

Joint liquidators' progress report from 19 October 2021 to 18 October 2022

6 December 2022

MP & Silva limited - in Liquidation

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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
HMRC	HM Revenue & Customs, the UK government's agency concerned with collecting taxes
Insolvency Service	An executive agency of the 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 or I	Zelf Hussain and Michael John Andrew Jervis of PwC
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 Michael Jervis 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 person 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 Michael Jervis 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 our last report dated 17 December 2021.

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. Further detail on the estimated outcome for the different classes of creditor is set out later in this report.

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 - 9.2 p/£	0.7 - 8 p/£

The increase in the dividend range for Unsecured Creditors, is driven primarily by: a disclaimed Advance Payment; increased provision for dividend receipts from within the Group; and fall in value of pound sterling, which has increased the value of Advance Payments held in a US dollar denominated account.

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 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 fourth 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 entered into dialogue with the Advance Payers and have subsequently submitted an application to court to obtain directions on the treatment of the funds.
- Notifying creditors of our appointment, many of whom are based abroad and unfamiliar with the insolvency procedure 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 investigation 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 claim is 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 two Advance Payments
- 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 (mainly employees)

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 instance, whilst an outstanding charge does exist, this has no floating charge aspect and therefore does not trigger the Prescribed Part.

We think a dividend of about 1.4 - 9.6 % 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

As discussed in our previous reports, the one formally appointed director of the Company that remained in office on our appointment has not assisted the Joint Liquidators in our enquiries. We had, however, received some assistance from former members of the Company's senior management team.

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 represented 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 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 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. 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, four 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. This resulted in £438,588.13 being credited to estate funds during the period covered by this report.

One of the Advance Payers, who is based in Japan ("Advance Payer 2"), had been non-responsive to communications and a previous attempt to serve notice of the proceedings under IA86 had been unsuccessful. However, on 3 August 2022, we received confirmation from the Foreign Process Section of the Royal Courts of Justice that service of the proceedings had been effected on Advance Payer 2. Following the exchange of further correspondence by our solicitors, we received confirmation from Advance Payer 2 in early October 2022 that they did not assert or claim any beneficial interest in monies paid by them in advance to the Company. Shortly after the period covered by this report, funds of £1,308,781.08 were credited to general estate funds.

Our lawyers have continued to hold detailed exchanges with lawyers representing the largest Advance Payer ("Advance Payer 1"). The legal process for the proceedings under IA86 has been on hold, whilst service on Advance Payer 2 was effected. However, we now expect to move to the next stage of the legal process, and a case management hearing has been scheduled for February 2023. The Joint Liquidators anticipate significant work will be required by them and their staff as part of the legal process, including but not limited to attending court hearings, reviewing court submissions and complying with general or specific court disclosure orders.

Interest

During the period covered by the report we received interest of £33,772.87.

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 early next year worth around 0.5%.

In the period covered by this report, we have remained in regular contact with the liquidators and reviewed reports and notices that have been shared with us. We are also represented on the liquidation committee.

There remain a number of matters to conclude, including receiving a dividend from MP & SILVA S.A.R.L (The group company based in Monaco) before a final dividend can be issued by the Irish entity. 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 finalising claim adjudications and one ongoing matter, upon the conclusion of which a dividend will be paid to creditors. The dividend to Unsecured Creditors is expected to be less than 1%. The value of our admitted claim is €14,927,911.67

Singapore

Following a creditors' meeting in June 2022, we were advised by the liquidator of MP & Silva PTE Ltd, that due to a successful outcome in a local tax dispute they now expect to be in a position to make distributions to Unsecured Creditors. Whilst the details of the tax dispute are commercially sensitive and a final settlement has not yet been concluded, our understanding is that there could be a dividend to the Company in the range of 11% in early 2023, but that claim adjudication procedure has not yet started. The value of our claims is approximately S\$ 8.9 million

We will remain in regular contact with the liquidator and review reports and notice as and when they are issued.

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 seek 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 have instructed Pythagoras Capital Limited to pursue a number of book debts on a no win no fee basis. We have also sought assistance from liquidators of overseas entities within the Group where appropriate, to access books and records that would be of benefit in further evidencing the outstanding balances.

Pythagoras Capital Limited are currently pursuing one remaining debtor based in Switzerland and we remain fully engaged and committed to recovering this debt for the benefit of creditors. We have concluded our work in respect of all other 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 expect a revised claim to be submitted in due course. The Joint Liquidators have the power under IA86 to reject claims in full or partially, however, our expectation is that a revised claim will be made over the coming year through mutual agreement following the conclusion of the 2022 World Cup.

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 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 2020 to 18 October 2021.
- Complied with our VAT and Tax reporting obligations

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.

Investigations and actions

We have reviewed the Company's affairs and taken into account any points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2. At this time, nothing has come to our attention to suggest that we need to do any more work in line with our duties.

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 2021 to 18 October 2022.

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. However, tax is automatically deducted from interest received.

Our fees

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

We will be asking the liquidation committee to approve our revised fees estimate, as our costs are expected to exceed our previous estimate as disclosed in our second remuneration report published in December 2020. We will provide more information on this matter by uploading our report on our website shortly.

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 telephoning Syed Shah on syed.s.shah@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
- Continue to liaise with Pythagoras Capital Limited over the collection of the remaining 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

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

MP & Silva Limited - in liquidation ISA account

	19 Oct 18 - 18 Oct 21	19 Oct 21 - 18 Oct 22	Total as at 18 Oct 2022
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	54,146.39	33,772.87	87,919.26
Fixtures & Fittings	7,000.00		7,000.00
Insurance Refund	2,123.51		2,123.51
Disclaimed Advance Payments	438,588.13		438,588.13
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	6,885,949.68	465,894.52	7,351,844.20
PAYMENTS			
ISA Debit Balance	11,000.00		11,000.00
Bank Charges	1,134.53	121.05	1,255.58
Statutory advertising	75.00		75.00
Professional Fees	59,204.43		59,204.43
Legal fees & Expenses	801,553.75	43,023.26	844,577.01
Corporation Tax	15,760.74	6,754.57	22,515.31
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	1,529,390.00	400,000.00	1,929,390.00
Office holders' expenses	3,991.92		3,991.92
Irrecoverable VAT		50.50	50.50
Total	2,624,485.50	449,949.38	3,074,434.88
VAT Control account	(191,218.60)	99,498.70	(91,719.90)
Preferential dividend declared at 100p in the £ on 10th August 2019	(69,580.46)	-	(69,580.46)
Net Receipts/(Payments)	4,000,665.12	115,443.84	4,116,108.96

Funds are held in an interest bearing account

Rent deposit deduction 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

*Advanced Payment account with
Barclays - USD
Receipts and payments account as at
18 October 2022*

	19 Oct 2018 to 18 Oct 2021	19 Oct 2021 to 18 Oct 2022	Total as of 18 Oct 2022
	(\$)	(\$)	(\$)
RECEIPTS			
Balance at Bank	17,197,025.81		17,197,025.81
Interest	124,745.21	144,919.97	269,665.18
Total	17,321,771.02	144,919.97	17,466,690.99
PAYMENTS			
Disclaimed Advance Payments	194,094.96		194,094.96
Bank charges	7.72		7.72
Total	194,102.68		194,102.68
Net Receipts/(Payments)	17,127,668.34	144,919.97	17,272,588.31

* interest bearing account

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 the 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	Cost incurred by	Policy:	Costs incurred (£)
1	Iron Mountain	Storage	200.90

The expense policy set out above has been approved by the Liquidation committee.

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

	Brought forward from preceding period	Incurring in the period under review	Cumulative	Estimated future	Anticipated total	Estimate as at Dec 2020	Variance
	£	£	£	£	£	£	£
Office holders' fees - Statutory work	1,942,943.00	141,789.75	2,084,732.75	371,809.50	2,456,542.25	2,038,058.55	(418,483.70)
Office holders' fees - Litigation	67,176.50	10,548.00	77,724.50	508,265.00	585,989.50	441,287.50	(144,702.00)
Office holders' expenses	2,614.78	200.90	2,815.68	4,000.00	6,815.68	6,368.52	(447.16)
Bank Charges	1,134.53	121.05	1,255.58	1,500.00	2,755.58	1,429.15	(1,326.43)
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	33,257.50	500.00
Contingent debt collection fees	28,446.93	-	28,446.93	-	28,446.93	-	(28,446.93)
Legal fees & Expenses	609,518.46	3,753.87	613,272.33	30,000.00	643,272.33	624,828.06	(18,444.27)
Litigation legal fees	207,830.18	51,115.67	258,945.85	562,500.00	821,445.85	550,000.00	(271,445.85)
Corporation Tax	15,760.74	6,754.57	22,515.31	14,000.00	36,515.31	16,111.52	(20,403.79)
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	-	-
Liquidation committee expenses	204.60	-	204.60	-	204.60	454.60	250.00
Total	3,119,632.75	214,334.31	3,333,967.06	1,494,074.50	4,828,041.56	3,925,040.93	(903,000.63)

The table also excludes any potential tax liabilities that we may need to pay as a liquidation expense because amounts becoming due will depend on the position at the end of the tax accounting period. However, taxes for previous accounting periods are being paid as they fall due.

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.

Our expenses are expected to exceed the estimate provided to all creditors in December 2020, This is because it is taking longer to wind up the Company's affairs than had been anticipated when the last remuneration report was prepared.

One significant delay that was not anticipated, was the time that would be required to effect service on Advance Payers located abroad, which is required before we can progress this matter, to a point where we can proceed with an application to the court for directions.

Another significant reason is the resolution of inter-group dividends, which are still pending and will result in large receipts into the liquidation estate.

Both these matters are delaying the end of the liquidation and therefore adding to costs. The positives are that as a result of our actions to date, five of the advance payers have withdrawn any trust claim, releasing £1.74 million to the liquidation estate, while expected receipts from group companies are now anticipated to be £600,000 higher than previously estimated.

We will shortly be issuing a revised remuneration report to creditors which will provide more details on the anticipated costs of the liquidation. We are also provisioning for an increase in legal costs, to reflect the additional costs that have been incurred whilst service was effected abroad; and in our future estimate, we are now including the costs associated with any potential legal appeal following a future initial court verdict on the Advance Payments. There may not be an appeal phase to the litigation, however in the interests of prudence we are provisioning a cost for this matter.

Appendix C: Remuneration update

The Joint Liquidators' initial fee estimate of £1,529,390 on a time costs fee basis was approved by the Liquidation Committee on 5 September 2019. This approval allowed the Joint Liquidators to draw fees by reference to the time properly given by us and our staff in dealing with the liquidation. In line with this approval, the liquidators subsequently drew fees of £1,529,390 as shown on the enclosed receipts and payments accounts in Appendix A.

Throughout 2020, it became clear that the liquidation would be more complex and last longer than had been anticipated when the original fee estimate was produced. In particular, it became apparent that the position with regards to the Advance Payments funds may not be resolved out of court and would require the commencement of legal proceedings, including service on parties outside the jurisdiction. In addition, a number of other matters which could have a material impact on the outcome for creditors, such as claims against Group companies, agreement of the FIFA claims and the HMRC and other investigations were ongoing. As a result it became clear that the Joint Liquidators' time costs would exceed the previously approved fee estimate. We set out these matters in more detail, together with a revised fee estimate of £2,479,346.05 in our second Remuneration report dated 4 December 2020. This is available to read on our website <https://www.pwc.co.uk/mpsilva>.

The revised fee estimate was considered by the Liquidation Committee at its meeting on 4 December 2020 and, following a period for creditors to consider the report, was formally approved by the Committee by written resolution in January 2021. To date, we have drawn fees of £1,929,390.00 as shown on the enclosed receipts and payments accounts in Appendix A.

We currently think that our final time costs will exceed the revised fee estimate. We had previously envisioned a conclusion of the Advance Payments legal proceedings by October 2021, and conclusion of the wind up of the Company by October 2022. However, for reasons discussed earlier, including delays with service of the proceedings on Advance Payer 2, it was not possible to conclude the legal proceedings by October 2021 or conclude the winding up of the Company by October 2022.

The requirement to keep the liquidation open for beyond what was envisioned in the revised fee estimate, means that we expect to incur additional costs complying with our duties as proper office holders that had not been included in our previous forecast. To be prudent, we are also now including the cost of an appeal in our fee estimate. More details will be provided in our third remuneration report, which will be published on our website.

We will shortly be discussing with the liquidation committee our strategy for progressing the liquidation. In these discussions, we will share our draft remuneration report for consideration of the committee. Following the meeting, we will publish our remuneration report with revised fee estimate on the case website <https://www.pwc.co.uk/mpsilva>.

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	Total	Total Cost	Average Hourly Rate £
Accounting & Treasury	-	-	-	2.30	12.85	13.70	28.85	10,986.75	380.82
Assets	-	-	0.50	3.60	-	2.10	6.20	3,190.25	514.56
Book debt realisations	-	-	-	0.25	-	1.10	1.35	439.25	325.37
Committees	1.00	-	1.00	4.75	-	10.25	17.00	7,004.75	412.04
Creditors	0.50	-	6.20	15.35	1.40	6.15	29.60	15,151.75	511.88
Employees & Pensions	-	-	-	-	-	-	-	-	-
Group companies	-	-	0.80	3.85	1.40	3.35	9.40	4,164.25	443.01
Investigations	-	-	0.15	2.95	-	0.70	3.80	2,343.50	616.71
Property	-	-	-	-	-	-	-	-	-
Statutory & Compliance	1.00	-	5.55	11.15	23.35	48.55	89.60	36,485.25	407.20
Strategy & Planning	10.00	-	6.50	36.80	13.20	32.50	99.00	52,383.00	529.12
Tax	-	-	1.80	2.25	0.85	2.10	7.00	4,613.00	659.00
Litigation	4.00	-	4.40	2.65	1.55	4.70	17.30	10,548.00	609.71
VAT	-	-	1.00	1.65	5.25	-	7.90	5,028.00	636.46
Total	16.50	-	27.90	87.55	59.85	125.20	317.00	152,337.75	480.56

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 2022 £	From 1 July 2022 £
Partner	980	980
Appointment taking director	new grade	960
Director (not appointee)	865	915
Highly experienced insolvency Senior Manager	new grade	900
Senior manager	685	860
Manager	595	730
Senior associate	480	515
Associate	350	375
Support staff	160	160
Offshore professionals	280	375- 515

We may also utilise Technology Specialists from the wider Restructuring and Forensics team or other parts of our firm, for example to gather, secure or extract company data or create a case specific digital tool to enable data to be processed efficiently. The rates applied to such specialists do vary but the figures below provide an indication of the maximum rate per hour.

Grade	From 1 July 2022 £
Partner	1,175
Director	1,085
Senior manager	980
Manager	795
Senior associate	575
Associate	415
Support staff	145
Offshore professionals	375 - 515

Reflecting the increasingly mobile and flexible nature of the PwC workforce and the narrowing of our London and regional cost bases we have moved to one uniform rate card for our standard restructuring and insolvency services from 1 July 2022. This is in line with other parts of PwC, and is also consistent with wider insolvency market practice. We will continue to have a separate rate card for specialist services including our tax, data and technologist support.

Should an increase in charge out rates result in our time costs exceeding the fee estimate provided to creditors at the time we sought approval of the basis of our remuneration, we will need to seek approval from the relevant creditor body in order to draw fees in excess of that estimate.

We have a diverse range of experience and capability within our director and senior manager teams. We have created two further grades within this population to reflect different levels of experience. We have differentiated between those directors who take insolvency appointments and lead insolvency cases (thereby providing considerable leverage to our appointment taking partners and reducing overall costs to insolvent estates), and those directors who help to support the delivery of our insolvency strategy. We have also created differential rates in our senior manager team, acknowledging those insolvency qualified and long serving insolvency experienced senior managers separately from those who are not yet insolvency qualified.

Role descriptions applicable to the new rates are below. In addition, as the range of work that may be undertaken by our offshore professional colleagues increases, we also provide updated information for that role.

Title	Description
Appointment taking director	A licensed insolvency practitioner acting as an office holder on the insolvency appointment and subject to additional office-holder responsibilities compared to a Director who is not an appointed office-holder. Highly experienced in insolvency matters at a senior level, including managing complex insolvencies and supervising teams.
Assistant director	Individuals of Senior Manager title but who are highly experienced in insolvency matters and either with more than 10 years insolvency experience at Senior Manager level or are qualified to JIEB level.
Offshore professional	Offshore professional colleagues may provide assistance, albeit that the majority of the work on this case will be undertaken by the UK based team. An off-shore professional at the higher end of the fee bracket generally has appropriate insolvency experience or an accounting qualification, depending on the nature of the work and will assist with planning and control of various aspects of the insolvency. An off-shore professional at the lower end of the fee bracket will typically have a finance-related qualification and appropriate skills to complete basic insolvency related tasks and provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. All work under the supervision of more senior staff.

We call on colleagues such as those in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2022 £	From 1 July 2022 £
Partner	1,680	1,810
Director	1,540	1,660
Senior manager	1,425	1,310
Manager	860	950
Senior associate/consultant	640	690
Associate/assistant consultant	345	375
Support staff	190	205
Offshore professionals	190	190

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 and treasury	<ul style="list-style-type: none"> Processing receipts, payments and journals Maintaining bank account management especially in respect of the non ISA accounts 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 former director of the Company on matters relating to pre appointment conduct of the Company • Raise queries and follow up on potential refunds from a third party • Review contracts and background 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
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
Statutory and compliance	<ul style="list-style-type: none"> • Preparing and issuing the third progress report to creditors and the registrar • 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
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 	<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

	<ul style="list-style-type: none"> ● Maintain book debt collection schedule 		
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 of the liquidation 	<ul style="list-style-type: none"> ● To ensure proper management of the liquidation
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 ● Translated correspondence received from overseas office holders into English ● 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 for emails, banking ledgers and contracts a part of review of pre appointment transaction ● Investigate and deal with notices received in respect of the possible books and records of the Company held by third parties. 	<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
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 ● Review filing papers ● Sought and obtained legal advice from counsel on strategy to progress ongoing matters in litigation ● Arrange for translation of key documents ● Liaise with lawyers to arrange service of application on key stakeholder in Japan 	<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
Tax	<ul style="list-style-type: none"> ● Preparation of tax computations and management information needed to file returns 	<ul style="list-style-type: none"> ● To meet the statutory duties 	<ul style="list-style-type: none"> ● To meet the statutory duties of the Liquidators.

	<ul style="list-style-type: none"> Reviewed notices issued by HMRC and responded as appropriate Holding telephone conferences with our tax team to discuss tax affairs of the Company 	of the Liquidators.
VAT	<ul style="list-style-type: none"> Submitted VAT426 to HMRC to reclaim VAT Review VAT control account on our accounting system 	<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 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 and 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
Group companies	<ul style="list-style-type: none"> Liaise with liquidators of insolvent Group companies to ensure any distribution is received in full Hold strategy meetings with local insolvency specialist to consider next steps if appropriate 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
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 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 	<ul style="list-style-type: none"> To ensure the correct distribution of funds
Litigation	<ul style="list-style-type: none"> Hold meetings with our lawyers to discuss progress and strategy on the Advance Payments matter Joint Liquidators may be required to attend court as part of the legal process Support our lawyers with preparing documentation and evidence ahead of hearings Comply with any court order regarding general or specific disclosure Hold meetings and agree strategy with PwC Forensics on dealing with any court ordered disclosure Assist with legal submissions for merits hearing submissions Consider and evaluate any offers of settlement 	<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

Statutory and 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 • Requesting approval to a lift in the fee cap and running a decision procedure with creditors • Dealing with post received from various parties • Dealing with statutory, regulatory, and internal compliance procedures in the liquidation • Dealing with books and records prior to closure. 	<ul style="list-style-type: none"> • Statutory duties of the Liquidators
Strategy and 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
Committees	<ul style="list-style-type: none"> • Prepare committee reports for the Liquidation Committee • Holding committee meetings to update the committee on progress of the liquidation and agree strategy for key matters 	<ul style="list-style-type: none"> • To update the committee and ensure creditors are informed of key matters
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
Appeal (if applicable)	<ul style="list-style-type: none"> • Attend to court as and when required • Review court submissions • Hold regular calls with solicitors and counsel on strategy and progression • Review counter parties submissions and arguments 	<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
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
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

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 periods 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 Registering our the claim of the Company with the court General advice on local insolvency procedures 	PwC Luxembourg	Industry knowledge and expertise	Time costs and disbursements

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

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 Michael Jervis, both of PwC LLP, 7 More London, Riverside, London, SE1 2RT
