

Liquidator's Progress Report to Creditors & Members

**The Mediterranean Insurance & Reinsurance Company
Limited
- In Creditors' Voluntary Liquidation**

**Reporting period from 17 November 2023 to 16 November
2024**

15 January 2025

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION

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THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 I, Steven Edward Butt, of Menzies LLP (following Rollings Butt merging with Menzies LLP with effect from 1 July 2024), was appointed as Joint Liquidator of The Mediterranean Insurance & Reinsurance Company Limited (“the Company”) on 17 November 2021 together with my colleague, Michael David Rollings, both of 6 Snow Hill, London, EC1A 2AY, United Kingdom.
- 1.2 I would advise members, that in accordance with Rule 6.25 (1) (d) Insolvency Rules (England and Wales) 2016, that Michael David Rollings has resigned as Joint Liquidator on the basis that we both felt it was no longer expedient to have more than one Liquidator. The appropriate paperwork was signed on 26 June 2024 and submitted to the Registrar of Companies, with his release as Joint Liquidator coming into effect 21 days thereafter. The effect of this is that I am now the sole Liquidator of the Company.
- 1.3 The former Joint Liquidators had previously acted as Joint Administrators of the Company, having been appointed Administrators by order of the High Court on 4 December 2015. Please refer to previously issued reports in the Administration for details of the work undertaken during the period of Administration.
- 1.4 I am authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association and am bound by the Insolvency Code of Ethics when carrying out all professional work in relation to an insolvency appointment.
- 1.5 In the event of case related queries, the Liquidator can be contacted on telephone number 03309 129562 or by email via mmatthews@menzies.co.uk.
- 1.6 This progress report provides an update on the conduct of the Liquidation for the period from 17 November 2023 to 16 November 2024 (“the Period”) and should be read in conjunction with any previous progress reports which have been issued in relation to the Administration and the Liquidation (“the Previous Reports”).
- 1.7 Information about the way that this firm will use, and store personal data on insolvency appointments can be found at www.menzies.co.uk/legal.
- 1.8 The principal trading address of the Company was 20 St. Dunstons Hill, London, EC3R 8HL. The business traded under the name MedRe.
- 1.9 The registered office of the Company has been changed to 6 Snow Hill, London, EC1A 2AY and its registered number is 01395873.
- 1.10 As advised in the Administration, a creditors’ committee was formed following the initial meeting of creditors. In accordance with Rule 17.29(2) of the Insolvency (England and Wales) Rules 2016, once the Administrators were appointed as Liquidators the creditors’ committee continued in existence after the date of liquidation as if appointed as a liquidation committee (“the Committee”). The current composition of the Committee is as follows:
- Hannover Ruck SE
 - GIC of India
 - Fair Reinsurance Pool

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period of this report, together with a cumulative Receipts and Payments Account for the period from the date of appointment as Liquidator to the end of the Period covered by this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company’s assets and dealing with its affairs. I would, however, bring the following matters about the receipts and payments during the Period to your attention:

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- Receipts in the Period relate to bank interest on the estate account (and an amount due from a reinsurance counterparty in relation to risks ceded to the Company via a UK based broker which at the date of this report is shown as Third-Party Funds. Further information on this can be found below in section 3.)
- Payments in the Period relate to the corporation tax, legal fees and Office Holder's Fees and expenses. Further information on the basis of our Remuneration and the fees that have been approved by the Committee and paid as an expense of the liquidation can be found in section 5.

3 Progress of the Liquidation

3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Liquidator and his staff.

Administration (including statutory compliance & reporting)

3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was provided to the Committee as part of our fee estimates. Further information on the role of the Committee and the fee estimates can be found later in this report.

3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.

3.4 This work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

Transfer of funds held in USD and EUR accounts to GBP

3.5 Following the Administration funds were transferred and held in USD, EUR and GBP Liquidation estate accounts. Funds were initially held in these currencies as it was anticipated that in addition to potential further realisations in USD or EUR, costs would be incurred in these currencies as well and we would therefore be able to mitigate exchange risk. .

3.6 As reported previously, in a prior period of the liquidation we received confirmation that the realisations of the outstanding debtor balances would be in the GBP liquidation estate account only and therefore the connected costs would be discharged in GBP. Consequently, the funds held in the USD and EUR accounts were transferred to the GBP account.

3.7 The transfer of funds and the conversion of currencies gave rise to a foreign exchange gain. This gain was subject to corporation tax and this was settled with HM Revenue and Customs during the Period.

Supported debtor collections

3.8 Creditors will recall from the Previous Reports (in both the Administration and the Liquidation) that together with the Run-Off Agent that had been appointed by the Company prior to Administration (who continued to assist the Company during the period of the Administration and subsequently) substantial amounts of work had been undertaken in reconciling the receivables due from the various reinsurance counterparties, either directly from insurers or retrocessionaires (as appropriate) ("Direct Balances") or via Brokers ("Indirect Balances"), and that McNulty-Re Legal Services, LLC, specialist Reinsurance Debt Collection Agents ("the Agents") had been instructed to assist the Liquidators in pursuing these outstanding debts.

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- 3.9 As previously reported, there were only two remaining balances which were considered as being realisable, being a Direct Balance and an Indirect Balance (due through a UK based broker) ultimately owed by the same insurer (“the Reinsurance Counterparty”).
- 3.10 The amount which represented the Direct Balance was subject to a Commutation and Settlement Type Agreement between the Company and the Reinsurance Counterparty which was completed in March 2023 and against which two payments had been received by the Company in previous periods and represented the full settlement of this amount. Further details on the realisation of this Direct Balance can be found in the Previous Reports.
- 3.11 Creditors may recall that, following the realisation of the Direct Balance, the (then) Liquidator(s) discussed with the Committee the potential costs and realisations in pursuing the Indirect Balance and that it was agreed that the Liquidation be kept open for a period of time to enable this balance to be pursued.
- 3.12 The historical issues which had impaired the Company’s ability to recover the Indirect Balance related to the reconciliation of the outstanding position reflected in the records of the broker and the provision of original documents to the Reinsurance Counterparty.
- 3.13 Prior to the Period, the original accounts documents had been provided to the Reinsurance Counterparty and a Commutation and Settlement Type Agreement (“the Indirect Agreement”) was also provided in accordance with the discussions with the Agents and representatives of the Broker and the Reinsurance Counterparty (based on the agreement used for the settlement of the Direct Balances).
- 3.14 At the commencement of the Period the Indirect Agreement had been agreed in principle, and it was contemplated that it would be completed and the balance payable under it settled promptly. Prior to completion, and having taken further advice, the Reinsurance Counterparty was no longer able to complete the Indirect Agreement in its original form and wanted to make amendments giving clarity on the settlement, including the outstanding positions between the Broker and the Reinsurance Counterparty (irrespective of whether this related to risks ceded to the Company).
- 3.15 Following this, and as a consequence of this effectively requiring a re-set in the discussions between relevant parties, a significant amount of additional time was spent communicating with all of the relevant parties (including the Agents) to amend the Indirect Agreement, vary the nature of the connected documentation to be provided by the Company and the Broker and seeking to establish the nature of any additional concerns that the Reinsurance Counterparty may have which could prevent payment, and therefore settlement, being made.
- 3.16 These communications finally resulted in the provision of the information necessary to enable the payment by way of settlement to be made by the Reinsurance Counterparty to the Broker totalling DZD16,125,812.98, which should have been paid to the Company following final reconciliations. The funds were received by the Broker on 12 September 2024 and as of that date the GBP equivalent received was c£93,500.
- 3.17 Additional delays arose whilst the Broker completed their reconciliations and transferred an amount to the Company.
- 3.18 For reasons that remain unclear, the amount transferred to the Company did not agree to the amount set out in the Indirect Agreement. Consequently, and absent clarification of the reason for this difference (and particularly whether it related to the use of historic rather than current exchange rates or arose due to an error) it was necessary for me to take legal advice from McCarthy Denning as to whether I was able to consider that the amount received was rightfully due to the Company in settlement of the amounts due under the Indirect Agreement, or otherwise.
- 3.19 Following the provision of some additional information from the other parties, it became apparent that the payment sent to the Company had arisen by way of an error and that it was inappropriate for the Company to attempt to claim that it was entitled to the amount received.

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- 3.20 In the light of this, it was necessary for the funds received by the Company to be returned to the Broker so that the error could be closed out and the balance actually due to the Company paid. There were significant potential risk factors connected with returning these funds to the Broker for the Liquidator which needed to be mitigated as far as possible. Consequently, we were only able to make this payment on receipt of binding representations about the payment of the balance actually due.
- 3.21 These representations were received outside of the Period, the funds were therefore returned to the Broker and the amount rightfully due to the Company of £95,664.09 was received by the Company on 9 December 2024.
- 3.22 This concludes the realisations of the supported debtor balances.
- 3.23 It should be noted that the Liquidator provides a more detailed account of progress made with respect to debtor collections to the Committee as part of my ongoing reporting.

Bank Interest

- 3.24 The funds held in the liquidation are on an interest-bearing account. During the Period we received interest totalling £3,612.39. The total interest that it is anticipated will be realised in this regard will depend on the duration of the liquidation.
- 3.25 It should be noted that Corporation Tax is payable on the interest received, and we continue to submit the relevant returns and make payments in this regard.
- 3.26 It is anticipated that the work the Liquidator and his staff have undertaken to date in this regard will provide a net financial benefit to creditors by way of providing additional funds to be available to distribute to non-preferential unsecured creditors of the Company.

Creditors (claims and distributions)

- 3.27 Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.28 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company. Given the relevant date for claims is the date of the commencement of the Administration Order (i.e. 4 December 2015), this will not apply here.
- 3.29 Work undertaken by the Liquidator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however the Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.
- 3.30 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

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3.31 At this stage, the following matters are considered worthy of bringing to the attention of creditors:

- There are 191 unsecured creditor claims in this case with agreed claims under the process following the Bar Date Application made during the period of the Administration (“Bar Date Order”) claims total £2,791,129.30.
- There are no secured creditors or preferential creditors (either ordinary or secondary).

The Committee

3.32 The purpose of the Committee is to assist the Liquidator(s) in the discharge of their functions and with representing the interests of the creditor body as a whole to determine the Liquidator’s remuneration. The Committee are also tasked with assisting the Liquidator generally and act as a sounding board for them to obtain views on matters pertaining to the Liquidation, as well as passing resolutions relevant to the ongoing conduct of the Liquidation including, but not limited, to setting the basis of the Liquidator(s)’s remuneration, approving the fee estimates for the relevant periods and, in this particular matter, approving the fees to be paid to the Liquidator. The Committee have been provided with detailed information in relation to the matters that the Liquidator needs to resolve to bring the liquidation to an end.

3.33 As advised during the period of the Administration, the costs incurred in dealing with Committee matters can be significant. The principal reason for this is the frequency and detailed nature of our reporting to the Committee (and providing the information requested).

3.34 During the Period, the outstanding issues in the Liquidation are principally the following;

- Realisations of the remaining Indirect Balances, and
- Payment of a final distribution to the non-preferential unsecured creditors with Bar Date Order Claims.

3.35 The Liquidator is obliged to report to the Committee a minimum of every 6 months or such other frequency as agreed with the Committee. However, given the limited nature of the outstanding issues, the Committee agreed that the provisions of Rule 17.23(2)(a) of the Insolvency (England and Wales) Rules 2016 be disapplied whereby, from the 25 November 2022, the liquidators no longer have an obligation to report to the Committee at least once in every 6 month period, but will do so as and when it is deemed appropriate or when directed to do so by the Committee. Consequently, the amount of time incurred in relation to reporting to the Committee has reduced significantly and we have sought to reduce this as far as possible.

Investigations

3.36 You may recall that some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors’ Disqualification Act 1986 (“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 Liquidator can pursue for the benefit of creditors.

3.37 As referred to in the Previous Reports, a report on the conduct of the Directors of the Company was submitted in the Administration and a disqualification order was made against the Company’s former finance director. Consequently, there was no requirement for an additional report to be submitted in the Liquidation, however, the Administrators’ initial investigations were reviewed on the commencement of the liquidation and it was concluded that these had been completed in full, there were no other potential matters requiring further work which may give rise to a potential future recovery and that therefore no further investigations were required.

3.38 Since the last progress report I would advise that no further asset realisations have come to light that may be pursued by me for the benefit of creditors .

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION***Matters still to be dealt with***

- 3.39 At the end of the Period the principal remaining matter was the conclusion of the outstanding debtor balance referred to in paragraphs 3.11 – 3.21. Following receipt of the final realisations outside the Period, I am now in a position to undertake the work required to declare and pay the final distribution to non-preferential unsecured creditors with Bar Date Order claims (“Bar Date Order Creditors”). Concurrently, we will review the unclaimed dividends from the first two interim dividends and, where any creditors with unclaimed dividends are able to provide information which enables me to pay these amounts to them, I will facilitate this.
- 3.40 Following payment of the final distribution, the Liquidator will deal with any relevant additional unclaimed dividend issues arising and then conclude the liquidation.

4 Creditors***Secured and Preferential Creditors***

- 4.1 As referred to above in section 3.29, there are no secured or preferential (either ordinary or secondary) creditors in the liquidation.

Unsecured Creditors

- 4.2 Please find below a schedule of Bar Date Order claims that have been agreed in the Administration and which continue to apply in the liquidation.

Creditor	Number of Creditors	Claim Value (£)	Accepted Value (£)
Individual Claimants	68	3,496,240.34	1,964,060.74
Claimants through Brokers	123	1,284,145.46	827,059.56
Total	191	4,780,385.80	2,791,120.30

- 4.3 Creditors may recall, at the outset of the Administration, the Statement of Affairs showed there were approximately 224 creditors with an estimated total claim value of c£2,880,000.
- 4.4 In the Administration, two interim distributions were declared and paid to Bar Date Order Creditors of the Company. Together, these dividends totalled £1,256,004.13 and represent 45p in £ on Bar Date Order claims.
- 4.5 A final distribution will be paid to Bar Date Order Creditors. At this stage it is still uncertain how much this dividend will represent. Further information on the dividend will be circulated to creditors soon.
- 4.6 As at the date of this report, and as referred to above, there are still unclaimed dividends in relation to both declared interim dividends. Unclaimed dividends in relation to the first dividend total £91,967.77 and relate to 19 creditors. Unclaimed dividends in relation to the second dividend total £53,303.80 and relate to 23 creditors. These funds are held in a separate account for these creditors.
- 4.7 During the Period, we have been corresponding with Bar Date Order Creditors in relation to these unclaimed amounts and have made progress with assisting some creditors to receive the benefit of the distributions they have previously been unable to receive.
- 4.8 Any unclaimed dividends that remain following the final distribution will be sent to the Insolvency Service to be held by them as unclaimed dividends so that, these can be reclaimed by the relevant creditors in due course.

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION**5 Liquidator(s)'s Remuneration**

5.1 As advised during the period of the Administration, upon their appointment it became the responsibility of the Committee to agree the basis and quantum of the Administrators' remuneration and subsequently that of the Liquidator(s).

Liquidator(s)'s Remuneration

5.2 As advised previously, the Committee resolved in the Administration that the basis of the Administrators' (and now Liquidators') remuneration should be fixed by reference to the time properly spent in attending to matters arising in the insolvency. In addition, it was agreed that the Administrator/Liquidator would defer payments of 20% of the value of time incurred by them and their staff on a monthly basis, with the balance of this deferment to be considered with the Committee at a later point in time. It should be noted that it was subsequently agreed that this deferred amount will not now be sought to be recovered in respect of either the Administration or the Liquidation.

5.3 The Liquidator provides the Committee with fee estimates and details of the work proposed to undertake during the relevant period of the liquidation. The Committee then consider the proposed fees and can pass resolutions to approve these and any payments to be made against them.

5.4 There have been fee proposals submitted and agreed in the liquidation so far, covering periods from 17 November 2021 – 31 May 2024. Copies of these fee estimates will be made available to creditors on the website at <http://rollingsbutt.com/case-documents/mipublic/> and details of this will be submitted to the creditors under separate cover.

5.5 In addition, we will send an update to the Committee, included in which is the fee estimate that covers the period from 1 June 2024 for the rest of the period of the Liquidation for their approval. This will be made available to creditors on the website referred to above.

5.6 The Committee are provided with a comparative analysis of the actual time costs incurred and explanations of any significant variations from the initial estimates at the time we seek approval to draw our remuneration. For the avoidance of doubt, all payments in relation to the remuneration of the Administrators/Liquidators during the insolvency to date have been specifically approved by resolution of the Committee.

5.7 A summary of the approved fee estimates in the Liquidation and the actual time costs incurred for these periods is provided below:

Period	Fee Estimate (£)	Actual time costs incurred (£)	Time costs net of 20% agreed deferral (£)
17 November 2021 to 16 November 2022	63,562.50	56,397.00	45,117.60
17 November 2022 to 16 May 2023	43,707.50	44,133.50	35,306.80
17 May 2023 to 30 November 2023	25,061.50	22,594.50	18,075.60
1 December 2023 to 31 May 2024	50,841.50	48,629.00	38,903.20

5.8 The Liquidator's time costs for the Period are £77,934.50. This represents 207.30 hours at an average rate of £375.95 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent in managing the liquidation.

5.9 Also attached as Appendix C is a cumulative Time Analysis for the period from 17 November 2021 to 16 November 2024 which provides details of the time costs incurred since my appointment as Liquidator, the cumulative time costs incurred to date are £196,773.50. This represents 514.60 hours at an average rate of £382.38 per hour.

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION*Joint Administrators' Remuneration and Disbursements*

- 5.10 As Creditors will be aware, the Administration of the Company ended on the 17 November 2021 and the Company went into Liquidation. During the course of the Administration, the total Joint Administrators' remuneration drawn was £1,345,460.46.
- 5.11 At time the Company went into liquidation, the final Joint Administrators' fees had not been finalised and agreed with the Committee.
- 5.12 Subsequently, the final Joint Administrators' fees were agreed with the Committee in the first meeting held during the liquidation. These final Joint Administrators' fees were to be paid as an expense of the liquidation and were paid in two instalments, one in the first period of the liquidation and the balance was drawn in the second period.
- 5.13 The total fees agreed and drawn, as an expense, in the Liquidation relating to the Joint Administrators' Fees are £100,228.30. The Joint Administrators' disbursements of £166.46 were drawn in the Period.

Period	Actual time costs incurred (£)	Time costs net of 20% agreed deferral (£)	Date Approved by Committee	Date Drawn
1 September 2021 to 17 November 2021	54,879.38	43,903.50	29 December 2021	19 January 2022
4 June 2021 to 17 November 2021 (balance of time incurred above agreed estimate for this fixed period)	70,406.00	56,324.80	07 December 2022	02 May 2023

- 5.14 Further details of the final Joint Administrators' fees were provided to the Committee when seeking resolutions to draw these amounts. In addition, details of the expenses drawn in the liquidation which relate to the Administration can be found in Appendix D.
- 5.15 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <https://www.r3.org.uk/technical-library/england-wales/technicalguidance/fees/>.
- 5.16 Attached at Appendix D is additional information in relation to the Liquidator's fees and expenses including where relevant, information on the use of subcontractors and professional advisers.

6 Creditors' Rights

- 6.1 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 Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- 6.2 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 Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account. As referred to elsewhere in this report, following the resolution of the Supported Debtor recoveries, it is anticipated that the liquidation

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will be brought to an end and the final report issued in the Liquidation in advance of the next anniversary.

- 7.2 If you have any queries in relation to the contents of this report, please contact my colleagues by telephone on 03309 129562 or by email at mmatthews@menzies.co.uk.

Yours faithfully
For the Company

Signed by:

12FFC06DC0D249C...
Steve Butt
Liquidator

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the Period from 17 November 2023 to 16 November 2024, together with the Cumulative Receipts and Payments Account for the Period since the Joint Liquidators' Appointment

The Mediterranean Insurance & Reinsurance Company Limited (In Liquidation)

Summary of Receipts & Payments for the Period 17 November 2023 to 16 November 2024

Statement of Affairs (£)	RECEIPTS	From 17/11/2023 To 16/11/2024 (£)	From 17/11/2021 To 16/11/2024 (£)
1,503,156.00	Cash at Bank	Nil	Nil
	Transfer of funds from Administration	Nil	378,988.93
	Unclaimed dividends from Administration	8.98	7,372.33
	Bank Interest	3,612.39	3,612.39
1,480,176.00	Supported debtors	Nil	186,180.77
		<u>3,621.37</u>	<u>576,154.42</u>
	PAYMENTS		
	Administrators' Fees	Nil	100,228.30
	Administrators' Disbursements	166.46	166.46
	Bank Charges	Nil	256.09
	Corporation Tax	783.59	783.59
	Debt Collection Fees	Nil	28,692.23
	Legal Fees	1,322.50	19,573.55
	Office Holders' Fees	53,382.40	98,500.00
	Office Holders' Expenses	2,122.60	2,122.60
		<u>57,777.55</u>	<u>250,322.82</u>
<u>(1,592,277.00)</u>	Net Receipts/(Payments)	<u>(54,156.18)</u>	<u>325,831.60</u>
	Represented By		
	Bank 2 Current IB 21/11/2023		471,382.39
	Third Party Funds		(145,550.79)
			<u>325,831.60</u>

* Note the Statement of Affairs figures are as at the commencement of the Administration and the Receipts and Payments shows only the net balance transferred from the Administration

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION**Appendix B****Time Analysis for the Period from the 17 November 2023 to 16 November 2024****The Mediterranean Insurance & Reinsurance Company Limited - In Liquidation
Time Analysis for the Period 17 November 2023 to 16 November 2024**

Classification of Work Function	Partner	Manager	Associate	Business Trainee	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	3.70	0.20	0.00	3.90	1,393.50	357.31
103 : Background Information	0.00	0.00	0.20	0.00	0.20	43.00	215.00
104 : Case Management	3.10	11.70	4.20	0.90	19.90	7,410.00	372.36
105 : Case Planning	1.10	1.80	3.90	0.00	6.80	2,238.00	329.12
106 : Maintenance Of Records	0.00	0.00	2.40	0.00	2.40	516.00	215.00
107 : Statutory Reporting	2.30	0.30	7.40	0.20	10.20	3,285.00	322.06
108 : Statutory Compliance	0.00	0.10	0.30	0.00	0.40	101.00	252.50
109 : Review	0.00	2.80	0.00	7.20	10.00	2,174.00	217.40
111 : Billing	0.30	1.70	1.40	3.60	7.00	1,700.00	242.86
112 : Post Appointment Tax	0.00	0.80	4.30	1.70	6.80	1,488.50	218.90
116 : Case Accounting	0.60	1.60	0.30	2.60	5.10	1,469.50	288.14
117 : Bank Reconciliations	0.00	0.10	0.00	1.00	1.10	196.50	178.64
118 : Receipts & Payments	0.00	0.00	0.70	0.00	0.70	150.50	215.00
Administration & Planning	7.40	24.60	25.30	17.20	74.50	22,165.50	297.52
500 : Creditors	0.00	15.10	1.30	0.00	16.40	5,791.00	353.11
501 : Communication With Creditors	0.00	0.30	0.00	0.00	0.30	109.50	365.00
502 : Creditors Claims	1.20	0.70	0.00	0.00	1.90	1,065.50	560.79
505 : Creditors Committee	10.00	5.70	14.80	0.00	30.50	12,012.50	393.85
509 : Unsecured Creditors	2.10	26.30	2.80	0.00	31.20	11,619.00	372.40
Creditors	13.30	48.10	18.90	0.00	80.30	30,597.50	381.04
300 : Realisation of Assets	0.00	0.20	0.00	0.00	0.20	73.00	365.00
302 : Identifying, Securing, Insuring Assets	0.00	0.00	1.30	0.00	1.30	279.50	215.00
303 : Book Debts	26.40	11.40	13.20	0.00	51.00	24,819.00	486.65
Realisation of Assets	26.40	11.60	14.50	0.00	52.50	25,171.50	479.46
Total Hours	47.10	84.30	58.70	17.20	207.30	77,934.50	375.95

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Appendix C

Cumulative Time Analysis for the Period since the Joint Liquidators' Appointment to 16 November 2024

The Mediterranean Insurance & Reinsurance Company Limited - In Liquidation Time Analysis for the Period 17 November 2021 to 16 November 2024

Classification of Work Function	Partner	Manager	Associate	Business Trainee	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.70	5.00	6.40	5.70	17.80	4,974.00	279.44
102 : Appointment	0.50	0.10	4.00	0.60	5.20	1,552.50	298.56
103 : Background Information	0.60	0.00	1.00	0.00	1.60	620.00	387.50
104 : Case Management	5.20	17.80	9.00	1.20	33.20	12,182.50	366.94
105 : Case Planning	2.00	2.60	6.70	0.10	11.40	3,730.00	327.19
106 : Maintenance Of Records	0.20	0.00	3.10	0.40	3.70	848.50	229.32
107 : Statutory Reporting	5.80	5.70	7.40	1.80	20.70	7,598.00	367.05
108 : Statutory Compliance	0.00	0.10	0.30	0.70	1.10	223.50	203.18
109 : Review	0.30	6.50	1.80	7.60	16.20	4,077.50	251.70
111 : Billing	0.70	2.30	4.00	6.30	13.30	3,210.00	241.35
112 : Post Appointment Tax	0.00	0.80	6.00	3.20	10.00	2,116.50	211.65
116 : Case Accounting	2.50	5.10	17.50	6.90	32.00	9,129.00	285.28
117 : Bank Reconciliations	1.20	0.80	2.00	2.60	6.60	2,033.50	308.11
118 : Receipts & Payments	0.00	1.00	1.60	0.00	2.60	728.00	280.00
119 : Closure	0.30	0.00	0.00	0.00	0.30	202.50	675.00
Administration & Planning	20.00	47.80	70.80	37.10	175.70	53,226.00	302.94
500 : Creditors	0.40	16.80	1.40	0.20	18.80	6,668.00	354.68
501 : Communication With Creditors	0.00	0.30	0.70	0.00	1.00	260.00	260.00
502 : Creditors Claims	1.20	0.70	0.50	0.00	2.40	1,173.00	488.75
505 : Creditors Committee	24.10	34.40	34.20	0.00	92.70	35,897.50	387.24
509 : Unsecured Creditors	11.10	36.80	8.10	0.60	56.60	22,331.50	394.55
510 : Pre Appointment Tax	0.80	1.00	0.00	0.00	1.80	841.00	467.22
511 : Pensions	0.20	0.50	0.00	0.00	0.70	296.50	423.57
Creditors	37.80	90.50	44.90	0.80	174.00	67,467.50	387.74
200 : Investigations	0.00	0.10	1.60	0.00	1.70	480.00	282.35
201 : CDDA Reports	0.30	3.30	0.00	0.00	3.60	1,314.50	365.14
204 : SIP 2 Review	0.20	2.10	0.00	0.00	2.30	791.00	343.91
Investigations	0.50	5.50	1.60	0.00	7.60	2,585.50	340.20
300 : Realisation of Assets	0.00	0.20	0.00	0.00	0.20	73.00	365.00
301 : Assets - General	0.00	0.00	0.20	0.00	0.20	40.00	200.00
302 : Identifying, Securing, Insuring Assets	0.00	0.00	1.30	0.00	1.30	279.50	215.00
303 : Book Debts	74.50	42.00	33.30	2.70	152.50	71,620.50	469.64
304 : Debt Collection	0.00	0.00	0.00	0.30	0.30	52.50	175.00
Realisation of Assets	74.50	42.20	34.80	3.00	154.50	72,065.50	466.44
800 : Shareholders	1.20	0.20	0.00	0.00	1.40	813.00	580.71
801 : Shareholders - Communication	0.80	0.00	0.60	0.00	1.40	616.00	440.00
Shareholders	2.00	0.20	0.60	0.00	2.80	1,429.00	510.36
Total Hours	134.80	186.20	152.70	40.90	514.60	196,773.50	382.38

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Appendix D

Additional Information in Relation to the Liquidator’s Fees, Expenses & the use of Subcontractors

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. 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.

On this case we have utilised the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the liquidation.

Service (s)	Provider	Work to be done	Basis of fee arrangement	Cost to date £	Anticipated total cost £
Book debt collection	McNulty-Re Group	Pursuing and collecting in of outstanding book debts due to the estate	15% of realisations	28,692.23	43,798.43

Professional Advisors

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	Basis of Fee Arrangement	Cost to date (£)	Anticipated Total Cost (£)
McCarthy Denning Limited (legal advice)	Time Costs	19,573.55	21,011.05

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.

Liquidator’s Expenses

The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors’ Committee when the basis of my fees was approved. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include disbursements which are payments first met by an office holder and then reimbursed from the estate.

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Expense	Estimated Overall Cost in liquidation (£)	Paid in Prior Period (£)	Paid in Period (£)	Incurred but not paid (£)
Advertising	90.00	Nil	90.00	0.00
Call Charges	50.00	Nil	46.05	2.45
Courier fees	87.07	Nil	87.07	0.00
Stationary Expenses	42.76	Nil	42.76	0.00
Postage	203.44	Nil	203.44	0.00
Storage	2150.00	Nil	1,629.31	0.00
Travel Costs	23.97	Nil	23.97	0.00
Total	2,647.24	0.00	2,122.60	2.45

Category 2 expenses

These expenses 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 therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. The Liquidator is not seeking to recover any Category 2 expenses that may be incurred.

Administrators' Expenses

The table below sets out the Joint Administrators' expenses and disbursements that were incurred during the Administration and outstanding at the date of liquidation. The following have been paid as an expense of the liquidation.

Administration Expense	Estimated Overall Cost in Liquidation (£)	Paid in Prior Period (£)	Paid in Period (£)	Incurred but not paid (£)
Legal Fees	2,714.80	2,714.80	Nil	Nil
Postage	166.46	Nil	166.46	Nil
Total	2,881.26	2,714.80	166.46	Nil

The legal fees relates to the value of time incurred by Cooley (UK) LLP predominately during the period of the Administration, together with time incurred during the period of conversion of the Administration to the Liquidation.

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION**Charge-Out Rates**

The current charge-out rates effective from 1 April 2021 are detailed below. Please note this firm records its time in minimum units of 6 minutes.

Grade	Rate (£ per hour) From 1 April 2023	Rate (£ per hour) 1 April 2022 - 31 March 2023	Rate (£ per hour) 1 April 2021 - 31 March 2022
Partner	675	620	595
Director	535	495	480
Principal Manager	N/A	475	N/A
Senior Manager	485	450	425
Manager	415	345-395	320-375
Assistant Manager	365	N/A	N/A
Senior Associate	280-320	N/A	N/A
Cashier	280	N/A	N/A
Associate (incl Cashier)	N/A	200-300	205-280
Associate	215-235	N/A	N/A
Business Trainee	130-194	130-195	145-180

THE MEDITERRANEAN INSURANCE & REINSURANCE COMPANY LIMITED - IN LIQUIDATION

Narrative Guide to Activities Undertaken by the Joint Liquidators

Analysis Code	Description	Narrative
Administration and planning		
100	Administration & Planning	<p>Periodic review of anti money laundering and ethical consideration checklists.</p> <p>Statutory bond calculation and submission in accordance with Insolvency Practitioners' Regulation.</p> <p>Recording and analysing time incurred by the Liquidators 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 (as appropriate)
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 completion of the liquidation</p> <p>Ongoing consultation with legal advisors to ensure process and strategy are appropriate.</p> <p>Regular meetings with Liquidators' staff to discuss status of case, future planning and strategy.</p> <p>Planning of future tasks necessary to achieve completion of the liquidation.</p> <p>Internal review and discussion regarding strategy</p>
106	Maintenance of Records	<p>Periodic review of Joint Liquidators' 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>Drafting and preparing statutory progress report to creditors, filing at the Registrar of Companies.</p>
108	Statutory Compliance	Advertisements in London Gazette and additional press as deemed necessary.
109	Review	<p>Director and Partner Reviews of Files.</p> <p>Analysis of Work in Progress.</p>

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Analysis Code	Description	Narrative
Administration and planning		
111	Billing	Preparation of the fee estimates in accordance with the Insolvency (Amendment) Rules. Preparing the fee note packs
112	Post Appointment Tax	Initial information gathering relating to the Company's tax position. Initial notification and subsequent communications to/from HM Revenue & Customs Submission of relevant returns and ensuring all post-appointment tax liabilities are accounted for.
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.
117	Bank Reconciliations	Reconciling IPS and bank accounts.
118	Receipts & Payments	Preparing and processing Receipts and payments accounts for Liquidation Committee and statutory reporting purposes.
119	Closure	Final report to creditors Administrative procedures to conclude the liquidation
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
301	Assets - General	General communication with regards to assets
302	Identifying, Securing, Insuring Assets	Initial notification to insurers to provide open cover and ongoing review of Company assets and insurance provision Reviewing the level of bond cover to ensure appropriate
303	Book Debts	Agreeing strategy for realisation of debtors with CTS Reviewing debtor recovery schedules and proposed settlement and other agreements Corresponding with reinsurance counterparties and brokers in respect of balances due to Medre (both direct and indirect) Liasing with agents in respect of recovery of direct and indirect balances, including McNulty-Re.
304	Debt Collection	General communication regarding the Direct and Indirect balances.
305	Property, Business and Asset Sales	Liasing with Lambert Smith Hampton regarding realisation of assets
Shareholders		
800	Shareholders	Correspondence with shareholders
801	Shareholders - Communication	Meetings and other communication with shareholders

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Analysis Code	Description	Narrative
Creditors		
500	Creditors	Ongoing liaison with ad hoc queries from creditors by post, email, telephone. Review of creditor claims, logging on IPS system.
501	Communication With Creditors	General communication with Creditors
502	Creditors Claims	Liaising with CTS and advisers re adjudication of creditor claims. Notifying creditors of the claim adjudication. Communication with creditors regarding claims
505	Liquidation Committee	Planning and preparation for Liquidation committee meetings. Attendance at Liquidation committee meetings and subsequent reporting. Seeking approval of Liquidation committee as appropriate (fee resolutions, legal proceedings, case strategy and statutory matters). Completion of statutory filing for Liquidation committee.
508	Employees	Checking status of former employees and dealing with any employee issues that may arise.
509	Unsecured Creditors	Correspondence and internal discussion re proposed future distributions and catch up of unclaimed dividends. Planning for the payment(s) of dividends to unsecured creditors Processing dividend payments Review of claims and communication with creditors regarding distributions
510	Pre Appointment Tax	Review of pre appointment VAT and corporation tax.
511	Pensions	Correspondence with former employees and others in relation to historic pension issues.
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.
204	SIP 2 Review	Investigation review pursuant to the Statement of Insolvency Practice 2
206	Meetings with Directors	Correspondence, meetings and updates with Non-Executive Directors