date

This is our fifth progress report to members and creditors. As explained in our previous reports, which can be found on our website at www.pwc.co.uk/mpsilva, the Company was part of the Group, being an international group of companies which acquired and sold sports media rights around the world.

Following a creditor petition served on 24 August 2018, the Company was wound up by the court on 17 October 2018. On 19 October 2018, the Joint Liquidators were appointed by the Secretary of State.

Following our appointment, there was significant work to do in realising the assets of the Company; some of which were subject to dispute, to secure books & records from a number of sources and to comply with investigations from UK and EU based public bodies.

The main areas of work in the liquidation have included:

- Investigating the status of funds held in purported trust accounts on behalf of the Advance Payers and whether these formed part of the liquidation estate. We previously entered into dialogue with the Advance Payers and were able to resolve the status of the majority out of court.
- One of the Advance Payers continues to assert ownership and we have made an application to seek directions from the court.
- Notifying creditors of our appointment, many of whom are based abroad and unfamiliar with the insolvency procedures in England & Wales, and providing information about the liquidation.
- Complying with an extensive and detailed HMRC enquiry into the pre appointment tax affairs of the Company.
- Contacting third party vendors and agents to reconstruct and or gain access to records of the Company to comply with our statutory obligations.
- Notifying non Group debtors of our appointment and seeking payment of outstanding balances, including reviewing books and records to substantiate our claims where appropriate.
- Investigating the complex inter-company position within the Group and pursuing claims against Group members where our investigations determined there may be value, including facilitating the opening of insolvency proceedings in other jurisdictions. Liaising with office holders of overseas companies in the Group, ensuring the Company's claims are registered, exchanging communications to ensure claims are admitted and following up on dividend prospects and timeframes.
- Assisting creditors in the formation of a liquidation committee and holding committee meetings to discuss key matters in the liquidation, as well as issuing regular written updates on case progress.
- Adjudication of creditor claims, including a number of high value complex claims where the claim value is significant as to affect the eventual expected dividend to Unsecured Creditors.
- Complying with an EU commission investigation into potential anti-competitive behaviour by the Company prior to our appointment.

When we last reported, the key outstanding matters in the liquidations were as follows:

- Determine the status of the remaining Advance Payment subject to dispute
- Continue to liaise with Pythagoras Capital Limited over the collection of a book debt
- Agree our claims with overseas insolvent Group entities and collect dividends due to the Company
- Agree Unsecured Creditors' claims for dividend purposes
- Issue a Notice of Intended Dividend to creditors and, as expected, pay a dividend
- Finalise VAT and tax matters, including receiving tax clearance from HMRC

We set out later in this report more detail on the work undertaken and progress made in this reporting period.

Outcome for creditors

Secured creditors

At the date of liquidation, the Company had one unsatisfied charge shown in the Companies House Register. This relates to the Company's rent deposit deed and is, to the best of our knowledge, resolved.

Preferential creditors

We paid Preferential Creditors in full on 31 July 2019.

Unsecured creditors

Dividends become available for Unsecured creditors when there are sufficient funds (after costs of the liquidation) to pay the Secured and Preferential creditors in full, with an amount left over. In certain circumstances, part of the amount available for Secured creditors may be ring-fenced for the benefit of Unsecured creditors. This Prescribed Part is paid out of 'net property', which is floating charge realisations after costs, and after paying – or setting aside enough to pay – Preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003. In this case the Prescribed part doesn't apply because there is no floating charge registered against the Company.

We think a dividend of about 1.4% - 9.3% will be paid to the Unsecured creditors based on what we know currently.

We've calculated this based on the value of Unsecured Creditors' claims received to date, assets realised to date and our estimation on future assets and liabilities of the Company based on reviewing the books and records of the Company and conversations with key stakeholders. The amount of the final dividend will depend on the final level of submitted claims, future realisations, liquidation costs and outcome of the Advance Payments dispute.

Progress since we last reported

Realisation of assets

Advance Payments funds

As creditors will recall from our previous reports, under the Company's sale contracts, certain customers made payments in advance for sports rights before the relevant sporting event had commenced. As the Company's financial distress escalated in the summer of 2018, the Company's senior management team took steps to transfer some Advance Payments (equivalent to approximately £13 million), into separate bank accounts, which were expressed to be "trust" accounts. Since liquidation, the question has arisen as to whether these funds form part of the liquidation estate or belong to the Advance Payers under valid trusts. Our legal advice is that the creation of a trust in these circumstances represents a preference under section 239 of IA86, and that the trust should be unwound so that money held in the trust accounts is made available to the estate, from which a dividend could be paid to all Unsecured Creditors.

In total there were six Advance Payers whose payments were transferred to the trust accounts. A number of the Advance Payers are based abroad, which has added a layer of complexity to resolving this matter. We spent significant time and effort seeking to resolve this matter out of court through extensive and in-depth correspondence with the largest Advance Payer ("Advance Payer 1"). By the middle of 2020, we became of the view that it would be necessary to seek a court direction and an out of court resolution would not be reached. Following consultations with the Liquidation Committee, we initiated legal proceedings and made an application for the improper trust to be wound up (the "Application"). More details of the work we have done in relation to the Advance Payments matter is provided in our previous annual reports, which can be found on www.pwc.co.uk/mpsilva

At the time of our last report, five of the six Advance Payers had provided written confirmation that they did not assert or claim any beneficial interest in monies paid by them in advance to the Company. As a result a total amount of £1,747,369.21 has been credited to estate funds during the liquidation. Currently, Advance Payer 1 is the only outstanding Advance Payer who has yet to provide the confirmation we have requested. Advance Payer 1 is therefore the only remaining respondent to the Application.

At the case management hearing before Judge Prentice on 13 February 2023, the judge made various case management directions in preparation for a merits hearing of the Application in February 2024.

Shortly after the reporting period covered by this report, the Joint Liquidators agreed a settlement in principle with Advance Payer 1 and it is expected that this matter will be resolved in the coming weeks. Further details will be provided separately as an agreement is finalised..

Interest

During the period covered by the report, we received interest of £203,801.37 for the funds held in the ISA account and \$756,033.54 for the funds held in the USD account. As per above, the ownership of funds in the USD account is currently disputed.

Intra-group claims

For further details on the past work we have done in respect of intra-group claims, please refer to our previous reports which can be found on our website www.pwc.co.uk/mpsilva

In the section below, we provide an update in respect of jurisdictions, that we believe the Company is most likely to receive a distribution from.

Ireland

In April 2022, we received an interim dividend of £354,962.88 from the liquidators of Media Partners & Silva Ltd ("Dublin"), this dividend was equal to 1.5% of the value of our admitted claim. We expect to receive an additional second and final dividend of around 0.5% in due course.

In the period covered by this report, we have remained in regular contact with the liquidators of Dublin and reviewed

reports and notices that have been shared with us. We are also represented on the liquidation committee of Dublin.

The liquidators of Dublin are awaiting a dividend from MP & SILVA S.A.R.L (the group company based in Monaco) before a final dividend can be issued. The value of our admitted claim is €28,149,399.

Monaco

We have been in regular contact with the liquidator of MP & SILVA S.A.R.L in the period covered by this report. In the latest communication issued to us, we were advised that the liquidator is not in a position to pay a dividend and needs to conclude ongoing legal matters. The dividend from MP & SILVA S.A.R.L is expected to be less than 1%. The value of our admitted claim is €14,927,911.67.

Singapore

We have been in regular contact with the liquidator of MP & Silva PTE Ltd in the period covered by this report. In the latest communication issued to us, we were advised that the liquidator of MP & Silva PTE Ltd is not in a position to pay a dividend and needs to conclude ongoing matters. The dividend from MP & Silva PTE Ltd is expected to be in the range of 11% and no timetable has been set for a dividend. The value of our claims is approximately 8.9 million SGD.

Book debt collection (excluding intra-group Claims)

The Company's records indicated it had a number of book debts with a total book value of £1.1m, mostly due from overseas customers. Where the debts owed were significant, we investigated further to understand the contractual position and whether these are related to services provided or yet to come.

To date we have collected book debts worth £351,513.93.

We had instructed Pythagoras Capital Limited to pursue a number of book debts on a no win no fee basis. At the time of our last report, Pythagoras Capital Limited were pursuing one remaining debtor based in Switzerland, following an extensive legal process (no legal costs were directly attributed to the Company) and consideration of the underlying facts, we reached the view that it was no longer cost effective to pursue this matter due to a number of procedural issues and delays experienced with the local court.

We have now concluded our work in respect of all book debt collection.

Other issues - FIFA

FIFA is the international governing body of football and responsible for organising the quadrennial football tournament, known as the FIFA World Cup.

FIFA has submitted a considerable claim against the Company which represents a substantial percentage of the total value of Unsecured Creditor claims we have received to date. FIFA's claim arises from the failure of the Company to pay a guaranteed amount for broadcasting rights related to the 2018 and 2022 World Cups. FIFA, through its lawyers, has agreed that it will submit a revised and reduced claim that reflects the value it has achieved for reselling the rights to the 2022 World Cup, partially mitigating the loss associated with the failure of the Company to pay the contractually guaranteed amount for the 2022 World Cup.

In the period covered by this report, we have continued to have regular conversations with FIFA's representatives on this matter and our conversations on the submission of a revised claim remain ongoing.

The Administrative Council for Economic Defense

In May 2023 we received notification from the Brazilian law enforcement agency, the Administrative Council for Economic Defense ('CADE'), notifying us that administrative proceedings had been commenced and that the Company is a part of these proceedings. We are working closely with our lawyers to establish more details about the proceedings and what the obligations are for the Company and Joint Liquidators. Following the conclusion of our analysis, we may consider that CADE has an unsecured claim against the Company. We will provide more information in our next report.

Creditor claim adjudication

We have admitted £6,648,005.82 in value of claims to date and 21 in number, we continue to adjudicate and review claims submitted by Unsecured Creditors. Our specialist creditors team is in the process of reviewing all claims submitted and will contact creditors where we require further information to substantiate a claim.

Statutory and compliance

During the period covered by this report we have:

- Prepared and distributed the Joint Liquidators' progress report for the period 19 October 2021 to 18 October 2022
- Prepared and distributed the Joint Liquidators' third remuneration report
- Complied with our VAT and Tax reporting obligations
- Liaised with the courts and issued appropriate notices in respect of change of Joint Liquidator

Liquidation committee

On 15 August 2019, creditors decided to form a liquidation committee which currently consists of the following members:

1. Angela Gandy
2. Fédération Internationale de Football Association (FIFA)
3. Grant Thornton UK LLP
4. HM Revenue and Customs

We continue to communicate with the Liquidation Committee regularly and have held three substantive meetings with them on 5 September 2019, 4 December 2020 and 8 September 2021, although written updates have been provided regularly in the intervening periods.

Change of liquidator

We regret to advise that Michael Jervis, one of the Joint Liquidators, sadly passed away on 4 January 2023. We confirm that the required notifications have been made in accordance with the relevant legislation. In order to ensure the continued progression of the liquidation, an application was made to the courts to appoint David Baxendale as a replacement liquidator. This application was granted and David Baxendale was appointed as a Joint Liquidator of the Company effective from 23 March 2023. David Baxendale is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the liquidation from 19 October 2022 to 18 October 2023.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as a liquidation expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our fees, expenses and other related matters.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

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

You can also get a copy free of charge by contacting uk_insolvencydocsrequests@pwc.com. What we still need to do

In summary, the significant outstanding matters in the liquidation are:

- Determine the status of the remaining Advance Payment
- Agree our claims with overseas insolvent Group entities and collect dividends due to the Company
- Agree all proving Unsecured Creditors' claims for dividend purposes
- Issue a Notice of Intended Dividend to creditors and, as expected, pay a dividend
- Finalise VAT and tax matters, including receiving tax clearance from HMRC
- Comply with our duties in respect of the CADE investigation

Once these matters have been completed, we will file the relevant notices with the Registrar to cease to act and to bring the liquidation to an end.

Next report

We expect to send our next report to creditors at the end of the liquidation or in about 12 months, whichever is sooner.

If you've got any questions, please get in touch with Syed Shah at syed.s.shah@pwc.com.

Yours faithfully



Zelf Hussain
Joint Liquidator

Appendices

Appendix A: Receipts and payments

<i>MP & Silva Limited - in liquidation ISA account</i>			
	19 Oct 18 - 18 Oct 22	19 Oct 22 - 18 Oct 23	Total as at 18 Oct 2023
	£	£	£
RECEIPTS			
Cash / Balance at Bank	5,829,176.30	-	5,829,176.30
SCAI Deposit Refund	132,093.42	-	132,093.42
Book debts	351,513.93	-	351,513.93
Interest Earned	87,919.26	203,801.37	291,720.63
Fixtures & Fittings	7,000.00	-	7,000.00
Insurance Refund	2,123.51	-	2,123.51
Disclaimed Advance Payments	438,588.13	1,308,781.08	1,747,369.21
Post Petition Payment Refund	71,308.00	-	71,308.00
Rent deposit*	77,158.77	-	77,158.77
Inter Group Dividends	354,962.88	-	354,962.88
Total	7,351,844.20	1,512,582.45	8,864,426.65
PAYMENTS			
ISA Debit Balance	11,000.00	-	11,000.00
Bank Charges	1,255.58	88.60	1,344.18
Statutory advertising	75.00	-	75.00
Professional Fees	59,204.43	-	59,204.43
Legal fees & Expenses	844,577.01	59,924.20	904,501.21
Corporation Tax	22,515.31	58,631.03	81,146.34
Data capture, review & Storage	50,899.63	-	50,899.63
Post Redirection	826.33	-	826.33
Insurance	2,416.32	-	2,416.32
Payroll and associated costs	47,474.18	-	47,474.18
Petitioner Costs refund	100,554.07	-	100,554.07
Liquidation committee expenses	204.60	-	204.60
Office holders' fees	1,929,390.00	350,000.00	2,279,390.00
Office holders' expenses	3,991.92	-	3,991.92
Irrecoverable VAT	50.50	-	50.50
Total	3,074,434.88	468,643.83	3,543,078.71
VAT Control account	(90,119.90)	(81,984.84)	(172,104.74)
Preferential dividend declared at 100p in the £ on 10th August 2019	(69,580.46)	-	(69,580.46)
Net Receipts/(Payments)	4,117,708.96	961,953.78	5,079,662.74

During the period we have undertaken a review of the VAT position and as a result we have reduced the brought forward VAT control account by £1,600. This has adjusted the balance at bank.

Funds are held in an interest bearing account.

Rent deposit deductions were made by the landlord in the first year of the liquidation, we have subsequently been able to claim the VAT on these rent deductions.

The amounts shown above net of VAT.

Office holders' fees have been approved on a time cost basis.

Advanced Payment account with Barclays - USD

Receipts and payments account as at 18 October 2023

	19 Oct 2018 to 18 Oct 2022	19 Oct 2021 to 18 Oct 2023	Total as of 18 Oct 2023
	(\$)	(\$)	(\$)
RECEIPTS			
Balance at Bank	17,197,025.81	-	17,197,025.81
Interest	269,665.18	756,033.54	1,025,698.72
Total	17,466,690.99	756,033.54	18,222,724.53
PAYMENTS			
Disclaimed Advance Payments	194,094.96	1,472,902.23	1,666,997.19
Bank charges	7.72	-	7.72
Total	194,102.68	1,472,902.23	1,667,004.91
Net Receipts/(Payments)	17,272,588.31	(716,868.69)	16,555,719.62

* interest bearing account

The balance in the above account is denominated in US Dollars. This is because a payment was made to the Company prior to insolvency was in US Dollars and ownership of that payment is currently subject to an ongoing legal process. More information is provided in the Advance Payments funds section of this report.

Appendix B: Expenses

Expenses are amounts properly payable by us as liquidators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees, in this case the Liquidation Committee, also has the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of any Category 2 expenses have been incurred by us as liquidators or our associates, together with details of any Category 1 expenses that have been incurred by PwC and will be recharged to the case:

Category	Provided by	Basis of cost	Costs incurred (£)
1	Iron Mountain	Storage	158.36
1	AON	Statutory bond	10.00
Total			168.36

The expense policy set out above has been approved by the fee approving body.

The table below provides details of all the expenses incurred in the liquidation

The table includes a provision for potential tax liabilities but the final amount is unknown and the exact amount will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

We think that our expenses will exceed the estimate provided to all creditors before the basis of our fees was fixed. This is because higher interest rates are resulting in higher interest receipts for the estate which in turn results in a higher tax liability. Furthermore, we are provisioning for higher legal costs associated with new legal inquiries that we have been made aware of, since our last remuneration report was published.

	Brought forward from preceding period	Incurring in the period under review	Cumulative	Estimated future	Anticipated total	Estimate as at Jan 23	Variance
	£	£	£	£	£	£	£
Office holders' fees - Statutory work	2,084,732.75	184,738.45	2,269,471.20	187,071.05	2,456,542.25	2,456,542.25	-
Office holders' fees - Litigation	77,724.50	57,056.20	134,780.70	451,208.80	585,989.50	585,989.50	-
Office holders' expenses	2,815.68	168.36	2,984.04	3,831.64	6,815.68	6,815.68	-
Bank Charges	1,255.58	88.60	1,344.18	1,411.40	2,755.58	2,755.58	-
ISA Debit Balance	11,000.00	-	11,000.00	-	11,000.00	11,000.00	-
Statutory advertising	75.00	-	75.00	-	75.00	75.00	-
Professional Fees	30,757.50	-	30,757.50	2,000.00	32,757.50	32,757.50	-
Contingent debt collection fees	28,446.93	-	28,446.93	-	28,446.93	28,446.93	-
Legal fees & Expenses	613,272.33	23,159.10	636,431.43	50,000.00	686,431.43	643,272.33	(43,159.10)
Litigation legal fees	258,945.85	122,197.90	381,143.75	440,302.10	821,445.85	821,445.85	-
Corporation Tax	22,515.31	58,631.03	81,146.34	40,000.00	121,146.34	36,515.31	(84,631.03)
Data capture, review & Storage	50,899.63	-	50,899.63	-	50,899.63	50,899.63	-
Post Redirection	826.33	-	826.33	-	826.33	826.33	-
Insurance	2,416.32	-	2,416.32	-	2,416.32	2,416.32	-
Payroll and associated costs	47,474.18	-	47,474.18	-	47,474.18	47,474.18	-
Petitioner Costs refund	100,554.07	-	100,554.07	-	100,554.07	100,554.07	-
Irrecoverable VAT	50.50	-	50.50	-	50.50	50.50	-
Liquidation committee expenses	204.60	-	204.60	-	204.60	204.60	-
Total	3,333,967.06	446,039.64	3,780,006.70	1,175,824.99	4,955,831.69	4,828,041.56	(127,790.13)

Appendix C: Remuneration update

The Joint Liquidators' fee estimate of £2,479,346.05 detailed in our remuneration report dated 4 December 2020 was approved by the Liquidation Committee. Following continued protracted in resolving the Advance Payments dispute attributed to delays with service of proceedings on an Advance Payer based in Japan and continued delays with dividends from Group companies it became clear the liquidation would not conclude by October 2022 as envisaged in our remuneration dated 4 December 2020 but instead would be likely to conclude by October 2024. This meant that we expected to incur additional costs in complying with our duties as proper office holders that had not been included in our previous forecast. We published our third remuneration report dated January 2023, which set out the reasons for a revised fee estimate of £3,042,532 in more detail, this was subsequently approved by the Liquidation Committee.

To date we have drawn fees of £2,279,390, in line with the approvals given, as shown in the receipts and payments account at Appendix A.

All our previous remuneration reports are available on our website <https://www.pwc.co.uk/mpsilva>.

The time cost charges incurred in the period covered by this report are £241,877.85. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

We do not think that our time costs will exceed our estimate of £3,042,532, the amount approved by the Liquidation Committee

We set out later in this Appendix details of our work to date, anticipated future work, expenses, subcontracted work and payments to associates.

Our hours and average rates

	Partner	Director	Senior Manager	Manager	Senior Associate	Associate/ Other	Offshore Professionals	Total	Total Cost	Average Hourly Rate £
Accounting & Treasury	-	-	0.05	6.25	8.85	7.90	-	23.05	12,174.25	528.17
Assets	-	-	1.15	13.15	4.10	-	-	18.40	12,773.75	694.23
Book debt realisations	-	-	0.20	0.70	0.40	-	-	1.30	889.00	683.85
Committees	0.50	-	2.90	10.30	9.70	-	-	23.40	15,569.00	664.91
Creditors	-	-	2.30	9.15	20.00	-	-	31.45	18,959.00	602.83
Employees & Pensions	-	-	-	-	-	-	-	-	-	-
Group companies	-	-	-	-	1.50	-	-	1.50	772.50	515.00
Investigations	-	-	0.80	12.15	7.80	-	-	20.75	12,093.95	582.84
Property	-	-	-	-	-	-	-	-	-	-
Statutory & Compliance	1.00	-	3.60	16.80	40.15	2.20	1.30	65.05	38,437.25	590.89
Strategy & Planning	7.00	-	6.65	32.95	35.05	0.25	3.10	85.00	56,090.25	659.89
Tax	-	-	-	1.80	17.40	4.50	-	23.70	14,839.50	626.14
Litigation	9.50	-	25.20	7.65	39.60	-	-	81.95	57,056.20	696.23
VAT	-	-	0.25	1.65	1.20	-	-	3.10	2,150.00	693.55
Total	18.00	-	43.10	112.55	185.75	14.85	4.40	378.65	241,794.65	638.57

Brought forward from previous period

5,161.93

2,162,457

Total

5,540.58

2,404,252

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the liquidation (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the liquidation.

Grade	Up to 30 June 2023 £	From 1 July 2023 £
Partner	980	995
Appointment taking director	960	960
Director (not appointee)	915	915
Highly experienced insolvency Senior Manager	900	900
Senior manager	860	860
Manager	730	730
Senior associate	515	540
Associate	375	395
Support staff	160	160
Offshore professionals	515	540

We call on colleagues such as those in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. We may also utilise Technology Specialists from the wider Restructuring and Forensics team or other parts of our firm. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2023 £	From 1 July 2023 £
Partner	1,810	1,905
Director	1,660	1,745
Senior manager	1,310	1,410
Manager	950	1,025
Senior associate/consultant	690	725
Associate/assistant consultant	375	470
Support staff	205	220
Offshore professionals	190	495

In common with many professional firms, our scale rates may rise eg to cover annual inflationary cost increases.

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Accounting & treasury	<ul style="list-style-type: none"> Processing receipts, payments and journals Maintaining bank account, especially in respect of the non ISA account in which Advanced Monies are held Performing bank account reconciliations Exchanging calls and emails with the Insolvency Service regarding bank matters 	<ul style="list-style-type: none"> To ensure the proper management of the funds of the estate 	<ul style="list-style-type: none"> To ensure the proper management of the funds that will in due course be distributed to creditors
Assets	<ul style="list-style-type: none"> Investigate allegations made by a former director of the Company on matters relating to pre appointment conduct of the Company Raise queries and follow up on a potential refund due to the Company from a third party Hold conversations with our solicitors and specialist data teams to develop a strategy in relation to the potential refund Review contracts and accounting information in relation to a pre appointment transaction and investigate scope for refund to the estate 	<ul style="list-style-type: none"> To recover the maximum value for assets 	<ul style="list-style-type: none"> To realise the maximum funds to be distributed to creditor
Book debt realisations	<ul style="list-style-type: none"> Exchange emails with Pythagoras Capital Ltd on strategy to recover book debts and updates on ongoing collection efforts Maintain book debt collection schedule 	<ul style="list-style-type: none"> To realise the maximum funds to be distributed to creditors 	<ul style="list-style-type: none"> To realise the maximum funds to be distributed to creditors
Committees	<ul style="list-style-type: none"> Corresponded with committee members by phone and email Prepared and circulated periodic updates to the committee Maintain file in relation to committee matters 	<ul style="list-style-type: none"> To provide creditors with information requested To ensure proper management 	<ul style="list-style-type: none"> To ensure proper management of the liquidation

	<ul style="list-style-type: none"> • Circulated, sought and documented approval of our third remuneration report 	of the liquidation	
Creditors	<ul style="list-style-type: none"> • Corresponding with Unsecured Creditors regarding their claims and the prospects of future dividends by email, phone and in writing • Updating our website to include up to date information for creditors • Maintaining our register of creditor claims received • Reviewing and adjudicating on claims received, asking for more supporting documentation where required 	<ul style="list-style-type: none"> • To ensure valid claims are admitted for dividend purposes • To distribute funds to creditors 	<ul style="list-style-type: none"> • To realise the maximum funds to be distributed to creditors
Group companies	<ul style="list-style-type: none"> • Received and followed up on overseas entity enquiries via telephone, email and post on dividend prospects and timeframe • Reviewed reports, notices and correspondence issued on progress of liquidations of companies within the Group. • Maintained and updated intra group distribution matrix 	<ul style="list-style-type: none"> • To recover the maximum value for assets 	<ul style="list-style-type: none"> • To recover the maximum value for assets
Investigations	<ul style="list-style-type: none"> • Carry out searches on Company's digital records and systems for emails, banking ledgers and contracts a part of review of pre appointment transaction • Investigate and deal with notices received in respect of ongoing legal processes involving third parties • Investigate notification from Brazilian law enforcement agency of an investigation into pre appointment matters • Liaise with solicitors based in the UK and Brazil to investigate what the obligations of the Joint Liquidators are in respect of notification • Reviewed and analysed notices received from Brazilian law enforcement • Held internal strategy meetings in relation to the legal notification received from Brazilian law enforcement 	<ul style="list-style-type: none"> • To recover the maximum value for assets • To meet the statutory duties of the Liquidators 	<ul style="list-style-type: none"> • To recover the maximum value for assets • To meet the statutory duties of the Liquidators

Statutory & compliance	<ul style="list-style-type: none"> • Preparing and issuing the fourth progress report to creditors and the registrar • Prepared and circulated our third remuneration report to creditors • Maintenance of the website and uploading creditor updates • Filing of documents and dealing with books and records • Updating case files and internal systems • Filing case records in line with internal policy • Filing of appropriate notices at Companies House • Dealing with postal correspondence received • Updating and maintaining permanent file that contains hard copies of all key documentation 	<ul style="list-style-type: none"> • To meet the statutory duties of the Liquidators 	<ul style="list-style-type: none"> • Statutory duties of the Liquidators
Strategy & Planning	<ul style="list-style-type: none"> • Holding internal meetings to discuss the ongoing matters in the case and strategy for progression • Planning for the most efficient route for closure • Conducting regular case reviews • Reviewing budgets and forecasts for different work streams in the liquidation 	<ul style="list-style-type: none"> • To ensure proper management of the liquidation 	<ul style="list-style-type: none"> • To ensure orderly management and progression of the case in a cost effective manner
Tax	<ul style="list-style-type: none"> • Preparation of tax computations and management information needed to file returns • Holding telephone conferences with our tax team to discuss tax affairs of the Company 	<ul style="list-style-type: none"> • To meet the statutory duties of the Liquidators. 	<ul style="list-style-type: none"> • To meet the statutory duties of the Liquidators.
Litigation	<ul style="list-style-type: none"> • Held regular conference calls and exchanged emails with our lawyers on strategy and progress of the Advance Payments matter • Reviewed, amended and approved letters, witness statements and notices prepared by our lawyers on the Advance Payments matter • Reviewed correspondence received from the Advance Payers • Carried proportionate searches of Company records and case files as part of the legal process • Reviewed filing papers • Sought and obtained legal advice from counsel on 	<ul style="list-style-type: none"> • To recover the maximum value for assets • Consideration of the strategy for ensuring the circa £13m Advanced Payments is applied correctly for the benefit of the appropriate creditors 	<ul style="list-style-type: none"> • To recover the maximum value for assets

strategy to progress ongoing matters in litigation

- Monitored budgets and costs in relation to legal process
- Updated case files and records to document progress of the legal process and key decision
- Liaised with lawyers and counsel in relation to the case management hearing
- Arranged for notifications to be issued to Advance Payers no longer part of the legal dispute
- Liaised with counsel to review and analyse legal submissions by Advance Payer 1
- Attended a case management hearing before Insolvency and Companies Court Judge Prentis in February 23.

VAT

- Submitted VAT426 to HMRC to reclaim VAT
- Review VAT control account on our accounting system
- To meet the statutory duties of the Liquidators.
- Statutory duties of the Liquidators
- To recover the maximum value for assets

Our future work

We still need to do the following work in the liquidation.

Area of work	Work undertaken	Whether or not the work will provide a financial benefit to creditors
Accounting & treasury	<ul style="list-style-type: none"> • Dealing with receipts, payments and journals • Manage the Advance Payment funds and transfer to the ISA if and when appropriate • Carrying out bank reconciliations • Closure of the bank account 	<ul style="list-style-type: none"> • To ensure the proper management of the funds that will in due course be distributed to creditors
Assets	<ul style="list-style-type: none"> • Realise any remaining assets or pursue any claim that may benefit the estate 	<ul style="list-style-type: none"> • Maximise asset realisation for the estate
Committees	<ul style="list-style-type: none"> • Holding committee meetings to update the committee on progress of the liquidation and agree strategy for key matters • Issue regular written updates to the Liquidation Committee 	<ul style="list-style-type: none"> • To update the committee and ensure creditors are informed of key matters
Creditors	<ul style="list-style-type: none"> • Responding to creditors queries • Adjudicate on creditor claims received • Issuing a Notice of Intended Dividend and paying final dividends to Unsecured Creditors 	<ul style="list-style-type: none"> • To ensure the correct distribution of funds

	<ul style="list-style-type: none"> ● Arrange for any unclaimed dividend cheques to be cancelled and balance paid to Insolvency Service ● Carry out necessary AML and sanctions checks as part of distribution process ● Complete and arrange review of internal dividend checklist and calculation 	
Group companies	<ul style="list-style-type: none"> ● Liaise with liquidators of insolvent Group companies to ensure any distribution is received in full ● Review any reports and notices issued by office holders of overseas entities 	<ul style="list-style-type: none"> ● To realise the maximum funds to be distributed to the creditors
Investigations	<ul style="list-style-type: none"> ● Comply with legal proceedings in Brazil in relation to pre appointment dealings of the Company 	<ul style="list-style-type: none"> ● Statutory duties of the Liquidators
Statutory & compliance	<ul style="list-style-type: none"> ● Preparing and issuing periodic progress reports to creditors and the Registrar ● Maintenance of the website and uploading documents for creditors ● Dealing with post received from various parties ● Dealing with statutory, regulatory, and internal compliance procedures in the liquidation 	<ul style="list-style-type: none"> ● Statutory duties of the Liquidators
Strategy & planning	<ul style="list-style-type: none"> ● Holding internal meetings to discuss the ongoing progress of the case ● Review of time costs against fees estimate ● Planning for the most efficient route for closure ● Reviewing and updating estimated outcome statement 	<ul style="list-style-type: none"> ● To ensure orderly management and progression of the case in a cost effective manner
Tax	<ul style="list-style-type: none"> ● Preparation of annual tax computations ● Liaising with HMRC and obtaining tax clearance 	<ul style="list-style-type: none"> ● Statutory duties of the Joint Liquidators
Litigation	<ul style="list-style-type: none"> ● Hold meetings with our lawyers to finalise the strategy on the Advance Payments matter ● Arrange conclusion of the legal process and finalise necessary documents to agree settlement ● Arrange payment of settlement amount to Advance Payer 1 	<ul style="list-style-type: none"> ● To establish which parties are beneficially entitled to the Advanced Payment funds ● To realise the maximum funds to be distributed to the creditors
VAT	<ul style="list-style-type: none"> ● Submit periodic VAT 426 to recover VAT ● Finalise the Company's VAT position 	<ul style="list-style-type: none"> ● Statutory duties of the Joint Liquidators
Closure	<ul style="list-style-type: none"> ● Finalise our closure checklist ● Seek case closure clearance from all suppliers and vendors to the liquidation ● Hold meetings in relation to case closure strategy ● Draft and deliver final progress report and notices ● Preparing closure documents and filing the notice of move to dissolution with the Registrar ● Closure of internal systems and databases 	<ul style="list-style-type: none"> ● Statutory duties of the Liquidators

Our relationships

We have 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.

Details of subcontracted work

No work which our staff normally do has been subcontracted during the period of the report and we do not anticipate such requirements in the future.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm /organisation	Reason selected	Basis of fees
Accounting services, including: <ul style="list-style-type: none"> Assistance with bringing the Company's Tax and VAT position up to date Assistance with book debt collection Obtaining payee details for unfamiliar bank transactions Compliance with ongoing HMRC tax enquiry 	Charter Tax	Pre - liquidation accountancy provider with knowledge of and easier access to certain of the accounting records of the Company	Combination of time costs, fixed fee and disbursements
Legal services, including: <ul style="list-style-type: none"> General advice regarding Advance Payment issues, including correspondence with Advance Payer 1 and managing and implementing strategy in relation application to court for court directions Provide budgets in relation to key legal matters General advice regarding matters arising in the liquidation as required General advice regarding investigations from EU commission Lease forfeiture/surrender advise 	Herbert Smith Freehills	Insolvency expertise	Time costs and disbursements
Pre appointment service provider assisting with access to Company records	TSG	Existing commercial relationship with Company, and more efficient access to certain records	A mixture of fixed fee, time costs and disbursements
Pre appointment service provider assisting with access to Company records	Xytech Systems	Existing commercial relationship with Company, and more efficient access to certain records	Time costs
Insurance	JLT	Industry knowledge and expertise	Agreed premiums
Data storage	Iron Mountain	Industry knowledge and expertise	Calculated by applicable rates per unit
Legal advice, including: <ul style="list-style-type: none"> preparing the petition paper for MP & SILVA HOLDING S.A Presenting the petition to the local court 	PwC Luxembourg	Industry knowledge and expertise	Time costs and disbursements

<ul style="list-style-type: none"> • Registering our the claim of the Company with the court • General advice on local insolvency procedures 			
Property consulting services, including: <ul style="list-style-type: none"> • Potential disposal of leasehold interests • Potential disposal of office furniture and equipment 	Lambert Smith Hampton	Industry knowledge and expertise	Time costs and disbursements
Recovery of post petition payments	Schofield Sweeney LLP	Industry knowledge and expertise	No win no fee basis and percentage of realisations
Third party book debt collection	Pythagoras Capital Ltd	Industry knowledge and expertise	No win no fee basis and percentage of realisations
Legal services, including: <ul style="list-style-type: none"> • Advice on service of application on Switzerland based Advance Payer 	Schellenberg Wittmer Ltd	Industry knowledge and expertise	Combination of time costs, fixed fee and disbursements
Legal services, including: <ul style="list-style-type: none"> • Assistance under a Brazilian law in respect of notifications issued by a law enforcement agency 	Mello Torres Advogados	Industry knowledge and expertise	Combination of time costs, fixed fee and disbursement

We require all third party professionals to submit time costs analysis and/or narrative in support of invoices rendered. I undertake the following steps to review professional firms' costs:

- Review amounts charged against the description of work undertaken and the circumstances of the case
- Seek further breakdown of costs and detail of work undertaken where necessary
- Comparisons with upfront budgets
- Review of disbursements claimed
- Ongoing dialogues with regards to the work being performed

I am satisfied that the amounts incurred to date are reasonable in the circumstances of the case.

Appendix D: Other information

Company's registered name:	MP & SILVA LIMITED
Trading name:	MP & Silva
Registered number:	07263750
Registered address:	Central Square, 29 Wellington Street, Leeds, West Yorkshire, LS1 4DL
Date of the Liquidators' appointment:	19 October 2018
Liquidators' names, addresses and contact details:	Zelf Hussain and David Baxendale, both of PwC LLP, 7 More London, Riverside, London, SE1 2RT Mike Jervis of PwC LLP, 7 More London, Riverside, London, SE1 2RT (till 4 January 2023) syed.s.shah@pwc.com
