



Joint Administrators' Fifth Progress Report

The Mediterranean Insurance & Reinsurance Company Limited - In Administration

12 April 2018

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1 Introduction

- 1.1 Mike Rollings and Steve Butt were appointed as Joint Administrators of the Company by order of the High Court on 4 December 2015. The Administration order was extended by the consent of the creditors, until 3 December 2017. On 28 November 2017, the Administration order was further extended for a period of two years by the County Court at Central London and will now, subject to any further extension, expire on 3 December 2019.
- 1.2 The Administration is being handled by Rollings Butt LLP at 6 Snow Hill, London, EC1A 2AY. The Administration was previously registered in the High Court of Justice, Chancery Division, Companies Court, reference number 9278 of 2015. The Administration is now registered in the County Court at Central London, Business and Property Work, reference number 1817 of 2017.
- 1.3 The trading address of the Company was 20 St Dunstons Hill, London, EC3R 8HL. The business traded under the name MedRe.
- 1.4 The registered office of the Company has been changed from c/o Charles Taylor Insurance Services Ltd, Lloyds Chambers, Portsoken Street, London, E1 8BT to 6 Snow Hill, London, EC1A 2AY and its registered number is 01395873.
- 1.5 The Joint Administrators are required to provide a progress report for each six month period of the Administration from the date of their appointment. However, due to the initial extension of the Administration, the reporting cycle was amended and thus the previous reports cover the periods as detailed below:
- The pre-appointment period - "the Proposals", dated 22 January 2016
 - 4 December 2015 to 3 June 2016 - "the First Progress Report", dated 30 June 2016
 - 4 June 2016 to 16 September 2016 - "the Second Progress Report", dated 28 September 2016
 - 17 September 2016 to 16 March 2017 – "the Third Progress Report", dated 10 April 2017
 - 17 March 2017 to 16 September 2017 – "the Fourth Progress Report", dated 11 October 2017

This report covers the period from 17 September 2017 to 16 March 2018 ("the Period") and should be read in conjunction with the Joint Administrators' previous reports.

- 1.6 As previously advised, a creditors' committee ("the Committee") was formed following the initial meeting of creditors, and currently comprises:
- Hannover Ruck SE
 - GIC of India
 - FAIR Reinsurance Pool
- 1.7 Creditors are reminded that the provisions of the Insolvency Rules allow a committee to comprise between 3 and 5 members. Should any creditor have an interest in being a member of the Committee please notify us using the contact details on the notification letter accompanying this report.

2 Progress of the Administration

- 2.1 In addition to the pursuance of the statutory objective of the Administration (i.e. **to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, without first being in Administration**), the Joint Administrators have duties imposed by insolvency and other legislation, some of which may not provide any direct financial benefit to creditors.
- 2.2 This section of the report provides creditors with an update on the progress made in the Period from 17 September 2017 to 16 March 2018, both in terms of the achievement of the statutory

objective and also work which is required of the Joint Administrators under other related legislation.

- 2.3 As previously advised, a large proportion of the professional costs incurred relate to the investigation into the matters associated with the reasons for the Company's failure and the claim against the Company's former Finance Director ("the former FD"), details of which were set out in the previous Progress Reports. Further professional costs continue to be incurred in respect of the investigations relating to potential asset realisations as a consequence of 3rd Party Litigation, however given the confidential nature of these investigations we are not at liberty to disclose further details at this time. Detailed information in relation to these investigations has been provided to the Committee.
- 2.4 Attached at Appendix B is a time analysis outlining the time spent by the Joint Administrators and their staff during the Period together with a cumulative time analysis covering the period since the appointment at Appendix C.
- 2.5 Further information about the basis of remuneration agreed in this case and the Joint Administrators' fee estimates previously provided can be found in section 3 of this report, together with any relevant information about further fee estimates provided and remuneration approved by the Committee.

Administration (including statutory compliance & reporting)

- 2.6 As noted above, the Joint Administrators must undertake some work which may not bring any financial benefit to creditors generally, but ensures that certain statutory compliance requirements in accordance with the Insolvency Act 1986 and other related legislation are met. Details about the work that we anticipated would need to be done in this area was outlined in our initial fees estimate/information set out in the Proposals.
- 2.7 During the period covered by this progress report, the Committee were provided with an updated fee estimate for the period 4 December 2017 to 3 June 2018 ("the Fee Estimate"), which incorporated the estimated costs of this work and any significant variances from this estimate will be reported to the Committee accordingly.
- 2.8 Time costs incurred to 16 March 2018 are within the fee estimate provided to the Committee, and at this stage it is unclear whether time costs are likely to exceed those provided for in the Fee Estimate. However, any significant variances to, or time costs incurred in excess of the Fee Estimate will be reported to and discussed with the Committee at the appropriate time. As previously reported, quantum of the Joint Administrators' remuneration, and all payments to the Joint Administrators in this regard, remains subject to the specific approval of the Committee.

Case specific matters

- 2.9 Case specific refers to time incurred in dealing with matters specific to this Administration which are outside the scope of the other standard activity codes referred to elsewhere in this report.
- 2.10 The work undertaken here largely consists of liaising with the various regulators (such as the PRA and FCA) for the Company in relation to matters relevant to the Administration. The time incurred in relation to this is unlikely to have a direct financial benefit to the Company but is a necessary consequence of the Company being a regulated entity and the need to return funds to the creditors in as expedient a manner as possible and as referred to in section 2.11 onwards.

Establishing Distribution Mechanism

- 2.11 As previously reported, the Joint Administrators are proposing to submit an application to Court, pursuant to Paragraph 63 of Schedule B1 to the Insolvency Act, which will seek an order giving directions including amongst other things, the creation of a Bar Date for claims in the Administration, to enable dividends to be paid to creditors.

- 2.12 Since the Fourth Progress Report, the Joint Administrators have continued to work with the Company's legal advisors Cooley (UK) LLP ("Cooley"), and Counsel to formulate an application which will amongst other matters set out the reasons why a bar date is required.
- 2.13 The creditors will be aware from previous reports that the Administration has been extended to December 2019. The Administration cannot continue indefinitely for a number of reasons, most importantly the significant costs that would be incurred in ongoing statutory and compliance matters in the Administration and ongoing accounting for movements in the inwards and outwards reinsurance business of the Company.
- 2.14 The bar date, if not objected to by the PRA and the FCA and ordered by the Court, will allow the Administrators to invite creditors to submit their claims within a given period of time and for the Administrators to adjudicate those claims, agree or reject claims, and for a dividend to be paid to creditors who have valid claims.
- 2.15 It is proposed that discussions will be held with the PRA and the FCA soon with a view to finalising the application to Court and seeking the earliest possible Court date for the application to be heard.
- 2.16 Once the above has progressed, the creditors will be advised formally of the notice of the application and the timescale in which the above is expected to be achieved.

3rd Party Litigation

- 2.17 As previously disclosed, the Joint Administrators continue to consider the extent to which the Company has claims against other parties arising from or connected with the Unsupported Debtors and the actions of the Former FD.
- 2.18 The Joint Administrators continue to provide full updates to the Committee in respect of these proceedings and the merits of pursuing such claims, including periodic evaluation of the proportionality of incurred costs against potential realisations. However, in the interests of confidentiality, and so as to protect the Company's position in relation to certain aspects of its claims, at this stage further details cannot be provided to the wider body of creditors.
- 2.19 It is currently anticipated that this work will have some direct financial benefit to the estate, albeit that for the above reasons, this benefit cannot currently be quantified.

Creditors

- 2.20 Further information on the current estimated outcome for creditors in this case can be found at section 4 of this report. The Joint Administrators are not only required to deal with correspondence and claims from Unsecured Creditors, but also those of any secured and Preferential Creditors of the Company.
- 2.21 As previously reported it is the Joint Administrators' current understanding that there are no secured creditors, nor any outstanding employee liabilities or matters to be dealt with and as a consequence no preferential claims are anticipated. Whilst this work may not bring any financial benefit to creditors generally, the Joint Administrators are required by statute to undertake this work and it will not be possible to distribute funds to creditors in due course without it.

The Committee

- 2.22 The purpose of the Committee is to assist the Joint Administrators in the discharge of their functions and to determine the Joint Administrators' remuneration. The Committee are also tasked with representing the interests of the creditor body as a whole.
- 2.23 In addition to its statutory functions the Committee also serves to assist the Joint Administrators generally and act as a sounding board for them to obtain views on matters pertaining to the Administration. In this instance the Committee have been apprised of the investigations into the reasons for the failure of the Company and resultant claims and litigation arising from this

as well as being asked to provide assistance to Charles Taylor Services (“CTS”) in their run-off work for the Company. In particular the Committee have provided assistance where able to CTS in their attempt to make contact with creditors and debtors.

- 2.24 As advised previously, given the extent of the investigations that have been necessary in order to establish the reasons for the Company’s insolvency and the subsequent litigation entered into, in addition to the unforeseen additional matters that have arisen in respect of the run off work, time costs incurred updating the Committee and providing the information requested and required to keep them apprised of progress has been significantly higher than anticipated at the outset of the Administration.
- 2.25 The Committee’s input and assistance will continue to be important in the upcoming months as the application for directions is made to Court. The Joint Administrators ask that should any creditors have an interest in being a member of the Committee to please notify us using the contact details on the notification letter accompanying this report.

Investigations

- 2.26 As disclosed in the First Progress Report, some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors’ Disqualification Act 1986 (“the CDDA 1986”) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Joint Administrators can pursue for the benefit of creditors.
- 2.27 The Joint Administrators have previously reported on their investigations into, and claims brought against, the Former FD of the Company in respect of the Unsupported Debtor balances and reasons for the insolvency of the Company. As previously explained, the Joint Administrators have not been made aware of any further assets belonging to the Former FD which could be realised in respect of the claims and consequently do not anticipate making any further realisations in this respect.
- 2.28 However, as disclosed in sections 2.17 to 2.19 above, the Joint Administrators continue to consider the extent to which the Company has claims against other parties arising from or connected with the Unsupported Debtors and the merits of pursuing such claims.

Realisations of Assets

Cash at Bank and Bank Interest

- 2.29 As previously reported, the Joint Administrators do not anticipate any further realisations from cash at bank.
- 2.30 As disclosed in the previous Progress Reports, a proportion of the Company’s funds have been placed in interest bearing accounts for the benefit of the creditors throughout the duration of the Administration. The Joint Administrators continue to monitor the Company’s cash requirements, and the decision to place funds on interest bearing accounts is reviewed each time these accounts mature, in order to determine if this will still result in a net benefit to the Administration estate.

Litigation Proceeds

- 2.31 As disclosed in the Fourth Progress Report, the Joint Administrators do not anticipate that there will be any further realisations as a consequence of litigation against the former FD of the Company.
- 2.32 As disclosed in sections 2.17 to 2.19 above, the Joint Administrators continue to consider the extent to which the Company has claims against other parties arising from or connected with the Unsupported Debtors and the merits of pursuing such claims, However, for the reasons

given above, further details in respect of possible realisations as a result of any such litigation cannot be provided at this stage.

Debtor collections

- 2.33 Since the date of the Fourth Progress Report, CTS have continued to pursue debtor balances on behalf of the Joint Administrators and a further £45,759 has been received from two of the Company's debtors.
- 2.34 CTS have also been reconciling and seeking to collect the balances owed by three of the Company's largest debtors, however there are ongoing reconciliation issues which to date have frustrated attempts to collect the full outstanding balances.
- 2.35 In light of this, the Joint Administrators have agreed a recovery and reconciliation strategy with Cooley and CTS whereby, in the first instance, CTS have requested that these parties undertake the work necessary to establish the breakdown of the premium included within their debtor balances. Whilst this breakdown has yet to be received, CTS will continue to pursue these parties for this information.
- 2.36 The Joint Administrators have also engaged specialist collection agents on a "no collection, no fee" basis in order to assist in the recovery of certain debtor balances in West Africa.
- 2.37 The engagement of collection agents has necessitated the provision of a substantial amount of information and correspondence between the agents, the Joint Administrators and CTS which has resulted in significant time costs in the Period. Whilst no debtor recoveries have been made by the collection agents within the Period of this report, material payments have now been received and further details of this will be provided in the progress report for the relevant period.
- 2.38 Furthermore, the work undertaken to date by the Joint Administrators and their staff, CTS and the collection agents, with regard to debtor collections has brought, and will continue to bring, a financial benefit to creditors which should result in a distribution to unsecured creditors of the Company.

Value Added Tax ("VAT")

- 2.39 The Joint Administrators continue to account for VAT in regard to expenses incurred in the Administration and reclaim VAT on those expenses.

Shareholders

- 2.40 The Joint Administrators continue to liaise with the Shareholders in relation to the Company's affairs, and particularly the Company's historic financial records.
- 2.41 Whilst the time incurred in this may not have a direct financial benefit for the estate, such information has assisted us (and CTS) in the recovery of debtors and our investigations into claims available to the Company in relation to the Unsupported Debtors.

Trading

- 2.42 As previously advised, the Joint Administrators had extended the appointment of CTS as the Administration run-off agents until September 2017 however, as a consequence of the unforeseen issues that have come to our attention in respect of certain reinsurance agreements and set-off issues, amongst other matters, there remained a significant amount of work in the Administration which it would be appropriate for CTS to undertake beyond this date and in order to progress the Administration.
- 2.43 This work was either as a consequence of it needing to be undertaken by a regulated entity or CTS having specific knowledge which would be time consuming and costly to replicate. Consequently, the Joint Administrators extended the appointment of CTS by way of a second

addendum to the initial Administration Run-Off Agreement in December 2017 for a further period of 7 months from that date.

2.44 In order to maximise the benefit of the work undertaken by CTS and to minimise the need for any additional work to be taken at a later point in time with all the attendant issues and cost consequences that may entail, a number of tasks were specifically prioritised including, but not limited to:

- Collections of outstanding balances from debtors;
- Reconciliation and clarification of the position regarding creditor claims being made by brokers;
- Provision of a review of the current IBNR position in preparation for the application to establish a Bar Date; and
- Preparation of additional information requested as a consequence of the application to establish a Bar Date.

2.45 In light of the significant work which therefore remains to be done, the Joint Administrators ask that where possible, all creditors of the Company make contact and engage with CTS in respect of their claims as soon as possible. The process of adjudicating claims in some cases is likely to be complex and time consuming and agreeing claims as soon as possible will assist in understanding the overall creditor position and dividend prospects.

2.46 Whilst the time incurred in respect of this work may not have a direct financial benefit for the estate, this information will be necessary in order to assist in agreeing creditors' claims and ultimately in assisting in the determination of such claims and in the facilitation of the adjudication and distribution process.

3 Joint Administrators' Remuneration

3.1 As confirmed in the First Progress Report, upon their appointment it became the responsibility of the Committee to agree the basis and quantum of the Joint Administrators' remuneration.

3.2 Subsequently the Committee resolved that the basis of the Joint Administrators' remuneration should be fixed by reference to time properly spent in attending to matters arising in the Administration. In addition, it was agreed that the Joint Administrators would defer payment of 20% of the value of the time incurred by them on a monthly basis, with the balance of this deferral to be considered with the Committee at a later point in time.

3.3 The Joint Administrators have provided the Committee with fee estimates and details of the work they proposed to undertake for each 6 month period of the Administration to date. For the three 6 month periods that have now expired, the Committee have also been provided with a comparative analysis of the actual time costs incurred and an explanation of any significant variations from the initial estimates, a summary of which is provided below:

Period	Fee estimate (£)	Actual time costs incurred (£)	Time costs net of 20% agreed deferral (£)
4 December 2015 to 3 June 2016	249,865.00	249,222.00	199,377.60
4 June 2016 to 3 December 2016	134,705.00	155,683.00	124,546.40
4 December 2016 to 3 June 2017	132,006.00	158,339.00	126,671.20
4 June 2017 to 3 December 2017	134,514.00	174,502.50	139,602.00
Total	651,090.00	737,746.50	590,197.20

**All figures shown exclusive of VAT*

The actual time costs shown in the table above are the gross value of time incurred at our standard charge out rates and include the 20% deferral referred to in section 3.2 above.

The Committee have also been provided with, and have approved, a fee estimate for the period 4 December 2017 to 3 June 2018.

3.4 The Joint Administrators' time costs for the period 17 September 2017 to 16 March 2018 are £177,349. This represents 555.60 hours at an average rate of £319.20 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration.

3.5 Since the Fourth Progress Report was issued to creditors, the below costs have been submitted to and approved by the Committee:

Period	Value of time incurred (£)	Approved remuneration (£)	20% Deferred remuneration (£)
1 August 2017 to 31 August 2017	32,727.00	26,181.60	6,545.40
1 September 2017 to 30 September 2017	27,470.00	21,976.00	5,494.00
1 October 2017 to 31 October 2017	38,264.00	30,611.20	7,652.80
1 November 2017 to 30 November 2017	24,828.00	19,862.40	4,965.60
1 December 2017 to 31 December 2017	23,897.00	19,117.60	4,779.40
Total	147,186.00	117,748.80	29,437.20

*All figures shown exclusive of VAT

3.6 Time costs for 1 January 2018 to 28 February 2018 were presented to the Committee for their review on 9 March 2018 but had not been approved within the Period of this report.

3.7 Also attached at Appendix C is a cumulative Time Analysis for the period from 4 December 2015 to 16 March 2018 which provides details of the Joint Administrators' time costs since appointment. The cumulative time costs incurred to date are £838,316 and this represents 2,697.70 hours at an average rate of £310.75 per hour.

3.8 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from:

<https://www.r3.org.uk/media/documents/publications/professional/Administration%20Creditor%20Fee%20Guide%20April%202017.pdf>

3.9 Attached at Appendix D is additional information in relation to the Joint Administrators' fees and a full breakdown of the expenses and disbursements paid within the period, including where relevant, information on the use of subcontractors and professional advisers. Attached at Appendix E is a narrative guide of the activities the Joint Administrators and their staff have undertaken in pursuit of the Administration objectives.

4 Estimated Outcome for Creditors

Preferential Creditors

4.2 The Company had no remaining employees at the date of our appointment, nor is there believed to be any outstanding employee liabilities. As such, it is understood that the Company has no preferential creditors.

Unsecured Creditors

4.4 Based on current estimates and as previously advised, the Joint Administrators anticipate realising sufficient assets to enable a distribution to be made to unsecured creditors. However, given the uncertainty surrounding the value of realisations made from debtors of the Company (in particular the Unsupported Debtors and potential litigation) and the final total value of

creditors' claims against the Company, the Joint Administrators are not in a position to estimate at this stage the value of any unsecured dividend.

- 4.5 Similarly, the Joint Administrators are not yet in a position to determine the total value of creditor claims in the Administration and this is likely to remain the case until such time as the bar date for claims sought as part of the application for the Court approved distribution mechanism (as referred to in sections 2.11 to 2.16 above) has been made and that the bar date has passed; and claims have been formally agreed.

5 Status of Reinsurance Contracts Incepting Prior to Administration

- 5.1 As referred to in our previous Progress reports, during the course of their run-off work, CTS identified a number of reinsurance agreements with a number of parties ("the Agreements") which were ongoing prior to the date that run-off commenced.
- 5.2 It is our understanding that the Agreements had expired or were cancelled/terminated by agreement of the parties and/or treated by the parties as cancelled/terminated by their conduct.
- 5.3 However, in the interests of transparency, and for the avoidance of doubt, to the extent that any party to the Agreements continued to treat any of the Agreements as ongoing, by specific notice (and the contents of the Second Progress Report) and the general notice on the Joint Administrators firm's website the Joint Administrators served notices of cancellation/termination in respect of each and every one of the Agreements.
- 5.4 Despite this, attempts continue to be made by some of the parties to these Agreements to cede risks to the Agreements. To date, none of these parties have been able to provide sufficient documentary evidence in support of any contention that they should be able to continue to cede such risk to the Agreements.
- 5.5 It remains the Joint Administrators' position that these risks cannot be validly ceded and that the reinsurances are not continuous and this position will continue to be stated to those parties attempting to cede risks under such agreements.

6 Limitation of Claims Against the Company

- 6.1 The laws of England and Wales include certain provisions which, broadly speaking, provide a defence to contractual claims if such claims are not brought within a certain period of time (the "Limitation Period").
- 6.2 The Limitation Period for contractual claims may not stop running as a consequence of an Administration Order being made against the Company. Consequently, depending on the governing law of the contracts between the Company and its creditors (and other relevant issues such as the date the creditors' cause of action against the Company arises) the Company may have a defence against the claims of certain creditors in circumstances where the Limitation Period for their claim (or certain parts of it) has expired
- 6.3 It is the responsibility of the creditors and **not** the Company or its Joint Administrators to identify and attend to any matters relevant to their claim, including, but not limited to issues relating to relevant Limitation Periods.

7 Extension of the Administration

- 7.1 As reported previously the Administration was extended, with the consent of the Company's creditors in October 2016, for a period of 12 months to 3 December 2017.
- 7.2 As explained in the Fourth Progress Report, the Joint Administrators were seeking a further extension of the Administration in order that they could continue to recover funds for the benefit

of the Administration estate and to allow for a distribution to be made to creditors in keeping with the statutory objective of the Administration.

- 7.3 Consequently, an application was made to the court to extend the application order and on 28 November 2017 the Administration order was further extended for a period of two years by the County Court at Central London. The Administration order will now, subject to any further extension, expire on 3 December 2019.

8 Ending the Administration

- 8.1 As explained in our previous Progress Reports, given the uncertainty surrounding the value of realisations and potential for a distribution, the Joint Administrators will continue to evaluate the best method of exit from the Administration and further information will be provided to creditors in relation to these matters as the Administration progresses.

9 Creditors' rights

- 9.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-Administration costs) which have been itemised in this progress report.
- 9.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Joint Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Administrators, as set out in this progress report, are excessive.

10 Next Report

- 10.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised or the Joint Administrators need to seek some additional resolutions from creditors.

For and on behalf of
The Mediterranean Insurance & Reinsurance Company Limited


Steve Butt
Joint Administrator



**The Mediterranean Insurance & Reinsurance Company Limited
(In Administration)**

Summary of Receipts & Payments

Statement of Affairs (£)	From 04/12/2015 To 16/09/2017 (£)	From 17/09/2017 To 16/03/2018 (£)	Total (£)	
RECEIPTS				
1,503,156.00	Cash at Bank	1,602,656.10 *	0.00	1,602,656.10
1,480,176.00	Supported debtors	1,063,042.37 *	45,758.57	1,108,800.94
	Bank Interest	2,641.35	1,235.90	3,877.25
	Litigation Proceeds	285,771.65	0.00	285,771.65
		2,954,111.47	46,994.47	3,001,105.94
PAYMENTS				
	Office Holder Pre-Admin. Fees	83,067.50	0.00	83,067.50
	Office Holder Pre-Admin. Expenses	188.75	0.00	188.75
	Office Holders Fees	443,816.00	160,338.80	604,154.80
	Office Holders Expenses	3,100.00	1,709.60	4,809.60
	Run Off Agents' Fees	196,874.50	38,541.50	235,416.00
	Process Server fees	170.00	0.00	170.00
	Specialist Tax Advisers	1,100.00	0.00	1,100.00
	Professional Fees	0.00	1,000.00	1,000.00
	Legal Fees	471,380.20	272,923.60	744,303.80
	Legal Disbursements	47,835.89	41,591.38	89,427.27
	Stationery & Postage	487.06	267.36	754.42
	Statutory Advertising	534.50	0.00	534.50
	Land Registry Searches	7.00	0.00	7.00
	Bank Charges	132.14 *	0.00	132.14
	HMRC Fees	617.38	0.00	617.38
	Irrecoverable VAT	4,115.90	0.00	4,115.90
		1,253,426.82	516,372.24	1,769,799.06
UNSECURED CREDITORS				
(1,418,000.00)	Claims outstanding (gross)	NIL	NIL	NIL
(2,880,092.00)	Creditors -reinsurance operations	NIL	NIL	NIL
(212,430.00)	Other creditors incl tax/social security	NIL	NIL	NIL
(65,087.00)	Current expenses	NIL	NIL	NIL
		NIL	NIL	NIL
(1,592,277.00)	Net Receipts/(Payments)	1,700,684.65	(469,377.77)	1,231,306.88

*Brought forward balances differ slightly to the carried forward balances in the Third Progress Report as a consequence of fluctuations in the actual exchange rates received at the time of conversion of USD balances to GBP

The Mediterranean Insurance & Reinsurance Company Limited - in Administration
Time Analysis for the Period 17 September 2017 to 16 March 2018

Classification of Work Function	Partner	Manager	Associate	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	0.20	2.20	2.40	510.00	212.50
101 : Administrative Set-Up	0.00	0.00	0.10	0.10	20.00	200.00
104 : Case Management	2.40	1.80	11.10	15.30	4,014.00	262.35
105 : Case Planning	0.20	0.90	3.10	4.20	1,047.00	249.29
106 : Maintenance Of Records	0.00	0.00	1.10	1.10	157.00	142.73
107 : Statutory Reporting	6.80	10.10	29.30	46.20	12,793.00	276.90
108 : Statutory Compliance	3.00	5.80	1.20	10.00	3,796.00	379.60
111 : Billing	0.00	0.00	3.20	3.20	632.00	197.50
112 : Post Appointment Tax	0.00	2.00	5.20	7.20	1,768.00	245.56
116 : Case Accounting	1.50	1.80	12.70	16.00	3,078.00	192.38
117 : Bank Reconciliations	0.00	0.00	0.60	0.60	78.00	130.00
118 : Receipts & Payments	0.00	0.00	2.00	2.00	400.00	200.00
702 : Liaison With Directors	2.70	0.50	0.60	3.80	1,574.00	414.21
Administration & Planning	16.60	23.10	72.40	112.10	29,867.00	266.43
600 : Case Specific	0.00	0.50	0.20	0.70	225.00	321.43
622 : Establishing Distribution Mechanism	15.40	38.50	23.50	77.40	26,183.00	338.28
633 : 3rd Party Litigation	63.70	8.60	9.00	81.30	34,820.00	428.29
Case Specific Matters	79.10	47.60	32.70	159.40	61,228.00	384.12
500 : Creditors	0.20	1.90	3.20	5.30	1,437.00	271.13
505 : Creditors Committee	24.00	29.70	92.30	146.00	40,729.00	278.97
508 : Employees	0.00	0.00	0.20	0.20	40.00	200.00
509 : Unsecured Creditors	0.00	0.50	0.00	0.50	185.00	370.00
Creditors	24.20	32.10	95.70	152.00	42,391.00	278.89
200 : Investigations	0.00	2.50	0.10	2.60	945.00	363.46
201 : CDDA Reports	0.50	0.00	0.00	0.50	235.00	470.00
203 : Investigatory Work	0.80	1.70	0.00	2.50	1,005.00	402.00
Investigations	1.30	4.20	0.10	5.60	2,185.00	390.18
300 : Realisation Of Assets	0.00	0.20	0.00	0.20	74.00	370.00
302 : Identifying, Securing, Insuring Assets	0.00	0.20	0.00	0.20	74.00	370.00
303 : Book Debts	2.70	42.40	17.20	62.30	20,040.00	321.67
314 : Litigation	1.70	1.40	0.90	4.00	1,497.00	374.25
Realisation of Assets	4.40	44.20	18.10	66.70	21,685.00	325.11
800 : Shareholders	1.80	0.20	3.80	5.80	1,680.00	289.66
Shareholders	1.80	0.20	3.80	5.80	1,680.00	289.66
401 : Management of Operations	7.30	32.60	14.10	54.00	18,313.00	339.13
Trading	7.30	32.60	14.10	54.00	18,313.00	339.13
Total Hours	134.70	184.00	236.90	555.60	177,349.00	319.20

The Mediterranean Insurance & Reinsurance Company Limited - in Administration
Cumulative Time Analysis for the Period 4 December 2015 to 16 March 2018

Classification of Work Function	Partner	Manager	Associate	Total Hours ime Cost (£)		Average Hourly Rate (£)
100 : Administration & Planning	23.70	7.40	37.10	68.20	19,841.00	290.92
101 : Administrative Set-Up	1.20	0.60	4.60	6.40	1,636.00	255.63
102 : Appointment	4.60	1.30	3.00	8.90	3,099.00	348.20
103 : Background Information	0.00	1.70	0.20	1.90	633.00	333.16
104 : Case Management	5.20	17.20	61.10	83.50	20,697.00	247.87
105 : Case Planning	31.50	6.00	37.40	74.90	23,976.50	320.11
106 : Maintenance Of Records	1.00	0.00	3.70	4.70	1,127.00	239.79
107 : Statutory Reporting	43.60	31.20	134.10	208.90	57,398.50	274.77
108 : Statutory Compliance	7.70	7.30	14.10	29.10	8,974.50	308.40
109 : Review	0.00	1.10	0.00	1.10	385.00	350.00
111 : Billing	0.00	0.00	8.90	8.90	1,665.00	187.08
112 : Post Appointment Tax	3.50	18.80	30.50	52.80	14,537.00	275.32
115 : Meetings	5.00	3.40	7.60	16.00	4,859.00	303.69
116 : Case Accounting	4.70	16.00	73.70	94.40	18,811.50	199.27
117 : Bank Reconciliations	0.10	0.90	3.90	4.90	929.00	189.59
118 : Receipts & Payments	0.00	0.00	8.80	8.80	1,599.00	181.70
702 : Liaison With Directors	8.00	6.20	1.20	15.40	6,081.50	394.90
Administration & Planning	139.80	119.10	429.90	688.80	186,249.50	270.40
600 : Case Specific	7.50	10.60	3.40	21.50	7,939.00	369.26
622 : Establishing Distribution Mechanism	39.60	65.50	24.20	129.30	47,687.00	368.81
633 : 3rd Party Litigation	70.80	12.60	10.30	93.70	39,897.00	425.80
Case Specific Matters	117.90	88.70	37.90	244.50	95,523.00	390.69
500 : Creditors	17.70	4.60	85.30	107.60	25,806.00	239.83
505 : Creditors Committee	121.50	135.50	323.90	580.90	170,665.00	293.79
508 : Employees	0.00	0.00	1.00	1.00	200.00	200.00
509 : Unsecured Creditors	0.00	0.50	0.00	0.50	185.00	370.00
510 : Pre Appointment Tax	0.80	0.80	0.10	1.70	659.00	387.65
Creditors	140.00	141.40	410.30	691.70	197,515.00	285.55
200 : Investigations	68.60	106.30	73.90	248.80	82,482.50	331.52
201 : CDDA Reports	13.40	28.40	11.70	53.50	18,956.50	354.33
203 : Investigatory Work	46.90	89.20	78.00	214.10	67,056.00	313.20
206 : Meetings With Directors	6.00	0.50	4.90	11.40	3,834.50	336.36
Investigations	134.90	224.40	168.50	527.80	172,329.50	326.51
300 : Realisation Of Assets	5.70	36.30	24.60	66.60	20,843.00	312.96
302 : Identifying, Securing, Insuring Assets	0.80	0.20	0.70	1.70	564.00	331.76
303 : Book Debts	7.50	95.80	27.20	130.50	43,800.00	335.63
314 : Litigation	54.00	23.60	67.70	145.30	47,145.50	324.47
Realisation of Assets	68.00	155.90	120.20	344.10	112,352.50	326.51
800 : Shareholders	4.80	0.20	4.00	9.00	3,130.00	347.78
Shareholders	4.80	0.20	4.00	9.00	3,130.00	347.78
401 : Management Of Operations	91.10	51.80	48.90	191.80	71,216.50	371.31
Trading	91.10	51.80	48.90	191.80	71,216.50	371.31
Total Hours	696.50	781.50	1219.70	2,697.70	838,316.00	310.75

Additional Information in Relation to the Joint Administrators' Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Director or Manager, and an Associate. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Charge Out Rates

- 2.1 Rollings Butt LLP's charge-out rates for the period 1 April 2015 to 31 March 2016 are detailed below:

Grade	Rate (£ per hour)
Partner	445
Director	350
Manager	270
Associate	120-190

- 2.2 Rollings Butt LLP's charge-out rates for the period 1 April 2016 to 31 March 2018 are detailed below:

Grade	Rate (£ per hour)
Partner	470
Director	370
Manager	285
Associate	130-200

Please note this firm records its time in minimum units of 6 minutes.

3 Professional Advisors

- 3.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Nature of Advice	Basis of Fee Arrangement
Cooley (UK) LLP	Legal advisers	Hourly rate and disbursements.
Al Tamimi & Company Advocates and Legal Consultants	Legal advisers (Bahrain)	Hourly rate and disbursements
Smith & Williamson LLP	Specialist tax advisers	Fixed fee
Charles Taylor Services Ltd	Run-Off Agents	Fixed fee
Lambert Smith Hampton Group Limited	Asset valuers	Percentage of realisations
Ashfords LLP	Legal advisers (specific claim issues)	Hourly rate and disbursements

3.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

4 Joint Administrators' Expenses & Disbursements

4.1 The estimate of expenses (including disbursements) that were anticipated to be incurred at the outset of the Administration was provided to creditors in the Proposals and an updated schedule has been included in our subsequent Progress Reports.

Current position of Joint Administrators' expenses

4.2 An analysis of the expenses paid during the period of this report, together with those incurred but not yet paid at the date of this report is provided below:

Supplier/Service Provider	Services provided	Paid in prior period (£)	Paid in this period (£)	Incurred but not yet paid to 28.02.18 (£)	Total (£)
Al Tamimi & Company Advocates and Legal Consultants	Legal advice - assistance in recovery of funds held in Bahrain	6,462.92	Nil	Nil	6,462.92
Charles Taylor Services Limited	Administration Run-off services	196,874.50	38,541.50	Nil	235,416.00
Mail & Print	External print & postage provider	487.06	267.36	Nil	754.42
Cooley (UK) LLP	Legal advice - litigation and general administration matters	336,891.00	267,073.60	45,538.00	649,502.60
Smith & Williamson LLP	Specialist tax advice	1,100.00	Nil	Nil	1,100.00
Lloyds Bank Plc	Provision of information	Nil	1,000.00	Nil	1,000.00
Tremark	Process Server fees	170.00	Nil	Nil	170.00
Ashfords LLP	Legal advice -	Nil	5,850.00	Nil	5,850.00
Courts Advertising Ltd	Statutory advertising	534.50	Nil	Nil	534.50
Land Registry	Land registry searches	7.00	Nil	Nil	7.00
Barclays Bank Plc	Fees for processing non-£GBP currencies	132.14	Nil	Nil	132.14
HM Revenue & Customs	Irrecoverable VAT and charges	4,733.28	Nil	Nil	4,733.28
Legal disbursements	Counsel fees	47,835.89	41,591.38	Nil	89,427.27
Total		595,228.29	354,323.84	45,538.00	995,090.13

**All figures shown exclusive of VAT*

4.3 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

In the interests of efficiency in the billing process, minimal value individual category 1 disbursements have not been billed as incurred. Consequently, Category 1 disbursements charged in the Period relate to the period 4 December 2015 to 30 September 2017 and are shown below:

Category 1 Disbursements (4 December 2015 to 30 September 2017)	Total (£)
Couriers	81.64
Land registry charges	9.00
Meeting rooms & refreshments	245.50
Legalisation fees	71.00
Postage & Stationery	818.78
Travel & subsistence	35.38
Total	1,261.30

*All figures are shown exclusive of VAT.

- 4.4 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by this firm (where appropriate) were provided in the Proposals and the Committee passed a resolution at their meeting on 12 May 2016 authorising the Joint Administrators to draw Category 2 disbursements as and when funds are available, in accordance with Rollings Butt LLP's published tariff (as below):

Category 2 Disbursement	Cost
Photocopying	15 pence per sheet
Travel (car)	45 pence per mile

- 4.5 Category 2 Disbursements charged in the Period are shown below:

Category 2 Disbursements (4 December 2015 to 30 September 2017)	Total (£)
Printing	448.30
Total	448.30

*All figures are shown exclusive of VAT.

**The Mediterranean Insurance and Reinsurance Company Limited - in Administration
Narrative Guide to Activities Undertaken by the Joint Administrators**

Analysis Code	Description	Narrative
Administration and planning		
100	Administration & Planning	<p>Periodic review of anti money laundering and ethical consideration checklists.</p> <p>Joint Administrators' statutory bond calculation and submission in accordance with Insolvency Practitioners Regulation 2005.</p> <p>Recording and analysing time incurred by the Joint Administrators and their staff.</p> <p>Complying with internal case management procedures</p> <p>Filing and status checklists</p> <p>IPS administration and maintaining/completing IP records</p> <p>Preparation for internal and external meetings, including document production and review</p>
101	Administrative Set-up	<p>Initial set-up of IPS (internal case management system) records.</p> <p>Setting up web portal to provide general creditor information</p>
102	Appointment	Initial notifications to the Registrar of Companies, Creditors, Shareholders, Directors, Court, PRA and FCA.
103	Background Information	<p>Gathering of initial information to enable statutory filing and reporting to be completed, including creditor details, management accounts for Statement of affairs, details of assets/cash at bank, information relating to insurance, debtor details.</p> <p>Retrieval of accounts and filings from Companies House and 3rd party Credit Search engines.</p> <p>Identify location of company books and records; retrieval of electronic records and storage.</p>
104	Case Management	<p>Complying with internal case management procedures.</p> <p>Checklists and status updates.</p> <p>Review of case workstreams to ensure appropriate staff assigned to appropriate tasks.</p> <p>Review, analysis and management of incurred expert costs (eg legal costs, accountants etc)</p>
105	Case Planning	<p>Initial formulation and ongoing documentation of strategy to achieve administration purposes.</p> <p>Ongoing consultation with legal advisors to ensure process and strategy are appropriate.</p> <p>Regular meetings with Administrators' staff to discuss status of case, future planning and strategy.</p> <p>Planning of future tasks necessary to achieve administration purposes.</p>
106	Maintenance of Records	<p>Periodic review of Joint Administrators' statutory bond.</p> <p>Maintaining and amending IPS (internal case management system) records.</p>
107	Statutory Reporting	<p>Review of Statement of Affairs and filing with the Registrar of Companies.</p> <p>Preparation of the Joint Administrators' proposals for achieving the statutory purpose of the administration</p> <p>Report to creditors regarding the outcome of the initial creditors meeting.</p> <p>Drafting and preparing statutory progress report to creditors, filing at the Registrar of Companies and Court.</p>
108	Statutory Compliance	<p>Advertisements in London Gazette and additional press as deemed necessary.</p> <p>Ensuring extension documentation is compliant.</p>
109	Review	<p>Director and Partner Reviews of Files.</p> <p>Analysis of Work in Progress.</p>
111	Billing	Preparation of the Joint Administrators' fee estimates in accordance with the Insolvency (Amendment) Rules.
112	Post Appointment Tax	<p>Initial information gathering relating to the Company's tax position.</p> <p>Initial notification and subsequent communications to/from HM Revenue & Customs</p> <p>Submission of relevant returns and ensuring all post-appointment tax liabilities are accounted for.</p>

Analysis Code	Description	Narrative
Administration and planning		
115	Meetings	Preparation for internal and external meetings, including document production and review.
116	Case Accounting	Insolvency accounting system administration. Opening of case bank accounts. Initial set-up and ongoing administration of bank accounts including holding funds in specific currencies. Correspondence with banks in order to place funds into interest bearing accounts. Processing and documenting of payments from, and to, estate account.
117	Bank Reconciliations	Reconciling IPS and bank accounts.
118	Receipts & Payments	Preparing and processing Receipts and payments accounts for Creditors' Committee and statutory reporting purposes.
702	Liaison With Directors	Requesting, printing, reviewing information provided by Directors and 3rd parties. Email/telephone correspondence with the Directors relating to the Company (non investigative work)
Case Specific		
600	Case Specific	Consultation and ongoing correspondence with regulatory bodies (PRA and FCA) to ensure Administration strategy is appropriate. Liaising with the PRA and FCA regarding distribution mechanism for return to creditors. Solvency II considerations and confirmation to PRA regarding considerations undertaken. Liaison with PRA regarding any proposed outsourcing agreements. Legal advice to ensure compliance with all relevant regulation and legislation within statutory periods including adherence to PRA and FCA regulation requirements
622	Establishing Distribution Mechanism	Liaison with legal advisers and Counsel to establish the most suitable distribution mechanism Attending Court hearings in respect of application for distribution mechanism Preparation of documents and analysis of information in relation to hearings and applications
633	3rd Party Litigation	Liaising with legal advisers and Counsel in relation to claims on behalf of the Company Attending Court hearings in respect of claims made Preparation of documents and analysis of information in relation to Court hearings and applications Liaison with 3rd party funders in relation to claims and seeking funding
Creditors		
500	Creditors	Preparation of documents for initial creditors' meeting, agendas, attendance registers, voting forms. Ongoing liaison with ad hoc queries from creditors by post, email, telephone. Review of creditor claims, logging onto IPS system. Adjudication of creditor claims.
505	Creditors Committee	Planning and preparation for Creditors' committee meetings. Attendance at Creditors' committee meetings and subsequent reporting. Seeking approval of Creditors committee as appropriate (fee resolutions, legal proceedings, case strategy and statutory matters). Completion of statutory filing for creditors committee.
508	Employees	Checking status of former employees and dealing with any employee issues that may arise.
510	Pre Appointment Tax	Review of pre appointment VAT and corporation tax.

Analysis Code	Description	Narrative
Investigations		
200	Investigations	Preparation and submission of letters and questionnaires to company directors. Investigation into the pre Administration affairs of the company and where appropriate taking further action. Review of books and records of the company to identify any matters that may require further investigation Review and action on information provided by creditors (if any). Instruct solicitors (if appropriate) to assist with further enquireis into the company's affairs and any subsequent action required. Liaise with legal advisors and run-off agents on any matters that may require assistance during investigation Assistance with the provision and analysis of information necessary in order to make applications to Court. Attending Court hearings in relation to claims made on behalf of the Company. Correspondence with the Company's bankers and auditors, and investigation into banking and audit records. Correspondence with the Police in relation to claims and investigations made into the Company's affairs.
201	CDDA Reports	Review of questionnaires completed by Directors, preparation and submission of report in accordance with the Company Directors Disqualification Act 1986 ("CDDA"). Correspondence, information provision and additional reporting to statutory bodies in relation to submission of returns under the CDDA.
203	Investigatory Work	Correspondence with the Company's bankers and auditors, and investigation into banking and audit records. Consideration of information received in the context of the Administration
206	Meetings with Directors	Correspondence, meetings and updates with Non-Executive Directors
Realisation of Assets		
300	Realisation Of Assets	Liaise with legal advisors in jurisdictions outside of the UK regarding UK Insolvency Recognition to transfer funds from foreign bank accounts Ongoing meetings, calls and emails with CTS re: collection debtors Regular review of update of creditor/debtor position
302	Identifying, Securing, Insuring Assets	Initial notification to insurers to provide open cover and ongoing review of Company assets and insurance provision.
303	Book Debts	Agreeing strategy for realisation of debtors with CTS Reviewing debtor recovery schedules and proposed settlement and other agreements
314	Litigation	Liaising with legal advisers in relation to general claims on behalf of the Company Attending Court hearings in respect of claims made Preparation of documents and analysis of information in relation to Court hearings and applications Correspondence in relation to World Wide Freezing Order and recoveries made under the terms of the order
Shareholders		
800	Shareholders	Correspondence and meetings with shareholders
Trading		
401	Management of Operations	Discussions with CTS in relation to the nature, scope and terms of an accelerated run-off agreement. Ongoing correspondence regarding run-off agreement and matters arising from CTS work that affects the Administration generally. Correspondence with legal advisors in relation to the nature, scope and terms of an accelerated run-off agreement. Correspondence and meetings in relation to contracts incepted prior to the Administration/attempts to cede risks since the Administration