

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 7 8 7 0 3 2 1

Company name in full MMP Financial Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Trevor P

Surname O'Sullivan

3 Liquidator's address

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 A 1 A G

Country

4 Liquidator's name ①

Full forename(s) Chris M

Surname Lavery

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 A 1 A G

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

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Period of progress report

From date

d	1	d	5	m	0	m	6	y	2	y	0	y	2	y	0
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To date

d	1	d	4	m	0	m	6	y	2	y	0	y	2	y	1
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7

Progress report

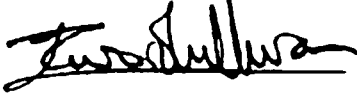
☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

d	2	d	5	m	0	m	6	y	2	y	0	y	2	y	1
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Alia K Khan**

Company name **Grant Thornton UK LLP**

Address **4 Hardman Square**

Spinningfields

Post town **Manchester**

County/Region

Postcode **M 3 3 E B**

Country

DX

Telephone **0161 953 6900**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Our ref: TOS/JXC/MXD/EZF/127194-103//7/cv11403
Your ref:

To the creditors and members

UK Recovery

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6317

28 June 2021

Dear Sir / Madam

MMP Financial Limited - In Liquidation (the Company)

1 Introduction

- 1.1 I was appointed Joint Administrator of the Company with Chris Lavery and Helen Dale on 9 December 2019 and we were subsequently appointed as Joint Liquidators on 15 June 2020.
- 1.2 In accordance with section 104A of the Insolvency Act 1986 we now report on the progress of the Liquidation for the year ended 14 June 2021 and attach:
 - Appendix A, an account of our receipts and payments for the year ended 14 June 2021 (the Period)
 - Appendix B, Statement of Insolvency Practice 9 disclosure.
- 1.3 Chris Lavery, Helen Dale and I are authorised in the UK to act as Insolvency Practitioners by the Insolvency Practitioners Association. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Statutory information

- 2.1 The Company's registered number is 07870321.

3 Progress report

Realisation of assets

- 3.1 No statement of affairs (SoA) has been prepared for the Liquidation. An SoA was provided by the Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised. These estimated to realise figures are quoted in the sections below where relevant.
- 3.2 The only assets transferred from the Administration are the surplus totalling £1,398,143 and the assets detailed below.

Loan book

- 3.3 As previously advised in our Final Administrators' report, the loan book at the date of appointment consisted of 23,502 loans with an outstanding balance of £13,610,000. The director's SoA estimated that the sum of £334,857 in relation to the outstanding loan book was realisable.
- 3.4 The sum of £612,172 was realised during the Administration and a further balance of £170,795 was held in the Company's separate Modulr account.
- 3.5 During the Period, we have finalised the collection of the outstanding loan book and funds totalling £518,995 have been received into the Liquidators' account. This sum includes the balance held in the Modulr account discussed above.
- 3.6 No further realisations in respect to this matter are anticipated.

Computer software

- 3.7 The director's SoA has estimated a recovery of £25,000 in respect of the loan platform, which remained in use as part of the collections strategy. The loan platform is still active and a sale of this asset will be considered once the system is no longer required.

Trademarks

- 3.8 During the Liquidation we have reviewed the possibility of selling the Company's trademarks. No interest has been received in relation to this matter and we have concluded that it is not cost effective to pursue the sale of the trademarks any further.

Historic business rates reclaim

- 3.9 We are pursuing a historic business rates reclaim of c£20,000 in relation to a property that was previously occupied by the Company. We have appointed Exacta plc to assist with this matter who are working on a no win no fee basis.

Creditors and dividend prospects**Secured creditors**

- 3.10 There are no secured creditors in this matter.

Preferential creditors

- 3.11 Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits and employee contribution to occupational pension schemes. A significant element of these claims has been subrogated to the Secretary of State, following part-payment of these claims by the Redundancy Payments Service.
- 3.12 Preferential creditor claims totalling £13,479 have been paid in full during the Period.

Prescribed part – unsecured creditors

- 3.13 In accordance with section 176A of the Insolvency Act 1986, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net property and 20% of all further amounts, up to a maximum prescribed part of £600,000.
- 3.14 As there is no qualifying floating charge holder, the prescribed part provisions do not apply.

Non-preferential unsecured creditors

- 3.15 The director's SoA detailed unsecured creditors totalling £4,058,000. This balance predominantly relates to the intercompany debt due to Renew of £4,027,000. This sum did not include potential redress liabilities as this was unquantifiable at that stage.

- 3.16 As previously advised, redress claims comprised of current and former customers who believe that they were sold an unaffordable loan(s). As a result, these customers may have been due a refund of the interest and fees paid on those loans, plus compensatory interest at 8%. Any redress complaint that was upheld ranked as an unsecured claim in the liquidation.
- 3.17 Following the agreement of all upheld redress claims, unsecured claims were agreed totalling £5,590,672.
- 3.18 A dividend payment of £1,094,611, representing 19.58p in the £ was paid to the unsecured creditors on 3 December 2020.

4 Investigations into the affairs of the Company

- 4.1 Based on the outcome of our investigations into the affairs of the Company to date there are no matters identified that need to be reported to the creditors.

5 Remuneration and expenses

- 5.1 On 21 May 2020 the following resolutions were approved by the general body of creditors:
- The Joint Administrators' remuneration be fixed to £190,000 during the Administration
 - The subsequently appointed Liquidators' remuneration be fixed to £40,000 during the Liquidation (reserve the right to request increase)
- 5.2 On 14 November 2020 the following resolution was also passed by the general body of creditors to increase the Joint Liquidators' fee:
- The Joint Liquidators' fixed fee approval of £40,000 be increased to £80,000 in respect of work carried out in agreeing redress creditor claims
- 5.3 The Joint Administrators' fee of £190,000 was drawn in the Administration.
- 5.4 A Liquidators' fee of £36,000 has been drawn during the Period.
- 5.5 Further details about remuneration and expenses are provided in Appendix B to this report.

6 Contact from third parties

- 6.1 Please be aware fraudsters have been known to masquerade as the Joint Liquidators. Fraudsters may contact creditors asking for an upfront fee or tax to release an investment or to enable payment of a dividend / the release of money payable to the creditor. A liquidator would never ask for such a payment nor instruct a third party to make such a request.

7 Data protection

- 7.1 Any personal information held by the Company will continue to be processed in accordance with completing the liquidation of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the United Kingdom. Our privacy notice on our website (www.granthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

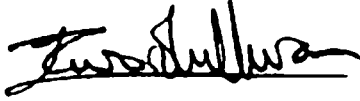
8 Covid-19

- 8.1 This report has been produced during the Covid-19 restrictions. We have taken every reasonable step to ensure that the information is accurate, however if any material inaccuracies are identified we will provide an explanation and corrected information in the next progress report.

9 Contact

- 9.1 Should you have any queries please contact Alia Khan on 0161 214 3698 or using the telephone number above.

Yours faithfully
for and on behalf of MMP Financial Limited

A handwritten signature in black ink, appearing to read 'Trevor O'Sullivan', written over a horizontal line.

Trevor O'Sullivan
Joint Liquidator

Enc

MMP Financial Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 15/06/2020 To 14/06/2021 £
ASSET REALISATIONS	
Admin/Receivers Surplus	1,398,143.43
Book Debts	518,994.79
	<u>1,917,138.22</u>
COST OF REALISATIONS	
CCFI costs	401,976.80
Data Centre Costs	23,227.81
Debt Collection	25,247.76
DTI Cheque Fees	1,500.00
HMRC recharge Costs	140,253.79
Insurance of Assets	100.30
Liquidators Fees	36,000.00
Post Appointment Refunds	12,696.65
Professional Fees	750.00
Rates	167.40
Stationery & Postage	1,067.60
Statutory Advertising	160.00
Transunion fees	20,000.00
VAT irrecoverable	14,402.76
	<u>(677,550.87)</u>
PREFERENTIAL CREDITORS	
Preferential Creditors (All)	13,479.00
	<u>(13,479.00)</u>
UNSECURED CREDITORS	
Unsecured Creditors (All)	1,094,611.21
	<u>(1,094,611.21)</u>
	<u>131,497.14</u>
REPRESENTED BY	
Barclays Dividend Account NIB	145.86
Floating Current Account NIB	131,290.87
VAT on Purchases	60.41
	<u>131,497.14</u>

Note:

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Account should follow those used in any prior Statement of Affairs **(SOA)** or estimated outcome statement. The SOA was provided by the Company's directors at the commencement of the Administration and provided estimated to realise values for the categories of assets to be realised.

The receipts above represent funds passed into Liquidation from the Administration, and as such, a meaningful comparison to the SOA by category cannot be made.

B - Payments to the Joint Liquidators and their associates

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in accordance with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- fee basis
- work done by the Joint Liquidators and their team during the Period
- expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Post-appointment costs

Fee basis of the Joint Liquidators

Our remuneration is being charged on a fixed fee basis. On 21 May 2020 the general body of creditors approved the following resolutions:

- The Joint Administrators' remuneration be fixed to £190,000 during the Administration
- The Subsequently appointed Liquidators' remuneration be fixed to £40,000 during the Liquidation (reserve the right to request increase)

On 14 November 2020 the following resolution was also passed by the general body of creditors to increase the Joint Liquidators' fee:

- The Joint Liquidators' fixed fee approval of £40,000 be increased to £80,000 in respect of work carried out in agreeing redress creditor claims

The Joint Administrators' fee of £190,000 was drawn in the Administration.

A Liquidators' fee of £36,000 has been drawn during the Period.

Work done by the Joint Liquidators and their team during the Period

Area of work	Work done	Why the work was necessary	Financial benefit to creditors
Assets			
Insurance	<ul style="list-style-type: none"> Reviewing insurance cover 	<ul style="list-style-type: none"> To ensure the correct insurance is in place following conversion from Administration 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Property	<ul style="list-style-type: none"> Appointing Exacta plc to review the historic rates position 	<ul style="list-style-type: none"> To realise assets for the benefit of creditors 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Debtors	<ul style="list-style-type: none"> Finalising the debtor collections process 	<ul style="list-style-type: none"> To realise assets for the benefit of creditors 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Plant & machinery, fixtures & fittings, equipment	<ul style="list-style-type: none"> Responding to enquires regarding the data centre 	<ul style="list-style-type: none"> To realise assets for the benefit of creditors 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Cash at bank	<ul style="list-style-type: none"> Cash management reconciliations 	<ul style="list-style-type: none"> To ensure all funds have been transferred 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Investigations			
Books & records	<ul style="list-style-type: none"> Internal discussions with the digital forensics group to obtain copies of databases from the Company's systems 	<ul style="list-style-type: none"> To ensure a copy of all of the required digital records are obtained 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process
Creditors			
Employees & pensions	<ul style="list-style-type: none"> Agreeing preferential claims 	<ul style="list-style-type: none"> To enable dividend to be paid to the preferential creditors 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process
Unsecured	<ul style="list-style-type: none"> Agreeing trade creditor claims Finalising the agreement of the redress creditor claims 	<ul style="list-style-type: none"> To enable dividend to be paid to the unsecured creditors 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process

Dividends	<ul style="list-style-type: none"> Processing preferential and unsecured dividends to creditors 	<ul style="list-style-type: none"> To distribute funds to creditors 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it did not add financial value to the estate it adds value to the insolvency process
Administration			
Appointment formalities	<ul style="list-style-type: none"> Preparation and filing of appointment document at Companies House Advertising appointment in the London Gazette 	<ul style="list-style-type: none"> To comply with insolvency legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Case set-up	<ul style="list-style-type: none"> Setup of case on Joint Liquidators' case management platform 	<ul style="list-style-type: none"> To comply with insolvency legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Reports to creditors, notices & decisions	<ul style="list-style-type: none"> Prepare and circulation of annual report to creditors 	<ul style="list-style-type: none"> To ensure creditors are kept up to date with the liquidation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Shareholders/ debtor/ director communications	<ul style="list-style-type: none"> Sending statutory letters to the directors of the Company 	<ul style="list-style-type: none"> To comply with insolvency legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Treasury, billing & funding	<ul style="list-style-type: none"> Setup and maintenance of Joint Liquidators' bank account Transfer of funds from the Joint Administrators' bank account Processing dividend cheques 	<ul style="list-style-type: none"> To ensure the Joint Liquidators' bank account is properly maintained 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Tax	<ul style="list-style-type: none"> VAT returns Tax returns 	<ul style="list-style-type: none"> To comply with tax legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Pensions	<ul style="list-style-type: none"> Reviewing pre-appointment pension position and completing necessary pension notifications 	<ul style="list-style-type: none"> To comply with pension legislation 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate

Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Joint Liquidators, description of which is provided in the 'work done in the Period' section above.

Category	Incurred in the Period (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses		
Bond	30	0
Mailchimp	30	0
Webhosting	12	0
Textlocal	150	0
Domain Name	10	0
Bond	30	0
CCFI costs	401,977	401,977
Data Centre Costs	23,228	23,228
Debt Collection	25,248	25,248
DTI Cheque Fees	1,500	1,500
HMRC recharge Costs	140,254	140,254
Insurance of Assets	100	100
Post Appointment Refunds	12,697	12,697
Professional Fees		
Lisa Renshaw	50	50
Skyron Limited	700	700
Rates	167	167
Stationery & Postage	1,068	1,068
Statutory Advertising	160	160
Transunion fees	20,000	20,000
VAT irrecoverable	14,403	14,403
Total expenses	641,814	641,552

Expenses are any payments from the estate which are neither the Joint Liquidators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by then reimbursed to the Joint Liquidators from the estate. Expenses fall into two categories:

Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Liquidators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Liquidators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Liquidators' remuneration.

To the extent that payment of category 2 expenses is sought, the basis and resolutions are set out in the table below:

	Fee / cost basis	Resolution obtained
Mileage	Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are provided in the table above, where incurred	On 21 May 2020 the creditors resolved that the Joint Administrators be permitted to draw category 2 disbursements

Sub-contracted work

During the Period we have sub-contracted the following work that could otherwise have been carried out by us or our team:

Sub-contractor	Work sub-contracted	Reason(s) for sub-contracting	Cost of incurred (£)	Paid (£)
Exacta plc	<ul style="list-style-type: none">Review of historic rates reclaim	<ul style="list-style-type: none">Specialist knowledge	27% of any realisations	0

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none">Tax work/advice (narrative is included within the above narrative of work done)Pensions work/advice (narrative is included within the above narrative of work done)	<ul style="list-style-type: none">Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Liquidators' fee basis, or who provide services to us as Joint Liquidators, which may give rise to a potential conflict.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie administrators or liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.