



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

1 Company details

Company number

Company name in full

→ **Filling in this form**

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

① **Other administrator**

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② **Other administrator**

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	d	m	m	y	y	y	y
To date	d	d	m	m	y	y	y	y

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
---	---	---	---	---	---	---	---

AM10

Notice of administrator's progress report

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

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone

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

TO ALL KNOWN CREDITORS & MEMBERS

06 February 2025

Ref: SW/HO/AH/MODA01
Email: MFLcommunications@uk.ey.com

Dear Sir/Madam

Moda Furnishings LTD (in Administration) (the “Company”)

I write further to the Company entering Administration on 14 July 2023 (the “Date of Appointment”), with T G Vance and I appointed to act as joint administrators (the “Joint Administrators”). The appointment was made by the directors of the Company under the provisions of paragraph 22 of Schedule B1 to the Insolvency Act 1986 (the “Act”). As licenced insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (the “Rules”), to provide creditors with a report on the progress of the administration. The report covers the period from 14 July 2024 to 13 January 2025 and should be read in conjunction with our previous reports dated 6 February 2024 and 25 July 2024 (the “Previous Reports”) and the Joint Administrators’ Statement of Proposals (the “Proposals”) delivered to creditors on 28 July 2023. A copy of the Previous Reports and the Proposals can be found at www.ey.com/en_uk/moda-furnishings-ltd.

Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

Extension of Administration

The Administration of the Company was due to automatically end on 13 July 2024. Consent from the secured creditors was sought for an extension of the Administration for a period of up to 12 months to complete the remaining work detailed in our most recent progress report. Consent was received from each of the secured creditors, and subsequently the Administration of the Company was extended to 13 July 2025, in accordance with the provisions of paragraph 78 of Schedule B1 of the Act.

Summary of steps taken during the Administration including progress since the last report dated 25 July 2024

Following their appointment, the Joint Administrators took steps to implement our administration strategy as outlined in the Proposals, which in summary was to realise the best value for the assets of the Company.

The outcome of asset realisations has been reported in the Previous Reports, which should be read in conjunction with this report, with detail regarding any outstanding matters concluded in the Period outlined below.

Debtors - V12 Retail Finance (“V12”)

During the Period we have worked with V12 to reach a final reconciliation of customer orders, which were bought with financing from V12 pre appointment, but fulfilled post the Date of Appointment. This matter has now been concluded.

License to Occupy (“LTO”)

As noted in Previous Reports, the Company traded from seven leasehold properties (the “Properties”). During the Period, any applicable outstanding reconciliation of final accounts for the Properties was concluded with respective landlords.

HM Revenue & Customs (“HMRC”) claim position

As reported in the Proposals and our Previous Reports, prior to the Administration the Company submitted a claim to HMRC to offset FY22 losses against FY21 tax paid, which remained outstanding on appointment.

In addition, a Terminal Loss Relief claim was submitted by the Joint Administrators, with the assistance of EY tax professionals, to reclaim tax paid in the three years prior to the Administration.

During the Period the position regarding these claims has been concluded with HMRC, which included confirmation that no further amounts were due to HMRC by way of a second ranking preferential claim.

It should be noted that shortly prior to the end of the reporting Period we received notice from HMRC of further amounts due to the Company relating to interest payable for amounts due under these claims. We had received no indication of these amounts being due prior to this notification as part of the ongoing liaison with HMRC in respect of the claims referred to above.

Our intention prior to receiving this notification had been to close the Administration in early January, having concluded all live work streams. Closure has effectively been delayed in order to receive the interest payable from HMRC in to the Administration estate. We have liaised with HMRC in the days following the end of this reporting Period with the intention of expediting payment of this outstanding amount and subsequently being in a position to progress the Administration to closure.

Receipts and payments account

A receipts and payments account for the Period is attached at Appendix 2. Please note that this account does not reflect future estimated realisations or costs, including the Joint Administrators’ final remuneration and disbursements.

Receipts

V12

As previously reported and referred to above, the Company’s debtor ledger included amounts due from V12, the Company’s interest free finance provider, relating to unfulfilled orders at the Date of Appointment.

As part of the sales agreement with Giomani Design Limited (the “Purchaser”), and in consideration of Secure Trust Bank (“STB”) releasing its fixed charge over stock, it was agreed that the Purchaser would

endeavour to fulfil these orders to facilitate recovery of the outstanding V12 debtor balance, with the Purchaser charging a commission for doing so.

During the Period, £29k has been received from STB in relation to commission on V12 orders fulfilled since the Date of Appointment and this amount has subsequently been paid to the Purchaser as noted in the receipts and payments account at Appendix 2.

HMRC

During the Period £486k has been received from HMRC, which relates to the loss relief claims submitted both prior and post the Date of Appointment for tax paid by the Company in the three years prior to administration.

Further detail on this matter is outlined above.

Bank Interest

Bank interest of £4k in total was received in respect of funds held in the Administration bank accounts for the Company during the Period.

Payments

LTO rental expenditure

During the Period, £12k has been paid in respect of rent and other costs under the LTO.

V12 payments to the Purchaser

As discussed above, £29k was received from STB in relation to commission on V12 orders fulfilled since the Date of Appointment and has subsequently been paid out to the Purchaser upon receipt.

Legal fees

During the Period £42k of legal fees were paid out to Addleshaw Goddard LLP (£37k) and Crowell & Moring U.K. LLP (£5k) in relation to professional services provided on various matters during the Administration.

Corporation tax

During the Period final corporation tax payments totalling £0.9k were made to HMRC.

Insurance

During the Period £0.3k of insurance costs were paid out to Aon UK Limited in relation to the Company's insolvency facility.

Bank Charges

During the Period, bank charges of £8 have been paid.

Distributions to creditors

Secured Creditors

STB, the principal secured lender to the Company, had total indebtedness at the Date of Appointment of c.£2.8m. The Joint Administrators have distributed a total of £1.2m to STB during the Administration from fixed charge asset realisations. In addition, c.£145k of debtor realisations have been paid directly into STB controlled pre-appointment bank accounts since our appointment, (which is net of any associated commissions detailed in this report).

Endless LLP (“Endless”), the Company’s second ranking secured lender, had total indebtedness at the Date of Appointment of c.£8.5m. There are insufficient fixed charge asset realisations to pay a distribution to Endless.

Preferential Creditors

All the employees of the Company transferred to the Purchaser as a result of the sale, in accordance with Transfer of Undertakings (Protection of Employment) Regulations 2006, therefore there are no employee preferential claims.

We previously reported that we anticipated a claim from HMRC, as a secondary preferential creditor, totalling c.£1.7m in respect of claims relating to PAYE, NI and VAT, before off-setting any claim for tax losses. Following on from our Previous Reports any amounts due to HMRC have been factored into the amounts paid to the Administration estate following the loss relief claims submitted as detailed above.

Non-preferential Creditors

According to the Director’s Statement of Affairs, it was estimated that total non-preferential claims in the Company totalled approximately £5.6m (excluding intercompany creditors).

There are insufficient floating charge asset realisations to enable a distribution to non-preferential creditors and therefore no work in relation to the adjudication of non-preferential creditor claims has taken place.

Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for non-preferential creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The Secured Creditors’ respective floating charges were created after 15 September 2003. Consequently, section 176A of the Insolvency Act 1986 will apply to this Administration.

There are insufficient floating charge asset realisations to enable a distribution under the prescribed part in the Company. The Joint Administrators have estimated, to the best of their knowledge and belief, that the value of the Company’s net property and prescribed part is nil.

Joint Administrators’ remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals’ publication ‘A Creditors’ Guide to Administrators’ Fees’ a copy of which may be accessed from the web

site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

As creditors have not requisitioned a decision on the Proposals and a creditors' committee has not been formed, the Joint Administrators have sought approval for their remuneration from the secured creditors STB and Endless (collectively the "Secured Creditors") by written resolutions, which were signed on 12 December 2023 and 20 December 2023 respectively.

The Joint Administrators remuneration was fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 28 July 2023 (the "Fee Estimate") which was circulated to creditors with the Proposals.

As previously reported our original Fee Estimate had been exceeded and on 14 November 2024 a revised fee estimate ("Revised Fee Estimate") totalling £1,209k was circulated to Secured Creditors.

The Secured Creditors both approved the Revised Fee Estimate by way of signed resolutions dated 29 November 2024 and 30 November 2024 respectively.

During the Period, the Joint Administrators have incurred time costs of £190k, with total time costs incurred over the duration of the Administration totalling £1,167k. Joint Administrators' remuneration of £660k has been drawn during the Period.

As noted previously in this report, we had originally intended for this report to be the Joint Administrators final report with the Administration closing shortly thereafter. However, we have had to delay the closure of the Administration having received recent notification of further amounts due from HMRC.

Further to the above, our planning was well progressed prior to the Period end to bring the Administration to a close, and in this regard a proportion of remuneration invoiced was structured to be paid via the assignment of VAT receivable. This approach had been taken so as to not unduly delay the closure of the Administration.

An analysis of the time spent, and a comparison with the revised Fee Estimate is attached at Appendix 4 to this report.

Time costs incurred to date are detailed at Appendix 4 alongside those included in the Revised Fee Estimate by work category, with further narrative relating to the work undertaken in each category of work.

Joint Administrators' statement of expenses incurred

A breakdown of expenses incurred in the Period and to date is included at Appendix 3 to this report, including a comparison against the original estimate of expenses dated 28 July 2023.

During the Period the Joint Administrators have incurred expenses (excluding disbursements and pre-administration costs) totalling £83,634.43 plus applicable VAT.

Pre-administration costs

The payment of unpaid pre-administration costs as an expense of the administration is subject to approval under Rule 3.52, and not part of the Proposals subject to approval under paragraph 53. This means that they must be approved separately from the Proposals.

Specific written approval for the payment of pre-administration costs was received from the Secured Creditors on the 12th December 2023 and 20th December 2023.

A breakdown of the total pre-administration costs incurred and amounts paid pre-administration (if any) is attached at Appendix 3.

Remaining work

The Joint Administrators will continue to deal with the Administration of the Company in line with the objectives of the Proposals, namely to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration).

Further tasks will include, but may not be limited to, the following:

- ▶ continuing to correspond with HMRC in relation to the interest payable on the Company's loss claims;
- ▶ dealing with statutory reporting and compliance obligations;
- ▶ dealing with non-preferential creditor enquiries;
- ▶ filing final VAT reclaim and VAT assignment;
- ▶ finalising the Administration, including the payment of all administration liabilities; and
- ▶ any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administration.

Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

Yours faithfully
for the Company



S J Woodward
Joint Administrator

- Appendix 1 Statutory information
- Appendix 2 Joint Administrators' receipts and payments account for the Period
- Appendix 3 Summary of Joint Administrators' expenses incurred in the Period
- Appendix 4 Summary of the Joint Administrators' time costs incurred in the Period
- Appendix 5 Statement of Work completed in the Period

Samuel James Woodward is licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and Timothy Vance is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

The affairs, business and property of the Company is being managed by the Joint Administrators, Samuel James Woodward and Timothy Vance, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Moda Furnishings Ltd – In Administration
Statutory Information

Information about the proceedings, the Company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	In the High Court of Justice Business and Property Courts in Manchester Insolvency and Companies List (ChD)
Court reference:	CR2023 MAN 000891
Registered name of the company:	Moda Furnishings LTD
Registered office address of the company:	Ernst & Young LLP 2 St. Peters Square, Manchester, M2 3EY Formerly: Riverpark Trading Estate, Riverpark Road, Manchester, M40 2XP
Registered number:	08658516
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	14 July 2023
Details of extension of the administration:	Administration extension of 12 months to 13 July 2025
Details of any changes of administrator:	None
Full names of the administrators:	Samuel James Woodward Timothy Graham Vance
Office holder numbers:	12030 and 26710
Administrators' addresses:	Ernst & Young LLP, 2 St. Peter's Square, Manchester, M2 3EY Ernst & Young LLP 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR
Telephone number:	+44 161 333 2761
Name of alternative person to contact with enquiries about the case:	Ayse Hassan

Moda Furnishings Ltd – In Administration

Summary of Joint Administrators' expenses incurred in the Period

Type of Expense	Per Fee Estimate (£)	Paid in Previous Periods (£)	Paid in Period (£)	Estimated Future (£)	Total (£)
Payments made from the estate which are not disbursements (Note 1)					
Rent and other property costs	1,084,858.00	591,976.29	11,588.74	-	603,565.03
Contribution towards employee costs	50,000.00	50,000.00	-	-	50,000.00
Legal fees	5,000.00	-	42,170.68	-	42,170.68
Insurance	3,000.00	1,360.80	257.04	-	1,617.84
Commission on V12 debtors	-	78,292.55	28,722.02	-	107,014.57
Corporation tax	500.00	-	888.75	-	888.75
Bank charges	500.00	60.60	7.20	-	67.80
Statutory costs	250.00	94.00	-	-	94.00
	1,144,108.00	721,784.24	83,634.43	-	805,418.67
Category 1 disbursements (Note 2)					
Specific penalty bond	210.00	210.00	-	-	210.00
	210.00	210.00	-	-	210.00
Category 2 disbursements (Note 2)					
Internal bulk copying, printing and postage	6,250.00	2,760.73	8.63	-	2,769.36
Mileage	500.00	83.52	-	-	83.52
	6,750.00	2,844.25	8.63	-	2,769.36
Pre-administration costs unpaid as at date of administration					
Pre-administration EY costs	71,779.50	-	-	-	-
Pre-administration legal costs - Addleshaw Goddard LLP	67,256.45	50,000.00	-	-	50,000.00
Pre-administration legal costs - DLA Piper LLP	11,953.50	11,953.50	-	-	11,953.50
Total	1,302,057.45	786,791.99	83,643.06	-	870,351.53

Categories exceeding the Fee Estimate:

Cost Category	Explanation
Legal Fees	Legal fees incurred exceeded the fee estimate due to a higher than anticipated volume of legal work required throughout the Administration, which was a result of a higher degree of complexity in progressing certain workstreams.
Corporation tax	Corporation tax expenses incurred have exceeded the amount stated on the fee estimate marginally because of higher than anticipated realisations.

Notes

- 1 Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- 2 Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 3 Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Disbursements fall into either Category 1 or Category 2

Moda Furnishings Ltd – In Administration
Summary of Joint Administrators' time costs incurred in the Period
and a comparison with the Revised Fee Estimate

	Per Revised Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Administration & Planning	392	231,962	592	78	54,873	701	429	249,159	581
Creditors	119	87,999	740	19	16,303	867	106	74,729	704
Customers	72	35,005	490	-	-	-	72	35,005	490
Debtors	83	72,575	871	15	15,000	1,000	98	87,745	893
Employees	26	21,270	834	-	-	-	22	18,211	843
Enquiries & Investigations	131	65,754	502	-	-	-	131	65,754	502
General	-	-	-	-	-	-	0	-	-
Immediate Tasks	76	39,540	520	-	-	-	65	33,970	527
Job Acceptance & Strategy	2	2,820	1,410	-	-	-	2	2,820	1,410
Other Assets	50	37,500	758	-	-	-	50	37,500	758
Other Matters	43	23,153	538	2	680	340	43	23,830	554
Property	121	68,214	566	19	8,625	459	124	69,751	563
Reporting	251	212,984	850	36	26,018	717	219	172,471	787
Retention of Title	1	570	950	-	-	-	1	570	950
Statutory Duties	249	173,736	697	74	46,558	627	263	159,410	607
VAT & Taxation	220	135,874	618	50	22,747	451	230	136,525	593
Total	1,833	1,208,954	659	294	190,804	649	1,853	1,167,448	630

Appendix 5

Moda Furnishings Ltd – In Administration

Statement of Work Completed in the Period

Outlined in the table below is supporting narrative explanation as to the work undertaken during the Period. This information is detailed on a category-by-category basis, aligned to the reporting of time costs in the tables on the preceding pages of this appendix.

Details of workstreams are presented below. This supporting information should be read in conjunction with all sections of this report.

Category of work	Description of work completed in the Period
Administration & Planning	<ul style="list-style-type: none"> ▶ Case management of statutory tasks and compliance. This has included ensuring statutory compliance diaries are completed to reflect work done on the appropriate date. ▶ Treasury and accounting functions including: processing payments for services appropriately; processing receipts from asset realisations appropriately; ensuring bank accounts have been reconciled regularly; and, ensuring LTO receipts and payments are reconciled regularly. ▶ Time cost reports have been produced for ongoing monitoring and for the purposes of the progress report.
Creditors	<ul style="list-style-type: none"> ▶ Final secured creditor distribution. ▶ Preparation of a Revised Fee Estimate for the secured creditors approval, and subsequent agreement sought and granted for Joint Administrators' remuneration and disbursements (where applicable). ▶ Continued correspondence with creditors has progressed through the Period, including responding to various queries, updates on claim status and general interest in process.
Debtors	<ul style="list-style-type: none"> ▶ Corresponding with V12 to reconcile the final position with regard to any debtors balances due to the Company. ▶ Subsequently liaising with the Purchaser to ensure any commission due under the terms of the sales agreement is paid accordingly.
Other Matters	<ul style="list-style-type: none"> ▶ Updating and reconciling Joint Administrators' estimated outcome statement. Monitoring strategy and case progression.
Property	<ul style="list-style-type: none"> ▶ LTO management; invoicing rent, paying rent to landlord and reconciling the LTO account. ▶ Correspondence with landlord/agents regarding the LTO. ▶ Dealing with LTO termination on various Properties and liaising with the landlord/agents/Purchaser in this regard.
Reporting	<ul style="list-style-type: none"> ▶ Ongoing reporting to the secured creditors as we have sought to push the Administration to a conclusion.
Statutory Duties	<ul style="list-style-type: none"> ▶ Preparation of documentation for the approval of the Joint Administrators' remuneration.
VAT & Taxation	<ul style="list-style-type: none"> ▶ Continued liaison with representatives of HMRC in order to bring loss claims (referred to in the body of this report) to a conclusion, including clarifying the Company's claim position and corresponding with regard to the interplay of any position HMRC may have had as second ranking preferential creditor. ▶ Preparation and submitting final VAT 426 form to reclaim any remaining input tax. ▶ Preparation of notice and deed of assignment to facilitate the assignment of any outstanding claim position to EY in order to facilitate the payment of Joint Administrators fees without delaying the closure of Administration.