

Maplin Electronics Limited - in administration

Remuneration Report: Information to creditors
including revised Fees Estimate

8 August 2022

Table of contents

1. Abbreviations and definitions	2
2.1 Purpose of this advice to creditors	3
2.2 Estimated outcome for creditors	3
2.3 Action required by you	4
2.4 How fees are calculated	4
3. Our fees estimate	5
3.1 Work we propose to undertake	5
3.3 Further approval	12
4. Expenses	13
4.1 What is an expense?	13
4.2 Our expenses estimate	14
5. Professionals and subcontractors	16
6. Notes and assumptions	17
6.1 Fees and expenses estimate	17
6.2 Associates	17
7. Receipts and Payments Account	18

1. Abbreviations and definitions

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

Abbreviation or definition	Meaning
Firm	PricewaterhouseCoopers LLP
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
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 the 28 February 2018 (up to a maximum of £800);2. accrued holiday pay for any period before 28 February 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
Rutland	Rutland Partners LLP
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
SIP	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
Joint Administrators	Jane Steer and Zelf Hussain
Unsecured creditors	Creditors who are neither secured nor preferential
Wells Fargo	Wells Fargo Capital Finance (UK) Limited

This report has been prepared by Jane Steer and Zelf Hussain as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, 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 Administrators 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 Administrators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/maplin. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Jane Steer and Zelf Hussain have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators 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 Administrators 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 Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

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.

2. Background

2.1 Purpose of this advice to creditors

On 22 March 2019 we issued our Remuneration Report: Initial information to creditors including fees and expenses estimate ("First Remuneration Report"), alongside the second progress report. This remuneration report was based on information available to us at the time and a number of assumptions, such as the administration would conclude by 28 February 2020 and that it was unlikely that there would be further assets to realise.

Subsequently, a fixed fee of £2,000,000 for post appointment fees was approved by the secured creditors, as the fee approving body, and this approval was obtained on 5 April 2019.

Mainly due to the Company's legal claim in relation to credit card charges, we have been unable to bring the administration to a close and additional work has been required to be carried out. Due to this, it has become clear that the original fee request would need updating.

We must seek approval for the basis of any further remuneration, over and above that already approved, before it is paid and provide the secured creditors with sufficient information for them to make a decision.

This document therefore sets out the work incurred to date, work expected to be incurred in future and the proposed fees and expenses for this work.

The costs of the administration proceedings are paid out of the assets of the Company and include the insolvency practitioner's remuneration, which in this case would be our fees for acting as joint administrators.

Changes to insolvency legislation on 1 October 2015 require us to give all known creditors details of the work we expect to carry out during the case and the expenses that are likely to be incurred. This report provides all this information and details of where further information can be obtained.

2.2 Estimated outcome for creditors

The following table gives our current estimates on the likely return for the various classes of creditors. We caution creditors against using data in this report as a basis for estimating the value of their claims or their likely eventual entitlement to payment from the Company's assets.

Table 1 – Dividend prospects

Class of creditor	Forecast return	Timing
Secured creditor - Wells Fargo	Paid in full	N/A
Secured creditor - Rutland	14%	TBC
Preferential creditors	N/A	N/A
Unsecured creditors	Paid full and final at 1.04%	N/A

We stated in our proposals and our subsequent progress reports that we believe there will be no funds to distribute to unsecured creditors, other than via the prescribed part. In December 2019 a first and final dividend was paid to unsecured creditors from the prescribed part at a rate of 1.04 pence in the £. There will be no further distribution to unsecured creditors.

Wells Fargo had a first ranking fixed and floating charge over the Company's assets and were repaid in full shortly following our appointment.

Rutland holds second ranking security over the Company's assets and on our appointment was owed £102m inclusive of accrued interest. To date, Rutland has received distributions totalling £14.5m. We estimate that Rutland will receive a further and final distribution; however, they will suffer an overall shortfall on their security.

On leaving, all employees received their wages payments in full as well as any payments for holiday accrued but not taken in accordance with the Company's holiday policy. As such, we do not consider there to be any preferential creditors. Therefore, if no committee is appointed, the secured creditors have the responsibility for fixing the basis of our fees and Category 2 expenses (as defined in Section 4.1).

2.3 Action required by you

This Remuneration Report is therefore for information purposes only and no action is required.

Creditors' rights

You can find information on administrators' fees and your rights at:

A creditors' guide to administrators' fees

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

2.4 How fees are calculated

Insolvency law currently allows fees to be calculated in three ways:

- As a percentage of the value of the property which we deal with (often referred to as a "percentage basis");
- By reference to the time properly given by us and our staff attending to the matters arising ("time costs basis"); or
- A set amount (a fixed fee).

The basis of our fees can be a combination of the above and different bases can be used for different parts of our work. The fee approving body decides which basis (or combination of bases) should be used to calculate fees, once it is satisfied that the fee basis proposed represents the most appropriate mechanism in the circumstances of the case.

In this case we previously proposed that the basis of our remuneration was on a fixed fee basis. This was agreed by the fee approving body, and to date we have drawn fixed fees of £2,000,000 as originally approved by the secured creditors.

However, there has been a material and substantial change in the circumstances taken into account when the original fee request was made. As such, we are now proposing an uplift in our fees, also on a fixed fee basis and are now seeking a revised fee of £2,265,500. We believe this amount is a fair and reasonable reflection of the work undertaken to date and the future work we need to undertake to bring the administration to a satisfactory end.

We have agreed our ongoing fee for keeping the administration open will be £35,000 a year (from March 2022 to February 2026). However, we will only draw fees in proportion to the period of time we are in office. In the event that the Joint Administrators cease to act part way through a year, the £35,000 fee shall be calculated and drawn on a pro rata basis, reducing the fixed fee of £2,265,500.

We think that a fixed fee is the most appropriate fee basis in the circumstances, as it gives creditors certainty over the fee which will be charged and the total fee we are seeking approval for is less than if charged on a time cost basis.

In the next section we include details of the work undertaken and likely to be included.

Insolvency law says that in determining the basis of our remuneration, regard must be had to the following:

- The complexity (or otherwise) of the case;
- Any exceptional responsibility falling on us;
- The effectiveness with which we are carrying out, or to have carried out, our duties; and
- The value and nature of the property with which we have to deal.

3. Our fees estimate

3.1 Work we propose to undertake

The following table provides details of the work we propose to do (indicated by ☐) , have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks.

Table 3 – Work we propose to do

Category of work	General description	Work included	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Assets	Sale of business	<ul style="list-style-type: none"> • Preparing an information memorandum ✓ • Liaising with purchasers and solicitors ✓ • Holding internal meetings to discuss/review offers received ✓ • Exploring a sale of the IP and the stock with those parties who had shown an interest ✓ • Re-engaged with parties to ascertain whether any were interested in purchasing the business ✓ • Actively liaised with new interested parties ✓ • Provided interested parties with information and collated interest ✓ 	<ul style="list-style-type: none"> • To realise the Company's assets at the most favourable price • Maximise realisations from assets for the benefit of the creditors and minimise costs
	Property	<ul style="list-style-type: none"> • Decide how to deal with any residual leases where surrenders can not be agreed □ • Reviewing insurance policies □ • Corresponding with insurer regarding ongoing insurance requirements □ • Review of the Company's property portfolio ✓ • Preparing and sending initial letter and notifications to landlords/agents ✓ • Liaising with solicitors to ensure rights of occupation to trade from certain stores on appointment ✓ • Payment of rents and associated property costs throughout the trading period ✓ • Offering surrenders of leases to landlords following vacation of properties ✓ • Sale of freehold property ✓ • Assignment and surrenders of leases for premium value ✓ • Completing lease surrender deals □ • Payment of post appointment business rates ✓ 	<ul style="list-style-type: none"> • To realise the Company's assets at the most favourable price • Maximise realisations from assets for the benefit of the creditors and minimise costs

	<ul style="list-style-type: none"> • Provision of information to rating agents ✓ • Continue to deal with landlord queries and access requests and finalise the payment of rents ✓ • Complete reconciliation of landlord rents and other associated property costs ✓ • Correspond with landlords in relation to lease surrenders ✓ • Complete lease assignments ✓ • Specialist property team to review and adjudicate on any complex property related unsecured claims ✓ 	
Debtors	<ul style="list-style-type: none"> • Retaining Company staff during the trading period, to assist with collection of book debts ✓ • Pursued disputed balances ✓ • Recovered £204,000 from suppliers in relation to amounts due to the Company for historical promotional support and product rebates ✓ • Where debtors remain outstanding, decide whether there is a financial benefit to the estate of taking legal action ✓ 	<ul style="list-style-type: none"> • To realise the Company's assets at the most favourable price • Maximise realisations from assets for the benefit of the creditors and minimise costs
Legal Claim	<ul style="list-style-type: none"> • Gathered information regarding the legal claim ✓ • Liaised with legal advisors to progress the legal claim ☐ • Continue to monitor the status of the legal claim ☐ 	<ul style="list-style-type: none"> • To realise the Company's assets at the most favourable price • Maximise realisations from assets for the benefit of the creditors and minimise costs
Retention of title claims	<ul style="list-style-type: none"> • Arranging for the completion of retention of title claim forms ✓ • Arranging for claimants to attend site to identify goods ✓ • Adjudicating upon claims ✓ • Corresponding with claimants regarding outcome of adjudication ✓ • Inviting and meeting claimants on site to perform stock counts/collection of goods or alternatively arrange financial settlement ✓ 	<ul style="list-style-type: none"> • To realise the Company's assets at the most favourable price • Maximise realisations from assets for the benefit of the creditors and minimise costs
Insurance	<ul style="list-style-type: none"> • Sending initial notice to pre appointment insurers ✓ • Setting up insurance cover on appointment ✓ • Providing initial information to the insurance brokers ✓ • Providing regular updates to insurance brokers throughout the trading period ✓ • Identifying potential issues requiring attention of insurance specialists ✓ • Reviewing insurance policies ✓ 	<ul style="list-style-type: none"> • To realise the Company's assets at the most favourable price • Maximise realisations from assets for the benefit of the creditors and minimise costs

		<ul style="list-style-type: none"> • Corresponding with insurer regarding initial and ongoing insurance requirements <input type="checkbox"/> • Realising any value within policies ✓ 	
Creditors	Creditor enquiries	<ul style="list-style-type: none"> • Respond to creditor queries <input type="checkbox"/> • Setting up a dedicated website for delivery of initial and ongoing communications and reports ✓ • Setting up a dedicated inbox to receive creditor enquiries ✓ • Receiving and following up creditor enquiries via telephone, email and post <input type="checkbox"/> • Reviewing and preparing correspondence to creditors and their representatives <input type="checkbox"/> 	<ul style="list-style-type: none"> • To address creditors' enquiries and keep them informed of the progress of the administration • Required by statute and best practice
	Secured creditors	<ul style="list-style-type: none"> • Continue to monitor the outcome for Rutland and provide updates to them <input type="checkbox"/> • Responding to secured creditor's queries <input type="checkbox"/> • Notifying secured creditors of appointment ✓ • Preparing reports to secured creditor <input type="checkbox"/> • Making distributions in accordance with security entitlements <input type="checkbox"/> • Updating and maintaining a case estimated outcome statement <input type="checkbox"/> 	<ul style="list-style-type: none"> • To address creditors' enquiries and keep them informed of the progress of the administration • Required by statute and best practice
	Unsecured claims	<ul style="list-style-type: none"> • Dealing with proofs of debt for dividend purposes ✓ • Preparing correspondence to potential creditors inviting lodgment of proof of debt ✓ • Receiving proofs of debt and maintaining register ✓ • Adjudicating claims, including requesting further information from claimants ✓ • Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend ✓ • Advertising intention to declare dividend ✓ • Calculating dividend rate and preparing dividend file ✓ • Preparing correspondence to creditors announcing declaration of dividend ✓ • Preparing and paying distribution ✓ 	<ul style="list-style-type: none"> • To address creditors' enquiries and keep them informed of the progress of the administration • Required by statute and best practice
Employees and Pensions		<ul style="list-style-type: none"> • Dealing with claims in relation to Protective Awards ✓ • Reviewing claims received ✓ 	<ul style="list-style-type: none"> • To address creditors' enquiries and keep them informed of the progress of the administration

			<ul style="list-style-type: none"> Required by statute and best practice
Trading	Trading management	<ul style="list-style-type: none"> Liaising with our agents to settle the business rates position for each property ✓ Engaged agents to oversee the running of the stores ✓ Liaised with merchant services providers to ensure the release of funds to the estate ✓ Liaised with pre appointment banks to ensure release of funds ✓ Communicated with key service providers in order to maintain trading ✓ Provided undertakings to suppliers to maintain and safeguard supply ✓ 	<ul style="list-style-type: none"> Continuing to trade cost effectively and with appropriate supervision ensured trading losses were minimised and no litigation costs were incurred that could have resulted from an interruption of the services
Statutory and compliance	Remuneration report	<ul style="list-style-type: none"> Preparing and circulating the initial and subsequent remuneration report giving details of the work we expect to carry out during the case, and the expenses that are likely to be incurred □ 	<ul style="list-style-type: none"> Required by statute
	Investigations	<ul style="list-style-type: none"> Collecting company books and records where related to investigatory work ✓ Reviewing books and records ✓ Preparing investigation file and lodging findings through the Director Conduct Reporting Service ✓ 	<ul style="list-style-type: none"> Required by statute
	Case reviews	<ul style="list-style-type: none"> Periodic case reviews □ Team meetings to review strategy and progress □ 	<ul style="list-style-type: none"> For proper case management and retention of records
	Progress reports and extensions	<ul style="list-style-type: none"> Preparing and issuing periodic progress reports to creditors and the Registrar □ Dealing with extensions to the the administration if deemed necessary □ 	<ul style="list-style-type: none"> To keep all stakeholders informed of the course of the administration For proper case management and retention of records Required by statute
	Other meetings / resolutions	<ul style="list-style-type: none"> Preparing this document and other information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration □ 	<ul style="list-style-type: none"> Required by statute
	Other statutory and compliance	<ul style="list-style-type: none"> Filing of documents □ Updating checklists and diary management system □ Maintain fee budgets and monitoring costs □ 	<ul style="list-style-type: none"> Required by statute

		<ul style="list-style-type: none"> • Hold team meetings and discussions regarding status of administration and key decisions <input type="checkbox"/> • Consider timings for key strategic decisions <input type="checkbox"/> • Completing tasks relating to job acceptance <input checked="" type="checkbox"/> 	
Tax & VAT		<ul style="list-style-type: none"> • Submit a final VAT 426 form to reclaim any VAT owed to the Company from HMRC • Gathering information in relation to the Company's tax matters following appointment <input checked="" type="checkbox"/> • Carrying out tax review and subsequent enquiries <input checked="" type="checkbox"/> • Corresponding with HMRC in relation to the Company's VAT matters <input checked="" type="checkbox"/> • Preparation and submission of Company's pre appointment VAT return <input checked="" type="checkbox"/> • Liaising with VAT team in relation to preparation of post appointment VAT returns <input checked="" type="checkbox"/> • Preparation and submission of post appointment VAT returns <input checked="" type="checkbox"/> • De-registration of the Company for VAT in due course <input checked="" type="checkbox"/> 	<ul style="list-style-type: none"> • To discharge our obligations to HMRC. • Required by statute.
Administration	Accounting and treasury	<ul style="list-style-type: none"> • Carry out bank reconciliations and manage investment of funds <input type="checkbox"/> • Deal with receipts, payments and journals <input type="checkbox"/> • Bank account management <input type="checkbox"/> • Pay any unclaimed unsecured dividend cheques to the Insolvency Service <input checked="" type="checkbox"/> • Opening and closing bank accounts and arranging facilities <input checked="" type="checkbox"/> & • Corresponding with pre appointment banks regarding transfers <input checked="" type="checkbox"/> • Dealing with receipts, payments and journals, both trading and non-trading related <input checked="" type="checkbox"/> & <input type="checkbox"/> • Making distributions to secured creditors <input type="checkbox"/> • Raising cheques to unsecured creditors for a prescribed part dividend <input checked="" type="checkbox"/> 	<ul style="list-style-type: none"> • For the efficient management of the administrations' funds. • Required by statute.
	Closure procedures	<ul style="list-style-type: none"> • Complete checklists and diary management system • Close down internal systems 	<ul style="list-style-type: none"> • To ensure all outstanding matters are dealt with in good time. • Ensures an orderly case closure

-
- Prepare and issue final report to creditors
 - Sending final notices to the Registrar of Companies
-

Included in the above table are tasks that we must perform that may not directly benefit creditors financially. These typically relate to fulfilling obligations imposed by statute or regulatory bodies.

3.2 Roles and grades of staff

The following descriptions of each grade of standard staff are a general guide only. From time to time there may be persons working on this assignment who, because of their skills and experience, are employed in positions where they may not necessarily meet all of these qualifications.

Title	Description
Partner	A licensed insolvency practitioner with extensive experience of insolvencies. A partner in PwC and senior member of management with ultimate responsibility (along with joint appointees) for the conduct of the insolvency and decisions on a case. If not an office-holder in relation to the appointment (usually only on large and complex appointments), may be qualified to accept appointments in their own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.
Director	Individuals highly experienced in insolvency matters at a senior level, including managing complex insolvencies and supervising teams. Usually a licensed insolvency practitioner and an office-holder in relation to the appointment with similar decision-making responsibilities. If not an office-holder in relation to the appointment (usually only on large and complex appointments), may be qualified to accept appointments in their own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.
Senior Manager	Experienced in insolvency matters with strong technical knowledge and commercial skills. Capable of supervising teams, often with a project management role on larger cases and/or responsibility for complex aspects of larger matters. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills. Grades of Senior Manager and below have delegated authority to make decisions on behalf of the appointed office-holders in certain aspects of a case.
Manager	Experienced in insolvency matters with well-developed technical and commercial skills. Capable of supervising smaller teams, and can take day-to-day responsibility for smaller to medium matters, or aspects of more complex matters. Alternatively, may have management, business, or industry skills, or a combination of skills.
Senior Associate	Generally has an insolvency qualification or accounting qualification. Assists with planning and control of various aspects of the insolvency, but is primarily responsible for completing fieldwork and/or compliance related matters under the supervision of more senior staff.
Associate	Has appropriate skills to provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. Often a part-qualified accountant or works regularly on insolvency matters.
Offshore professionals	Generally a qualified or trainee accountant, depending on the nature of the work. Assists with planning and control of various aspects of the insolvency, but is primarily responsible for completing office work under the supervision of more senior staff.
Support staff	Has appropriate skills to provide administrative support to the team.

3.3 Further approval

Creditors should be assured that the provision of a fees estimate will not affect the proper conduct of the administration. If the necessary work exceeds (or is likely to exceed) that included in the fees estimate, we can seek consent, usually from the fee approving body, for our fees to exceed the fees estimate.

Our fees estimate is based on a number of assumptions, which are explained in Section 6. In broad terms and in our experience, the key issues likely to affect the level of costs are the:

- Availability and quality of the books and records;
- Level of co-operation received, for example: from employees, and continuity of key staff;
- Duration of ongoing trading which requires more supervision and control;
- Level of interest in the assets and speed of any sale;
- Support from external stakeholders, including landlords and suppliers; and
- Any changes to our strategy that might be necessary as a result of the above.

We may need to seek further approval should the administration continue past February 2026, as provided for in the assumptions at Section 6.

In our periodic progress reports, we will keep creditors updated on how our fees are comparing to the fees estimate. If fees are likely to exceed this fees estimate we will need further approval to draw those fees.

4. Expenses

4.1 What is an expense?

Expenses are amounts properly payable by the office holder from the estate but excludes our fees and dividends to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2:

Expenses	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 associates or which have an element of shared costs.

We don't need approval from creditors to pay 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 which approves our fees (in this case the secured creditors) also has the responsibility for agreeing the policies for payment of Category 2 expenses.

The rate for services provided by the Joint Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The table below shows the Category 2 expenses that we think will be incurred in relation to this administration and our proposed policy for recovering these costs:

Photocopying	At up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.
Mileage	Mileage - At a maximum of: <ul style="list-style-type: none">petrol/diesel/hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)full electric - 72 pence per milebicycle - 12 pence per mile

Our firm's disbursements policy allows for all properly incurred expenses to be recharged to the case.

We provide details of the disbursements incurred by our firm to date in the tables below:

Category	Cost incurred by	Costs incurred £
No disbursements arose in the period		-
Brought forward from previous progress report*		44,461.82
Total		44,461.82

*In our second progress report, dated 22 March 2019, we didn't report the brought forward disbursements figure from the first progress report. As such, we have under-reported the brought forward figure in subsequent reports. The brought forward figure above now includes the disbursements reported in our first report, which is why it differs from the carried forward figure from our most recent progress report.

4.2 Our expenses estimate

The following table shows expenses incurred to date and an estimate of further expenses we consider will be (or are likely to be) incurred. As there has been no trading income or expenditure since our last progress report, we haven't included the trading expenses table in this report. The total non-trading expenses for the case is £916,690. This doesn't include our fees, estimates of which can be seen in the sections above. This includes a total estimate for our disbursements of £49,461.82, of which £38,100.63 has already been paid.

Including the trading expenses, the total expenses estimate for the case is £29,511,617.

The estimate excludes any potential tax liabilities that may be payable as an expense of the administration in due course because amounts due will depend on the position at the end of the tax accounting period.

Our expenses estimate includes pre-administration costs that (if approved) would be payable as an expense of the administration and which were explained in more detail in our proposals dated 19 April 2018. Whilst pre-administration costs are subject to approval in the same manner as our remuneration, they do not form part of our remuneration in relation to our work as Joint Administrators following our appointment.

Table 6 – Non-Trading expenses estimate

Maplin Electronics Limited

	Expenses incurred in the period 28 August 2021 to 27 February 2022	Expenses incurred in the period 28 February 2022 to 10 June 2022	Total expenses to 10 June 2022	Estimated future expenses	Anticipated total expenses	Previous Estimate	Variance
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
NIF - Wage arrears & Holiday pay	5,463.18	-	5,463.18	-	5,463.18	5,463.18	-
Statutory Advertising	152.00	-	152.00	-	152.00	152.00	-
Bank charges	59,273.41	-	59,273.41	1,500.00	60,773.41	60,773.41	-
Agents' fees - Consulting on IP sale	5,000.00	-	5,000.00	-	5,000.00	5,000.00	-
Legal fees property related - lease premiums	87,939.00	-	87,939.00	-	87,939.00	87,939.00	-
Rent paid in relation to lease premiums	76,149.36	-	76,149.36	-	76,149.36	76,149.36	-
Service charge in relation to lease premiums	9,621.69	-	9,621.69	-	9,621.69	9,621.69	-
Other property costs in relation to lease premiums	9,082.64	-	9,082.64	-	9,082.64	9,082.64	-
Agents' fees - property related - lease premiums	104,028.80	-	104,028.80	2,500.00	106,528.80	106,528.80	-
Legal fees	130,810.84	5,042.79	135,853.63	4,000.00	139,853.63	134,810.84	5,042.79
Storage costs	31,007.08	-	31,007.08	5,000.00	36,007.08	36,007.08	-
Sundry debts and refunds	19,978.87	-	19,978.87	-	19,978.87	19,978.87	-
Insurance	341,640.48	8,500.00	350,140.48	10,000.00	360,140.48	351,640.48	8,500.00
Administrators' disbursements	44,461.82	-	44,461.82	5,000.00	49,461.82	-	49,461.82
Total	924,609.17	13,542.79	938,151.96	28,000.00	966,151.96	903,147.35	63,004.61

Table 7 - Trading expenses estimate

Maplin Electronics Limited

	Expenses incurred in the period 28 August 2021 to 27 February 2022	Expenses incurred in the period 27 February 2022 to 10 June 2022	Total expenses to 10 June 2022	Estimated future expenses	Anticipated total expenses	Previous Estimate	Variance
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Repayment of overdraft to Wells Fargo	500,000.00	-	500,000.00	-	500,000.00	500,000.00	-
Change Withdrawn from Stores	273,099.50	-	273,099.50	-	273,099.50	273,099.50	-
Agents Fees - Secure Cash Collection from Stores	136,818.83	-	136,818.83	-	136,818.83	136,818.83	-
Other Costs of sales	29,158.12	-	29,158.12	-	29,158.12	29,158.12	-
Coin Delivery	6,985.00	-	6,985.00	-	6,985.00	6,985.00	-
Sundry expenses	83,897.80	-	83,897.80	-	83,897.80	83,897.80	-
Sales Commission	73,905.70	-	73,905.70	-	73,905.70	73,905.70	-
Payment to HMRC to Stock in Bonded Warehouse	1,808,694.26	-	1,808,694.26	-	1,808,694.26	1,808,694.26	-
Retention of Title Claims	707,283.63	-	707,283.63	-	707,283.63	707,283.63	-
Rent	4,502,385.45	-	4,502,385.45	-	4,502,385.45	4,502,385.45	-
Other Property Costs	79,857.88	-	79,857.88	-	79,857.88	79,857.88	-
Service Charge	229,633.46	-	229,633.46	-	229,633.46	229,633.46	-
Business Rates	1,893,151.35	-	1,893,151.35	-	1,893,151.35	1,893,151.35	-
Wages and Salaries (net)	6,500,105.89	-	6,500,105.89	-	6,500,105.89	6,500,105.89	-
Wage payment to employees of Maplin (Hong Kong)	69,870.71	-	69,870.71	-	69,870.71	69,870.71	-
Employee expenses	88,433.30	-	88,433.30	-	88,433.30	88,433.30	-
PAYE/NIC and Pension Deductions	2,060,852.72	-	2,060,852.72	-	2,060,852.72	2,060,852.72	-
Purchases	4,856,157.00	-	4,856,157.00	-	4,856,157.00	4,856,157.00	-
Utilities	442,878.93	-	442,878.93	-	442,878.93	442,878.93	-
Telephone Costs	16,537.87	-	16,537.87	-	16,537.87	16,537.87	-
Subcontractors - temp staff	327,608.63	-	327,608.63	-	327,608.63	327,608.63	-
Fuel costs	198.00	-	198.00	-	198.00	198.00	-
Motor and travel expenses	3,368.33	-	3,368.33	-	3,368.33	3,368.33	-
Logistics	1,493,390.97	-	1,493,390.97	-	1,493,390.97	1,493,390.97	-
Cleaning, Waste and Recycling	114,393.12	-	114,393.12	-	114,393.12	114,393.12	-
Sales Support Fees - Third Party Installer	60,708.06	-	60,708.06	-	60,708.06	60,708.06	-
Security Costs	93,783.39	-	93,783.39	-	93,783.39	93,783.39	-
Repairs and Maintenance	94,549.87	-	94,549.87	-	94,549.87	94,549.87	-
Trading refunds	20,346.06	-	20,346.06	-	20,346.06	20,346.06	-
IT Costs	399,353.10	-	399,353.10	-	399,353.10	399,353.10	-
Lease/hire payments	36,532.72	-	36,532.72	-	36,532.72	36,532.72	-
Licences	9,375.00	-	9,375.00	-	9,375.00	9,375.00	-
Legal Settlements	58,325.94	-	58,325.94	-	58,325.94	58,325.94	-
Office costs and postage	91,551.14	-	91,551.14	-	91,551.14	91,551.14	-
Duress Payments	374,958.00	-	374,958.00	-	374,958.00	374,958.00	-
Health and Safety Costs	11,818.34	-	11,818.34	-	11,818.34	11,818.34	-
Marketing Costs	558,033.31	-	558,033.31	-	558,033.31	558,033.31	-
Agents Fees - Exiting stores	509,327.99	-	509,327.99	-	509,327.99	509,327.99	-
Group Pension Premium	12,372.45	-	12,372.45	-	12,372.45	12,372.45	-
Total	28,629,701.82	-	28,629,701.82	-	28,629,701.82	28,629,701.82	-

5. Professionals and subcontractors

We have not subcontracted any work which we would normally undertake as administrators ourselves.

In the table below, we provide details of the professionals we have instructed on the administration, why we are using them and the basis agreed for their fees..

Table 8 – Legal and other professional firms

Service provided	Name of firm	Reason selected	Basis of fees
Legal advice, including: - Advice relating to lease assignments - Assisted with the second, third and fourth extension of the administration; - Advice in relation to assigning the legal claim; - Sale of freehold property; and - Review deeds of surrenders.	<ul style="list-style-type: none"> Eversheds Sutherland LLP 	<ul style="list-style-type: none"> Legal knowledge 	<ul style="list-style-type: none"> Time costs (with certain streams subject to caps)
Legal services, including: - Property matters which were ongoing at the time of our appointment	<ul style="list-style-type: none"> Irwin Mitchell LLP 	<ul style="list-style-type: none"> Pre-appointment knowledge of ongoing Company legal matters. 	<ul style="list-style-type: none"> Time costs
Property agents for marketing purposes	<ul style="list-style-type: none"> Gooch Cunliffe whale LLP 	<ul style="list-style-type: none"> Industry expertise 	<ul style="list-style-type: none"> Time costs
IP sales agents	<ul style="list-style-type: none"> Metis Partners 	<ul style="list-style-type: none"> Industry expertise 	<ul style="list-style-type: none"> Time costs
Business rates agents	<ul style="list-style-type: none"> Hilco Profit Recovery Limited Kingford Partnership Limited 	<ul style="list-style-type: none"> Industry expertise 	<ul style="list-style-type: none"> % of realisations
Trading agents	<ul style="list-style-type: none"> Hilco Retail Services Limited 	<ul style="list-style-type: none"> Trading expertise 	<ul style="list-style-type: none"> Fee based on a minimum net realisation into the administration estate

We require all third party professionals to submit evidence such as time costs analyses and narratives / schedule of realisations achieved in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- Review invoices to the terms agreed at the outset.
- Where fees are charged on a time cost basis, a breakdown of such costs is requested and reviewed before payment.

6. Notes and assumptions

6.1 Fees and expenses estimate

We have assumed the following when estimating our fees:

- There will be a further and final distribution made to Rutland.
- There will be residual costs for storage and bank charges.
- We have assumed that VAT will be fully recoverable in respect of costs and other expenses related to the administration.
- The estimate excludes any potential tax liabilities that may be payable as an expense of the administration in due course given the tax position will be determined at the end of each tax accounting period.
- The administration will end no later than 28 February 2026.
- To assist with the legal claim, we may need to undertake further investigations and disclosure work. We do not expect to incur much time doing this, but if it comes to light that more work than is currently expected is required, then we may look to bill separately for this workstream.

6.2 Associates

The Joint Administrators have no business or personal relationships with parties responsible for approving remuneration or who provide services to the administrators in respect of the appointment where the relationship could give rise to an actual or perceived conflict of interest.

All transactions are on a purely commercial basis and parties have been chosen based on their expertise in accordance with the needs of the administration.

7. Receipts and Payments Account

Directors' statement of affairs		28 February 2018 to 27 February 2022	28 February 2022 to 8 August 2022	28 February 2018 to 8 August 2022
	(£)	(£)	(£)	(£)
	Fixed Charge			
	Receipts			
133,649	Freehold Property	375,000.00	-	375,000.00
489,687	Cash at bank and in transit (Specifically Charged to Wells Fargo)	1,311,415.18	-	1,311,415.18
	Sale of Intellectual Property	800,000.00	-	800,000.00
	Wells Fargo guarantee not called upon	685,000.00	-	685,000.00
	Total Receipts	3,171,415.18	-	3,171,415.18
	Payments			
	Distribution to Wells Fargo	(2,486,415.18)	-	(2,486,415.18)
	Total Payments	(2,486,415.18)	-	(2,486,415.18)
	Net Fixed Charge Realisations	685,000.00	-	685,000.00
	Floating Charge			
	Receipts			
2,293,676	Trading Surplus / (Deficit) (see trading account for detailed breakdown)	21,707,651.12	-	21,707,651.12
	Cash at Bank and in Transit on Appointment	1,156,774.97	-	1,156,774.97
	Receipt of funds from Rutland regarding Incentives Scheme	270,300.00	-	270,300.00
	Refunds	10,220.62	-	10,220.62
	Insurance Receipt	15,752.63	-	15,752.63
	Rates Refunds	207,622.44	546.17	208,168.61
	Premiums on Lease Assignments / Surrenders	819,328.97	-	819,328.97
	Sale of Laptops	250.00	-	250.00
	Fixtures and fittings	61,821.93	-	61,821.93
200,000	Vehicles	55,750.00	-	55,750.00
	Book debts	614,252.00	-	614,252.00
	Receipts from pre-appointment legal actions	416.82	-	416.82
41,174,561	Stock (see note 1)	-	-	-
866,351	Fixtures	-	-	-
	Bank Interest	66,513.47	(4,462.15)	62,051.32
364,581	Prepayments	-	-	-
	Storage costs	557.00	-	557.00
	Funds Transferred from EUR account	1,599,684.41	-	1,599,684.41
	Funds returned from Eversheds Sutherland in relation to flo at held	20,000.00	-	20,000.00
	Total Receipts	26,606,896.38	(3,915.98)	26,602,980.40
	Payments			
	NIF - Wage arrears & Holiday pay	(5,463.18)	-	(5,463.18)
	Statutory Advertising	(152.00)	-	(152.00)
	Bank charges	(59,273.41)	-	(59,273.41)
	Agents' fees - Consulting on IP sale	(5,000.00)	-	(5,000.00)
	Legal fees property related - lease premiums	(87,939.00)	-	(87,939.00)
	Rent paid in relation to lease premiums	(76,149.36)	-	(76,149.36)
	Service charge in relation to lease premiums	(4,754.56)	-	(4,754.56)
	Other property costs in relation to lease premiums	(9,082.64)	-	(9,082.64)
	Agents' fees - employee services	-	-	-
	Agents' fees - property related and lease premiums	(104,028.80)	-	(104,028.80)
	Legal fees	(126,060.84)	(5,042.79)	(131,103.63)
	Storage costs	(31,007.08)	-	(31,007.08)
	Distribution to Floating Charge Holder - Wells Fargo	(8,716,868.93)	-	(8,716,868.93)
	Distribution to Floating Charge Holder - Rutland	(14,591,125.94)	-	(14,591,125.94)
	Sundry debts and refunds	(19,865.36)	2,867.45	(16,997.91)
	Insurance	(333,140.48)	-	(333,140.48)
	Administrators' fee	(2,000,000.00)	-	(2,000,000.00)
	Administrators' expenses	(38,100.63)	-	(38,100.63)
	Total Payments	(26,208,012.21)	(2,175.34)	(26,210,187.55)
	Net Floating Charge Realisations	398,884.17	(6,091.32)	392,792.85
	Prescribed Part distribution to unsecured creditors (1.05p in the £)	(599,948.26)	-	(599,948.26)
	Charges for uncashed dividend cheques	(55.00)	-	(55.00)
	Total cost of prescribed part	(600,003.26)	-	(600,003.26)
	Net Floating Charge Realisations	(201,119.09)	(6,091.32)	(207,210.41)
	VAT Control Account	(1,418.47)	(1,003.36)	(2,421.83)
	Balance held in Non-Interest Bearing Current Account	482,462.44	(7,094.68)	475,367.76

Notes

1. Stock was sold through the trading of the stores, and therefore value for this is included in the trading profit line, however as there has been no trading income or expenditure since our last progress report, we haven't included the trading account in this report.
2. All items are stated net of VAT
3. Only statement of affairs balances where the estimated to realise value is above zero have been included
4. Funds are held in non-interest bearing account, however due to a banking error, we have received interest. This has been paid back since our last report.