

Joint administrators' progress report from 30 September 2020 to 29 March 2021

Marcus Worthington and Company Limited
(in administration)

In the High Court of Justice, Business and Property Courts of
England and Wales, Manchester District Registry, Insolvency
and Companies List (ChD)

Case no. CR-2019-MAN-000983

27 April 2021

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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
Joint Administrators/we/us/our	Peter David Dickens and Toby Scott Underwood
Company	Marcus Worthington and Company Limited
PwC	PricewaterhouseCoopers LLP
Cumberland	Cumberland Building Society
HHL	Hollinwood Homes Limited - in administration
HMRC	HM Revenue & Customs
Group	SPCL and its subsidiary companies
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
Lloyds	Lloyds Bank Plc
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
Preferential creditors/claims	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Unsecured Creditors	Creditors who are neither secured nor preferential
Secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SPCL	Stonewell Property Company Limited - in administration
WEPTUS	Worthingtons Employee Pension Top Up Scheme

This report has been prepared by Peter David Dickens and Toby Scott Underwood 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/stonewell. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Peter David Dickens and Toby Scott Underwood 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.

Key messages

Why we've sent you this report

I'm writing to update you on the progress of the administration of the Company in the six months since our last report dated 26 October 2020.

You can still view our earlier reports on our website at www.pwc.co.uk/stonewell. Please get in touch with Sara Myers on 07801 766393 or at sara.myers@pwc.com if you need the password to access the reports.

How much creditors may receive

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

Class of creditor	Estimated recovery (%)	Previous estimate (%)	Forecast timing
Secured creditors			
<ul style="list-style-type: none">CumberlandLloyds	90 -100 Repaid	90 - 100 Repaid	6-18 months Repaid
Preferential creditors	10	20 - 70	3 months
Unsecured creditors	Nil	Nil	N/A

Note: Cumberland's lending in SPCL, a related company, is cross guaranteed across the Company and HHL, another related entity, as well as by Winkley Properties Ltd, a separate legal entity over which we are not appointed. We were appointed as administrators over both HHL and SPCL on 14 October 2019. Based on what we currently know, there is a possibility that Cumberland may be repaid its secured lending of £7.6m in full. To date, distributions of £6.45m have been made to Cumberland from SPCL in respect of its secured lending. We think it is unlikely that there will be any distributions to Cumberland made from the Company.

In respect of the Company's Preferential creditors, we currently estimate that a dividend of 10p in the £ may be paid, depending on the final level of realisations and costs. The agreement of Preferential claims is ongoing at present.

The Prescribed part is a fund that has to be made available for Unsecured creditors. It's paid out of "net property". Net property is floating charge realisations after costs, and after paying (or setting aside enough to pay) Preferential creditors in full. We think that there will be insufficient net floating charge realisations to repay the Preferential creditors in full, so the net property and Prescribed part will be nil and there will be no funds available for the unsecured creditors via the Prescribed part or otherwise.

What you need to do

This report is for your information and you don't need to do anything.

Overview of what we've done to date

The Company was incorporated in 1975 by its founder, chief executive and ultimate beneficial owner, Marcus Worthington and is a wholly owned subsidiary of SPCL. It undertook construction and civil engineering work on a contract basis and property development for other companies in the Group or otherwise connected to the Worthington family.

Further information regarding the background to our appointment and circumstances surrounding the Company upon entering administration are detailed in our previous progress reports on our website at www.pwc.co.uk/stonewell, and are not repeated here.

The Company was the main trading entity within the Group and employed the majority of the Group's employees. It undertook the majority of the contractual building work, but most of the Group's property assets were held in other Group companies. Because of this, there was a complex position in terms of the relationships and balances owing between the Company and other Group companies and connected entities and parties at the date of administration. This has meant that there has been a significant amount of work in investigating this position and in providing assistance to other Group companies; this has assisted in mitigating the creditor and guarantor claims against the Company.

In addition, we have taken steps to realise the Company's directly owned assets. This has included some land and some residual property assets, and identifying and disposing of 61 motor vehicles.

At the time of our last report we remained in office to complete the realisation of the Company's remaining assets, making distributions to the Secured and Preferential creditors, and carrying out our statutory obligations, including finalising the tax and VAT positions of the Company.

Progress regarding these matters during the period is set out on the next page.

Progress since we last reported

Employees / Preferential creditors

As explained previously, despite efforts to secure funding to enable the Company to continue to operate following our appointment, this was not successful and, as a result, all 94 employees of the Company were made redundant.

One of the key priorities on appointment was to communicate with all affected employees, and to quickly provide information and support to them. During the period we have continued to receive enquiries from those employees made redundant regarding their rights and claims, and will continue to provide support.

As previously advised, we currently estimate that Preferential creditors will be paid a dividend of 10p in the £, depending on the final level of realisations and costs. Preferential claims are limited to certain employee and pension claims and by law are paid in priority to non-preferential unsecured creditors.

Preferential creditors have been invited to agree their claims, and once these have been agreed we expect to be in a position to pay preferential creditors(mainly employees' claims) shortly.

Property

We have undertaken a review of the remaining residual freehold property investments and liaised with our specialist Real Estate team in order to ensure optimum strategy is in place for realising value from remaining assets. We expect a sale of these assets by auction or other approved process, in the near future.

Claims against third parties

We disclosed in our last report that the Company has a subrogated secured claim of £98k due from the administration estate of Marcus Worthington Properties Ltd ("MWPL"), a company associated by common shareholders and directors. Since then, we've agreed a settlement with the joint administrators of MWPL and funds of £98k have been received since the period end.

The Joint Administrators have also identified a number of pre-administration transactions with connected parties which we believe are challengeable as antecedent transactions. Due to the complex intercompany position, for some of these claims the direct benefit will fall in other Group companies, but this will indirectly benefit the Company through the reduction in secured guarantee claims. There are a couple of claims which we are continuing to pursue which could lead to a recovery into the administration.

As previously disclosed, we have continued to pursue the recovery in respect of the Company's remaining book debts. Based on what we currently know, we think it unlikely there will be any significant recovery from amounts due under contracts.

Realisation of other assets

We noted in our last report that the Company holds shares in Taylor Wimpey, a quoted house building company. Since then, we have obtained a replacement share certificate to enable the sale of the shares to proceed, and have instructed agents to finalise the sale. We anticipate this will conclude within the next month.

WEPTUS

During the period of this report, we've continued to assist the Pensions Regulator with their enquiries regarding the Worthingtons Employee Top Up Scheme, including carrying out a review of Company records.

Other matters

Since the date of our appointment, we have received various pre-appointment insurance claims relating to historic property cladding and fire defects. During the period since our last report we have liaised with insurers and lawyers to progress the claims, as well as undertaking a detailed review of Company records for information relevant to the claims.

Connected party transactions

We have a duty (under SIP13) to disclose any disposal of assets in the administrations to a director or other connected party, regardless of the nature or value of the assets concerned.

We can confirm that no such transactions have occurred in the current reporting period.

Statutory and compliance

During the period covered by this report we have:

- Prepared and distributed our second progress report for the period 30 March 2020 to 29 September 2020;
- Prepared our remuneration report and obtained fee approval for the Company from the Secured and Preferential creditors;
- Complied with our tax reporting and VAT obligations;
- Dealt with incoming creditor queries and logging claims received;
- Liaising with lawyers, agents and the Secured creditors with regards to ongoing asset realisations;
- Preparing VAT returns for the relevant periods;
- Liaising with our specialist tax team to ensure the tax position is in order; and
- Liaising with insurance brokers to ensure appropriate cover in place for the Company.

Investigations and actions

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

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 30 September 2020 to 29 March 2021.

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 an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

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 fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by telephoning Sara Myers on 07801766393.

What we still need to do

In addition to the work set out above, other key areas of work will be as follows:

- We'll continue to investigate the remaining assets and establish what recoveries can be made;
- Review and adjudicate upon Preferential claims and pay a distribution to the Preferential creditors;
- Prepare and submit VAT returns to HMRC and de-register for VAT purposes;
- Review and submit the Company's post-appointment tax returns, and receive clearance when appropriate; and
- Deal with closure matters including drafting and issuing final progress reports, closure of our internal systems and clearances from other third parties as might be required.

The administration is currently extended until 29 September 2021. We think it likely that we will have completed the administration by that date, but if there remain significant matters outstanding, we will make an application to court for a further extension.

Next steps

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner. If you've got any questions, please get in touch with Sara Myers on 07801766393 or by emailing sara.myers@pwc.com

Yours faithfully
For and on behalf of the Company



Peter Dickens
Joint Administrator

Appendix A: Receipts and payments

Marcus Worthington and Company Limited (in Administration)

Joint Administrators' Receipts and Payments Account from 30 September 2019 to 29 March 2021

Statement of Affairs	30 September 2019 to 29 September 2020	30 September 2020 to 29 March 2021	Total for the period 30 September 2019 to 29 March 2021
	£	£	£
Receipts subject to floating charge			
- Cash on appointment	187.62	-	187.62
80,784.00 Plant & Machinery	49,831.00	-	49,831.00
42,781.00 Motor vehicles	181,650.00	-	181,650.00
Bank interest	33.42	-	33.42
140,205.00 Trade debtors	222,524.93	-	222,524.93
125,000.00 Investment land	286,550.00	-	286,550.00
Investments and shares	267.15	-	267.15
IT equipment and office furniture	5,658.00	-	5,658.00
Inter-company account- SPCL	7.00	-	7.00
Inter-company account- HHL	4,327.74	-	4,327.74
Sundry debts and refunds	5,062.48	-	5,062.48
388,770.00 Total receipts	756,099.34	-	756,099.34
Payments subject to floating charge			
Inter-company account- SPCL	(7.00)	-	(7.00)
Inter-company account- HHL	(4,603.74)	-	(4,603.74)
Professional fees	(1,635.00)	(60.00)	(1,695.00)
Legal fees	-	(50,814.00)	(50,814.00)
Agents fees	(21,142.42)	-	(21,142.42)
Agents disbursements	(33,529.63)	-	(33,529.63)
Office/ IT costs	(2,426.31)	-	(2,426.31)
Insurance	-	(6,871.45)	(6,871.45)
Statutory advertising	(77.00)	-	(77.00)
Land registry fees	(7.00)	-	(7.00)
Wages & Salaries,	(20,428.71)	-	(20,428.71)
PAYE / NIC and pension deductions	(13,987.25)	-	(13,987.25)
Employee expenses	(2,388.10)	-	(2,388.10)
Floating charger creditor	(188,727.37)	-	(188,727.37)
Total payments	(288,959.53)	(57,745.45)	(346,704.98)
VAT Control Account	(42,256.67)	(60,447.80)	(102,704.47)
Total Cash at Bank - funds are held in an interest bearing bank account	424,883.14	(118,193.25)	306,689.89

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as Joint Administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

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

<i>Nature of Expense</i>	<i>Brought forward from preceding period</i>	<i>Incurred in the period under review</i>	<i>Cumulative</i>	<i>Estimated future</i>	<i>Anticipated total</i>	<i>Initial estimate</i>	<i>Variance</i>
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Post appointment expenses							
Office/IT costs	2,426.31	-	2,426.31	-	2,426.31	2,426.31	-
HM Land Registry fees	7.00	-	7.00	-	7.00	7.00	-
Legal fees	66,505.00	-	66,505.00	15,000.00	81,505.00	81,505.00	-
Office holders' expenses (note 1)	13,545.11	222.23	13,767.34	300.00	14,067.34	11,442.05	2,625.29
Agents' fees	21,142.42	-	21,142.42	-	21,142.42	21,142.42	-
Agents' disbursements	33,529.63	-	33,529.63	-	33,529.63	33,529.63	-
Wages and salaries (note 2)	20,428.71	-	20,428.71	(20,428.71)	-	-	-
Employee expenses (note 2)	2,388.10	-	2,388.10	(2,388.10)	-	-	-
PAYE/NIC and pension deductions (note 2)	13,987.25	-	13,987.25	(13,987.25)	-	-	-
Professional fees	1,695.00	-	1,695.00	50.00	1,745.00	1,745.00	-
Insurance costs	6,871.45	1,895.29	8,766.74	1,895.29	10,662.03	10,662.03	-
Corporation tax	-	-	-	27,368.93	27,368.93	27,368.93	-
Statutory advertising	77.00	-	77.00	77.00	154.00	154.00	-
Total post-administration expenses (note 3)	182,602.98	2,117.52	184,720.50	7,887.16	192,607.66	189,982.37	-
Pre appointment expenses							
Pre-appointment office holders' fees	71,177.00	-	71,177.00	-	71,177.00	71,177.00	-
Pre-appointment legal fees	2,308.00	-	2,308.00	-	2,308.00	2,308.00	-
Total pre-administration expenses (note 4)	73,485.00	-	73,485.00	-	73,485.00	73,485.00	-
Total expenses (excl VAT)	256,087.98	2,117.52	258,205.50	7,887.16	266,092.66	263,467.37	-

Note 1-The figure quoted in our last report was understated.

Note 2 - Expenses in relation to retained employees were initially paid by the Company. However, the work carried out by the retained employees was mainly in relation to property assets sitting within SPCL, and that company has therefore received the benefit of these expenses. We are in the process of reallocating these expenses to SPCL.

Note 3 - Save for the category 2 disbursements as detailed on page 17 of this report, none of these expenses represent payments to the administrators, PwC or any of their associates.

Note 4 - We have not sought approval to pay any of the pre-administration expenses. Instead they will be written off due to the limited asset realisations for the Company.

Appendix C: Remuneration update

Our fees were approved on a fixed fee basis by the Secured and Preferential creditors. The total fixed fee that has been agreed is £600k + VAT. To date, we've not drawn any fees. You can view a copy of our remuneration report on our website www.pwc.co.uk/stonewell.

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

Payments to associates

We have not made any payments to associates in the period covered by this report.

Our work in the period

In the main section of this report and in our proposals and previous progress report we have set out our strategy and what work we have undertaken to achieve the purpose of the administration. We have achieved realisations from the assets significantly in excess of the directors' estimates and we continue to investigate claims which may increase realisation in the Company or in other Group companies whose borrowings it has guaranteed.

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 and does it provide a financial benefit to creditors
Accounting and treasury	<ul style="list-style-type: none">• Processed receipts and payments• Sanction checks and payment verifications• Carried out bank reconciliations	<ul style="list-style-type: none">• Ensure secure stewardship of funds
Assets	<ul style="list-style-type: none">• Carried out property title searches and secured relevant property records• Liaised with valuers and agents to ensure optimum strategy in place for realising value from remaining assets;• Ensured the recovery of VAT relating to the sale of an undeveloped plot of land;• Enabling the sale of a third party shareholding;• Regularly communicated with insurers to ensure adequate cover in place across all assets• Liaised with insurers to ensure appropriate cover in place• Submitting secured and unsecured claims against MWPL and negotiating a settlement• Investigating other claims that the Company may have against connected or third parties	<ul style="list-style-type: none">• Maximise returns for creditors
Unsecured creditors	<ul style="list-style-type: none">• Maintained dedicated website for delivery of initial and ongoing communications and reports• Received and filed proofs of debt• Dealing with ad hoc creditor queries• Updated systems	<ul style="list-style-type: none">• Update creditors and keep them informed of case progression

Employees and pensions	<ul style="list-style-type: none"> • Liaising with RPS to obtain proof of debt • Reviewing records held in order to assist with section 72 request by the Pension regulator • carrying out pension checks 	<ul style="list-style-type: none"> • Comply with statutory and regulatory obligations
Preferential creditors	<ul style="list-style-type: none"> • Received and collated preferential claim forms • Internal discussions with claims team regarding adjudication of preferential claims 	<ul style="list-style-type: none"> • Return of funds for preferential creditors
Investigations	<ul style="list-style-type: none"> • Collating information to respond to section 72 request by the Pension regulator • Internal discussions with pensions team regarding section 72 request 	<ul style="list-style-type: none"> • Required by statute and regulation
Secured creditors	<ul style="list-style-type: none"> • Updating estimated outcome statement 	<ul style="list-style-type: none"> • Update creditors and keep them informed of case progression
Statutory and compliance	<ul style="list-style-type: none"> • Preparation and submission of second progress report to creditors and Companies House • Monitoring Companies House to ensure second progress report received and resubmitting • Meeting with solicitors to discuss current case strategy • Prepare and circulate remuneration report and obtain approval from the secured and preferential creditors for the basis of our fees • Filing, prompts and case management 	<ul style="list-style-type: none"> • To comply with statutory obligations
Strategy and planning	<ul style="list-style-type: none"> • Maintaining fee budgets & monitoring costs • Team strategy and progress meetings • Preparation of remuneration report and analysis of time costs • Liaising with Secured and Preferential creditors seeking fee approval 	<ul style="list-style-type: none"> • Ensures orderly and efficient management of cases
Tax and VAT	<ul style="list-style-type: none"> • Regular updates and discussions with internal tax and VAT teams • Preparation and submission of VAT returns to HMRC 	<ul style="list-style-type: none"> • Required by statute or regulation

Our previous work

As this progress report is the first to be issued following the approval of the basis of our fees, below are details of things done by the Joint Administrators in previous periods.

Area of work	Work undertaken	Why the work was necessary and does it provide a financial benefit to creditors
Accounting and treasury	<ul style="list-style-type: none"> • Opening bank accounts and arranging facilities • Preparing and reviewing the receipts and payments report • Processing receipts, payments and journals 	<ul style="list-style-type: none"> • Ensure secure stewardship of funds • To ensure the proper management of the funds that will in due course be distributed to creditors
Assets	<ul style="list-style-type: none"> • Carried out property title searches and secured relevant property records • Instructed and liaised with valuers and agents • Secured possession of freehold property and completed a sale of the main freehold property • Liaised with tenants regarding our appointment and any follow up queries they've had • Liaised with insurers to ensure appropriate cover in place 	<ul style="list-style-type: none"> • Maximise returns for creditors

	<ul style="list-style-type: none"> • Gathering information on assets and identifying a further 25 vehicles as assets through title searches. • Secured assets from development sites • Sale of the Company's vehicles, fixtures and plant and settlement of hire purchase liabilities • Review of the Company's contracts in progress and negotiation with the counterparties to identify if continuation of the contract would be commercially worthwhile. • Dealing with retention of title claims • Investigating intercompany balances and transactions with connected parties, including contractual amounts arising, cash transfers and other transactions with connected companies 	
Unsecured creditors	<ul style="list-style-type: none"> • Maintained dedicated website for delivery of initial and ongoing communications and reports • Received and filed proofs of debt • Dealt with large volume of creditor enquiries • Updated systems • Dealt with requests from insurers to provide information from Company records in support of claims. 	<ul style="list-style-type: none"> • Update creditors and keep them informed of case progression
Employees and pensions	<ul style="list-style-type: none"> • Drafting, issuing and delivering initial communications and announcements • Reviewing employee files and the Company's books and records • Reviewing awards and payroll structure • Communicate redundancies to staff and liaise with Redundancy Payments Service and external agencies • Issuing relevant statutory pension notices • Ensured pension contributions paid for retained staff • Taking advice on the Company's responsibilities in relation to WEPTUS 	<ul style="list-style-type: none"> • Comply with statutory and regulatory obligations
Investigations	<ul style="list-style-type: none"> • Collecting books and records of the Company where relevant to investigatory work • Investigated possible wrongful trading by carrying out a detailed review of transaction in Companies' bank statement • Performed bankruptcy and disqualification searches on current and former directors of the Companies • Reviewing specific transactions and liaising with directors for further information as required • Sought information from creditors on wrongful trading and reviewed responses • Submitting our report on the conduct of the directors to the BEIS 	<ul style="list-style-type: none"> • Required by statute and regulation • Required by Company Directors Disqualification Act 1986 and SIP 2
Preferential creditors	<ul style="list-style-type: none"> • Received and collated preferential claim forms 	<ul style="list-style-type: none"> • Return of funds for preferential creditors
Secured creditors	<ul style="list-style-type: none"> • Updated Secured creditors on progress of administrations • Responded to Secured creditor queries • Making distributions in accordance with security entitlements 	<ul style="list-style-type: none"> • Update creditors and keep them informed of case progression • Return of funds to creditors
Statutory and compliance	<ul style="list-style-type: none"> • Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment • Drafting and reviewing a statement of Proposals to creditors including preparing receipts and payments accounts and statutory information • Circulating notice of the Proposals to creditors, members and the Registrar of Companies • Circulating notice of deemed approval of the Proposals • Preparing for circulation to creditors a report giving 	<ul style="list-style-type: none"> • To meet the statutory duties of the Administrators • Statutory or regulatory duties of the Administrators

	<p>details of the work we expect to carry out during the case, and the expenses that are likely to be incurred</p> <ul style="list-style-type: none"> • Requesting the Directors to prepare their Statements of Affairs • Filing the Directors Statements of Affair with the Registrar of Companies • Prepare documentation in support of extension of administration and file as necessary • Dealing with postal correspondence received • Obtaining required insurance cover • Filing and case management 	
Strategy and planning	<ul style="list-style-type: none"> • Conducting regular reviews of the file to assess case strategy and progress • Holding internal meetings to discuss the ongoing progress of the case • Maintaining fee budgets & monitoring costs • Considering timings for key milestones and key strategic decisions • Liaising with our lawyers • Reviewing the future work to be undertaken 	<ul style="list-style-type: none"> • Ensures orderly and efficient management of cases • To ensure proper management of the administration
Tax and VAT	<ul style="list-style-type: none"> • Liaised with internal tax and VAT teams • Carrying out tax review and subsequent enquiries • Preparing initial drafts of administration tax computations and general communications with HMRC • Gathering information for the initial VAT review and advising on pre appointment VAT returns • Preparing and completing the first and subsequent post-appointment VAT return • General communications with HMRC 	<ul style="list-style-type: none"> • Required by statute or regulation • Mitigation of the tax liability to the estate

Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work undertaken	Why the work was necessary and does it provide a financial benefit to creditors
Accounting and treasury	<ul style="list-style-type: none"> • Process receipts and payments • Distribution to Secured and Preferential creditors • Payment of any unclaimed dividends to Insolvency Services Account • Carry out bank reconciliations • Close down bank accounts 	<ul style="list-style-type: none"> • Statutory requirements and ensures good stewardship of estate funds
Assets	<ul style="list-style-type: none"> • Liaise with valuers and agents in respect of remaining assets • Investigate and realise other assets and claims that the Company may have • Liaising with solicitors and agents where necessary • Regular review and assessment of insurance arrangements • Deal with any post sale matters 	<ul style="list-style-type: none"> • Maximise returns for creditors
Unsecured creditors	<ul style="list-style-type: none"> • Receive and file proofs of debt • Deal with all incoming creditor enquiries • Update systems 	<ul style="list-style-type: none"> • Update creditors and keep them informed of case progression

Employees and pensions	<ul style="list-style-type: none"> • Deal with any ongoing and residual employee and pensions queries • Issue statutory pensions notices upon case closure 	<ul style="list-style-type: none"> • Comply with statutory and regulatory obligations
Preferential creditors	<ul style="list-style-type: none"> • Agree the Preferential claims • Advertising intention to declare dividend • Preparing correspondence to creditors announcing declaration of dividend • Preparing and paying distribution 	<ul style="list-style-type: none"> • Direct benefit to preferential creditors
Investigations	<ul style="list-style-type: none"> • Continue to investigate any claims that the Company may have • Liaise with the directors in respect of any queries • Assist where required in relation to any ongoing pensions investigations 	<ul style="list-style-type: none"> • Required by statute or regulation
Secured creditors	<ul style="list-style-type: none"> • Update Secured creditors on progress of the administration • Respond to Secured creditor queries • Finalisation of asset consideration and preparation of Estimated Outcome Statement and related matters • Make distributions in accordance with security entitlements 	<ul style="list-style-type: none"> • Update creditors and keep them informed of case progression • Return of funds to creditors
Statutory and compliance	<ul style="list-style-type: none"> • Preparing and issuing periodic and final progress report to creditors and the registrar • Filing of documents and case management • Dealing with records in storage • Preparing closure documents and filing the notice of move to dissolution with the Registrar • Maintenance of the website and uploading creditor updates • Closure of internal systems and databases 	<ul style="list-style-type: none"> • To comply with statutory obligations
Strategy and planning	<ul style="list-style-type: none"> • Holding internal meetings to discuss the ongoing progress of the case • Review of costs against estimates • Planning for the most efficient route for closure 	<ul style="list-style-type: none"> • Ensures orderly and efficient management of cases
Tax and VAT	<ul style="list-style-type: none"> • Liaise with internal PwC tax and VAT teams • Preparation of tax computations • Liaising with HMRC and obtaining tax clearance • Continued VAT submissions to recover VAT receivable • Reconcile VAT returns to our accounting system to ensure all VAT has been adequately disclosed / recovered from HMRC • Deregistration of VAT and submission of VAT 426s if required 	<ul style="list-style-type: none"> • Required by statute or regulation

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types

of expenses are called “Category 2” disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration but has not yet been approved where required.

The following disbursements arose in the period of this report.

Category		Costs incurred £
1	Courier	215.50
1	Postage	6.73
Total		222.23
Brought forward as at 29 September 2020		13,545.11*
Total disbursements to 29 March 2021		13,767.34

*The figure quoted in our last report was understated by £2,793.10, made up of Category 1- travel expenses.

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work during the period covered by this report.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: Appointment related matters <ul style="list-style-type: none"> Advice regarding intangible assets Advice regarding sale of property 	<ul style="list-style-type: none"> Eversheds Sutherland 	<ul style="list-style-type: none"> Industry knowledge and insolvency expertise 	<ul style="list-style-type: none"> Time costs
Insurance advice, including: <ul style="list-style-type: none"> Review initial insurance requirements Insurance premiums, including Insurance Premium tax 	<ul style="list-style-type: none"> Marsh Limited (formerly JLT) 	<ul style="list-style-type: none"> Industry knowledge and insolvency expertise 	<ul style="list-style-type: none"> Fixed premium
Chattel agents and valuers	<ul style="list-style-type: none"> Walker Singleton (Asset Management) Ltd 	<ul style="list-style-type: none"> Industry knowledge 	<ul style="list-style-type: none"> % of realisations
Statutory advertising: <ul style="list-style-type: none"> Notice of appointment 	<ul style="list-style-type: none"> EPE Reynell 	<ul style="list-style-type: none"> Industry knowledge and insolvency expertise 	<ul style="list-style-type: none"> Fixed fee per advertisement
Property agents and others, including: <ul style="list-style-type: none"> Security Property marketing and valuation Chartered Surveyors 	<ul style="list-style-type: none"> Moorcroft Property Guardians M.N.S Commercial Protection Limited Richard Barber and Company Armistead Barnett Robert Pinkus & Co 	<ul style="list-style-type: none"> Industry knowledge 	<ul style="list-style-type: none"> Time costs and disbursements Fixed fee
IT Services	<ul style="list-style-type: none"> Sentinel IT Services Ltd 	<ul style="list-style-type: none"> Previous company knowledge 	<ul style="list-style-type: none"> Fixed fee

Appendix D: Other information

Court details for the administration:	In the High Court of Justice, Business and Property Courts of England and Wales, Manchester District Registry, Insolvency and Companies List (ChD) CR-2019-MAN-000983
Company's registered name:	Marcus Worthington and Company Limited
Trading name:	Marcus Worthington and Company Limited
Registered number:	01230445
Registered address:	Central Square, 8th Floor, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	30 September 2019
Joint administrators' names, addresses and contact details:	Peter David Dickens, 1 Hardman Square, Manchester, M3 3EB and Toby Scott Underwood, Central Square, 29 Wellington Street, Leeds, LS1 4DL Contact: 0113 289 4566
Extension(s) to the initial period of appointment:	Twelve month extension to 29 September 2021 as approved by the Secured and Preferential creditors