

AM23

Notice of move from administration to dissolution



Companies House

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

1 Company details

Company number 0 5 9 9 7 0 9 4

Company name in full Muji Europe Holdings Limited - In Administration

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice Business and Property Courts of England and
Wales Insolvency and Companies

Court number 0 0 1 9 2 8 2 0 2 4

3 Administrator's name

Full forename(s) Simon Jamie

Surname Edel

4 Administrator's address

Building name/number Ernst & Young LLP

Street 1 More London Place

Post town London

County/Region

Postcode S E 1 2 A F

Country

AM23

Notice of move from administration to dissolution

5 Administrator's name ①

Full forename(s) Alexander

Surname Williams

① Other administrator

Use this section to tell us about another administrator.

6 Administrator's address ②

Building name/number Ernst & Young LLP

Street 1 More London Place

Post town London

County/Region

Postcode S E 1 2 A F

Country

② Other administrator

Use this section to tell us about another administrator.

7 Final progress report☒ I have attached a copy of the final progress report**8 Sign and date**

Administrator's signature

Signature

X 

X

Signature date

d 03 m 04 y 2025

AM23

Notice of move from administration to dissolution



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	Simon Edel				
Company name	Ernst & Young LLP				
Address	1				
	More London Place				
Post town	London				
County/Region					
Postcode	S	E	1	2	A F
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 AND MEMBERS

03 April 2025

Ref: SJE/DMc/AH/MEH001
Email: MEHadministration@uk.ey.com

Dear Sir/Madam

Muji Europe Holdings Limited (in Administration) (“the Company”)

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a final report on the progress of the Administration. This report covers the period from 8 October 2024 to 3 April 2025 (“the Period”) and should be read in conjunction with our previous report dated 4 November 2024 (“our Previous Report”) and the Joint Administrators’ Statement of Proposals (“the Proposals”) delivered to creditors on 12 April 2024. A copy of our Previous Report and the Proposals can be found at https://www.ey.com/en_uk/administrations/muji-europe-holdings-limited.

The Company entered into Administration on 8 April 2024 (the “Date of Appointment”), and Alexander Paul Williams and I, Simon Jamie Edel, were 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(2) of Schedule B1 to the Insolvency Act 1986. As licenced Insolvency Practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

Statutory information about the Company, the Administration and the office holders, is detailed in Appendix 1.

Summary of the Joint Administrators’ Proposals

The Joint Administrators’ Proposals were delivered to the Company’s creditors on 12 April 2024.

The Proposals summarised the background of the Company and the circumstances giving rise to the appointment of the Joint Administrators.

At the time of issuing the Proposals, the Joint Administrators were of the opinion that it was not reasonably practicable to pursue statutory objective (a), the rescue of the Company as a going concern. Accordingly, statutory objective (b), to achieve a better result for the Company’s creditors as a whole, than would be likely if the Company were wound up (without first being in administration), was pursued by way of a pre-pack sale of the Company’s business and certain assets.

As required by Paragraph 51 of Schedule B1 to the Insolvency Act 1986 and Rules 3.38 and 15.7 of the Insolvency Rules (England and Wales) 2016, the Joint Administrators sought approval of the Proposals from the Company’s creditors by deemed consent. The Proposals were deemed approved on 29 April 2024.

There have been no major amendments or deviations from the Proposals.

Summary of steps taken during the Administration including progress since our Previous Report

Sale of business and assets

Immediately following their appointment, the Joint Administrators completed a sale of the business and certain assets of the Company to Muji Europe Limited ("MEL" or "the Purchaser") for a total consideration of £18,392,528 ("the Transaction"). The Transaction included the transfer of the Company's European branches and all 43 of its employees. Further detail relating to the Transaction was provided in the Proposals.

The Joint Administrators have subsequently taken steps to deal with the Company's remaining assets in line with the statutory objective set out in the Proposals.

The outcome of subsequent asset realisations, notably the recovery of pre-payments in sum of £244,169 and cash at bank of £90,984, the assignment of the Company's leasehold property and the novation of key contracts, are addressed in our Previous Report, which should be read in conjunction with this report.

The remaining outstanding matters concluded in the Period are set out below.

Distribution to unsecured creditors

As detailed in our Previous Report, the Joint Administrators made an application to the High Court of England & Wales, pursuant to paragraph 65 of Schedule B1 to the Insolvency Act 1986, for an order allowing the Joint Administrators to pay a dividend to the Company's unsecured non-preferential creditors in the Administration, rather than moving the Company to Creditors Voluntary Liquidation, which would incur further costs and in turn diminish the amount available to distribute to unsecured non-preferential creditors.

Following a Court hearing on 14 November 2024, the Court granted an order enabling the Joint Administrators to pay a distribution to unsecured, non-preferential creditors of the Company. Accordingly, on 27 March 2025 the Joint Administrators paid a first and final dividend to unsecured, non-preferential creditors of £18,489,885, representing 24.62p in the £, as noted further in this report.

Sale of tax losses

In the accounting period ended 31 August 2023, the Company had made losses capable of being surrendered by way of group relief.

In the Period, the Company, acting by the Joint Administrators, entered into a tax loss surrender agreement whereby the Company surrendered tax losses for the benefit of Ryohin Keikaku Europe Limited ("RKE"), a member of the same tax group for the purposes of group relief, for consideration of £45,000. This sum is noted in the receipts and payments account at Appendix 2.

Completion of the sale of Muji Italia S.p.A. shares ("the Italian Shares")

The sale of the Italian Shares to MEL formed part of the original Transaction noted above, however due to the Company's loss of the original share certificates, it has been necessary to obtain approval from the

Italian courts for new share certificates to be issued before the sale could be completed. This process has now successfully concluded, facilitated by the Joint Administrators.

Cash held by third party

A cash balance of £55,724, held on account by Simmons & Simmons on behalf of the Company, has been fully utilised to discharge legal expenses incurred in the Administration.

VAT recoveries

In the Period, a claim was made for pre-Administration input VAT in the sum of £10,324 and an additional £1,518 has been received in interest on VAT refunds.

At the date of this report, a VAT receivable of £63,917 remains unpaid and has been assigned to Ernst & Young LLP in payment of the balance of Joint Administrators' remuneration due, to facilitate timely closure of the Administration. For presentation purposes, the receipts and payments account at Appendix 2 assumes recovery of the VAT receivable and payment of the Joint Administrators' remuneration in full. As such, the VAT accounts are shown as £nil.

Franchise Agreements

As previously reported, at the Date of Appointment the Company had certain receivables due in respect of a franchise agreement totalling approximately £42,000.

In the Period, the Joint Administrators have sought to engage with the franchisee and its representative in pursuit of the sums owed, but without success. Having considered the cost of pursuing payment further and the prospects for a recovery, in consultation with the Company's major creditor, the Joint Administrators have concluded that it is not in the interests of the Company's creditors to pursue this matter further.

HMRC transfer pricing investigation

As previously reported, prior to the appointment of the Joint Administrators, HM Revenue & Customs ("HMRC") had commenced investigations into the appropriateness of the Company's tax transfer pricing policy and had opened investigations into the Company's accounts for the years ended 2017 to 2023.

HMRC has since concluded its investigations, with no claim being made against the Company's estate.

Bank interest received

In the Period, bank interest accrued on the funds held in the Administration bank accounts totalled £308,519.

Legal fees

Legal fees of £47,325 plus applicable VAT have been paid in the Period.

Other costs

Other costs of realisations paid in the Period include professional fees totalling £1,139, of which £639 relates to costs incurred to meet the Joint Administrators' obligation to de-register the Company for VAT in the Netherlands as at the Date of the Appointment.

A total of £573 was paid in respect of insurance cover, statutory advertising for the distribution to creditors and bank and records storage charges. Irrecoverable VAT of £786 was incurred on work undertaken by the Joint Administrators in relation to the transfer of the Italian Shares.

Statutory steps taken to bring the Administration to a conclusion

In the Period the Joint Administrators have taken steps to conclude the statutory requirements to bring the Administration to an end. These steps included, but were not limited to:

- the finalisation of the Company's VAT matters and seeking the necessary VAT clearances from HMRC;
- ensuring all corporation tax returns have been completed and any tax due from the Administration has been paid, whilst seeking the necessary tax clearances from HMRC;
- ensuring the Joint Administrators' final remuneration has been billed and paid in line with the fee approval in place;
- ensuring all bank accounts are reconciled;
- obtaining the Joint Administrators' discharge from liability under Paragraph 98, Schedule B1 of the Insolvency Act 1986;
- dealing with administrative processes; and
- preparing the final progress report in accordance Rule 18.3 of the Insolvency (England and Wales) Rules 2016.

Receipts and payments account

A receipts and payments account for the Period is attached at Appendix 2, as well as cumulatively for the whole period of the Administration.

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.

In accordance with Rule 18.18, we sought a decision from the Company's creditors on the basis of our remuneration and payment of pre-administration costs and Category 2 expenses. On 5 June 2024, a notice of a decision procedure by correspondence was sent to all known creditors of the Company, together with reference to our fee estimate and details of expenses, which was originally sent to creditors on 12 April 2024. Our remuneration was fixed on a time-cost basis by a resolution of the Company's creditors on 20 June 2024.

An analysis of the time spent in the Period and a comparison with the fee estimate dated 12 April 2024 are attached as Appendix 4 to this report (further descriptions about the work undertaken during the Period and how time costs are recorded are provided in Appendices 5 and 6). Remuneration totalling £413,934 has been drawn in the Period as shown in Appendix 2, bringing total remuneration to closure to £696,071. Disbursements accrued over the course of the Administration totalling £1,495 were paid in the Period.

Whilst time costs in certain categories have exceeded our fee estimate, the Joint Administrators' have drawn their final remuneration in line with the fee estimate dated 12 April 2024.

Joint Administrators' statement of expenses incurred

During the Period, the Joint Administrators have incurred expenses totalling £49,898 plus applicable VAT. A breakdown of these expenses is included at Appendix 3 to this report.

Certain expenses have exceeded our fee and expense estimated date 12 April 2024, as summarised below:

- Legal Fees and Disbursements have exceeded the initial estimate due to additional work being required to conclude the Transaction post completion that had not been foreseen at the outset. The majority of these costs have been met from cash held on account by Simmons & Simmons LLP for the Company on the Date of Appointment, as disclosed in Note 2 to the receipts and payments account at Appendix 2; and
- In accordance with advice received after the estimate of expenses had been prepared, VAT incurred on work undertaken by the Joint Administrators in relation to the sale of subsidiaries of the Company has been treated as irrecoverable.

Pre-Administration costs

The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016. Accordingly, approval for unpaid pre-Administration costs of £140,821 plus applicable VAT to be met as an expense of the Administration was sought and obtained from creditors.

In addition, legal expenses of £176,996 plus applicable VAT were incurred and paid by the Company prior to the commencement of the Administration and in contemplation of the Joint Administrators' appointment.

The quantum was not known at the time the Proposals were issued, having been funded directly by the Company, and was therefore omitted from Appendix D in the Proposals.

Distributions to creditors

Secured creditors

Barclays Bank Plc ("Barclays") held security over the Company's assets under a fixed and floating charge dated 5 February 2007, but at the Date of Appointment nothing was owed to them.

As previously reported, the Barclays charge has subsequently been released and filed as satisfied at Companies House.

Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003. On the basis that there is no valid floating charge the Joint Administrators understand that there are no funds due to the floating charge holder. In such circumstances a prescribed part is not set aside and all floating charge realisations net of costs are available to meet the claims of preferential and unsecured creditors.

Preferential creditors

Primary preferential creditors

All employees transferred to the Purchaser as part of the Transaction set out above; there are no primary preferential claims in this matter.

Secondary preferential creditors

Claims from HM Revenue & Customs ("HMRC"), in relation to VAT, PAYE and employees' National Insurance Contributions rank preferentially, but secondary to the primary preferential creditors above. These claims are therefore referred to as 'secondary preferential creditors'.

The Joint Administrators issued a Notice of Intended Distribution ("NOID") to HMRC on 21 January 2025, with the last day for proving debt being no later than 11 February 2025. HMRC has not submitted a claim in the Administration.

Unsecured, non-preferential creditors

As noted above, since the Company has no secured or preferential debts, the only class of creditor remaining unpaid is the Company's unsecured, non-preferential creditors.

The Director's Statement of Affairs dated 29 May 2024 estimated total unsecured, non-preferential claims to be approximately £75m.

Following the Court Order granted on 14 November 2024, pursuant to paragraph 65 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators issued a NOID to all unsecured, non-preferential creditors who had not proved their debt in the Administration, the NOID was also advertised in the London Gazette.

The NOID was dated 17 January 2025, with the last day for proving debt being no later than 11 February 2025.

Seven claims have been received against the Company with a total value of £75,093,892 and have been adjudicated as follows:

- Two claims with a total value of £4,803 have been withdrawn by creditors; and
- Five claims totalling £75,089,089 have been admitted for dividend purposes.

On 27 March 2025 a dividend of £18,489,885, equating to 24.62p in the £, was declared and paid to unsecured, non-preferential creditors with admitted claims under the provisions of Rule 14.35 of the Insolvency (England and Wales) Rules 2016.

The outcome of the Administration

The purpose of an administration is to achieve one of three objectives:

- a. To rescue the company as a going concern;
- b. To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
- c. To realise property in order to make a distribution to one or more secured or preferential creditors.

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

Objective (a) was not considered to be achievable due to the Company's poor liquidity and on the basis that the Company could not be offered for sale due to its licence agreement with Ryohin Keikaku Co. Limited ("RKJ"), which RKJ would not allow to be transferred or reissued to an unknown purchaser.

In accordance with their Proposals, the Joint Administrators have pursued and achieved objective (b) in the form of a pre-pack sale of the Company's business and assets, delivering a better result for the Company's creditors as a whole, than would be likely if the Company had been placed into liquidation.

End of the Administration

In accordance with their Proposals the Joint Administrators confirm that the Company has no further assets to realise or distributions to be made, and a notice to that effect has been sent to the Registrar of Companies on 3 April 2025 pursuant to paragraph 84(5) of Schedule B1 (the "Notice"). The Company will be deemed dissolved three months after registration of the Notice.

Yours faithfully
for the Company



Simon J Edel
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	Joint Administrators' explanation of work in the Period and accumulatively during the Administration
Appendix 6	Joint Administrators' charging policy for remuneration and expenses

Simon J Edel and Alexander P Williams are licensed in the United Kingdom to act as an insolvency practitioners by The Insolvency Practitioners Association in England Wales. 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 are being managed by the Joint Administrators, Simon J Edel and Alexander P Williams, 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.

Appendix 1

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:	High Court of Justice Business and Property Courts of England & Wales, Insolvency and Companies List (ChD) CR-2024-001928
Court reference:	Muji Europe Holdings Limited (in Administration)
Registered name of the company:	C/O Ernst & Young LLP
Registered office address of the company:	1 More London Place London SE1 2 AF
Registered number:	05997094
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the Joint Administrators:	8 April 2024
Details of any changes of Joint Administrators:	N/A
Full names of the Joint Administrators:	Simon Jamie Edel Alexander Paul Williams
Office holder numbers:	9810 / 22270
Joint Administrators' addresses:	Ernst & Young LLP 1 More London Place London SE1 2AF
Email:	MEHadministration@uk.ey.co.uk
Name of alternative person to contact with enquiries about the case:	Ayse Hassan

Muji Europe Holdings Limited (in Administration)

Statement of affairs estimated to realise (£)	08 April 2024 to 07 October 2024 (£)	08 October 2024 to 3 April 2025 (£)	Cumulatively to date (£)	
	FLOATING CHARGE REALISATIONS			
	<u>Sale of Business & Assets</u>			
12,684,530.00	Shares	12,684,530.00	0.00	12,684,530.00
4,534.00	Moveable Assets	4,534.00	0.00	4,534.00
	Fixed Assets	1.00	0.00	1.00
	Goodwill	1.00	0.00	1.00
	Owned IP	1.00	0.00	1.00
	Business Claims	1.00	0.00	1.00
	Business Information	1.00	0.00	1.00
	Commercial Records	1.00	0.00	1.00
	Contracts	1.00	0.00	1.00
	Customer Data	1.00	0.00	1.00
	Employee Data	1.00	0.00	1.00
	Leasehold Property	1.00	0.00	1.00
12.00	Other	1.00	0.00	1.00
35,701.00	Rent Deposit	35,701.00	0.00	35,701.00
	Social Media Accounts	1.00	0.00	1.00
5,667,750.00	Stock	5,667,750.00	0.00	5,667,750.00
1.00	Trade Debtors	1.00	0.00	1.00
	Cash held by Third Party	0.00	55,724.45	55,724.45
	<u>Other Realisations</u>			
	Prepayments	244,168.55	0.00	244,168.55
	Proceeds From Sale of Tax Losses	0.00	45,000.00	45,000.00
87,227.00	Cash at Bank	90,983.97	0.00	90,983.97
	Pre-Administration Input VAT	0.00	10,325.85	10,325.85
	Interest Received on VAT Refund	0.00	1,517.61	1,517.61
	Bank Interest Gross	291,092.59	308,518.99	599,611.58
	19,018,773.11	421,086.90	19,439,860.01	
	COSTS OF REALISATIONS			
	Joint Administrators' Pre-Appointment Fees	140,820.60	0.00	140,820.60
	Joint Administrators' Fees	282,136.40	413,934.40	696,070.80
	Joint Administrators' Disbursements	0.00	1,495.18	1,495.18
	Professional Fees - Legal	32,244.00	47,325.04	79,569.04
	Legal Disbursements	53.18	0.00	53.18
	Other Professional Fees	0.00	1,139.00	1,139.00
	Insurance	0.00	274.40	274.40
	Irrecoverable VAT	29,179.02	786.24	29,965.26
	Storage Charges	0.00	8.26	8.26
	Bank Charges	184.66	185.61	370.27
	Statutory Advertising	104.30	104.30	208.60
	Distribution to Unsecured, Non-Preferential Creditors of 24.62p in the £ paid on 27.03.25	0.00	18,489,885.42	18,489,885.42
	484,722.16	18,955,137.85	19,439,860.01	
	Balances in hand	18,534,050.95	(18,534,050.95)	0.00
	Represented by:			
	VAT Receivable			0.00
	VAT Payable			0.00
	BOS Current GBP			0.00
	Lloyds Current GBP			0.00
	RBS Current GBP			0.00
	NatWest Current GBP			0.00
	BARC Current GBP			0.00
				0.00

Notes:

- 1 Receipts and payments are stated net of VAT.
- 2 'Cash held by third party' of £55,724 refers to the cash balance held on account by Simmons & Simmons LLP for the Company on the Date of Appointment. This sum has subsequently been fully utilised to discharge legal expenses incurred in the Administration.
- 3 For presentation purposes, the receipts and payments account above reflects payment of Joint Administrators' remuneration in full. However, as at the date of issuing this final report, there remains a balance outstanding, which will be met from funds received following the assignment of an outstanding VAT receivable due to the Company to Ernst & Young LLP.

Appendix 3

Muji Europe Holdings Limited (in Administration)

Summary of Joint Administrators' expenses incurred in the Period

Type of Expense	Per Fee Estimate	Paid in the Previous Period	Paid in the Period	Estimated Future	Total Paid
	(£)	(£)	(£)	(£)	(£)
Payments made from the estate which are not disbursements (Note 1)					
Legal Fees & Disbursements	40,000.00	32,297.18	47,325.04	0.00	79,622.22
Other Professional Fees and Expenses	0.00	0.00	1,139.00	0.00	1,139.00
Insurance*	5,000.00	0.00	274.40	0.00	274.40
Bank Charges	5,000.00	184.66	185.61	0.00	370.27
Statutory Costs	5,000.00	104.30	112.56	0.00	216.86
Telecoms & IT	5,000.00	0.00	0.00	0.00	0.00
Irrecoverable VAT	0.00	29,179.02	786.24	0.00	29,965.26
	60,000.00	61,765.16	49,822.85	0.00	111,588.01
		Incurred in the Previous Period	Incurred in the Period	Estimated Future	Total Paid
		(£)	(£)	(£)	(£)
Category 1 Expenses (Note 2)					
Bulk Copying, Printing and Postage	3,000.00	54.84	19.59	0.00	74.43
Specific Penalty Bond	1,280.00	1,280.00	0.00	0.00	1280.00
Sundry	5,000.00	85.12	55.63	0.00	140.75
	9,280.00	1,419.96	75.22	0.00	1,495.18
Total Expenses	69,280.00	63,185.12	49,898.07	0.00	113,083.19
Pre-Administration costs unpaid as at the Date of Administration					
Joint Administrators' pre-Administration costs	140,821.00	140,821.00	0.00	0.00	140,821.00
Total expenses and pre-Administration costs	210,101.00	204,006.12	49,898.07	0.00	253,904.19

*In the Previous Period Insurance was overstated by £1,280. This has been rectified as shown.

Notes

- 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.
- 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.
- 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.

Appendix 4

Muji Europe Holdings Limited (in Administration)

Summary of Joint administrators' time costs incurred from 8 October 2024 to 3 April 2025

	Staff Grade							Total Cost £	Average Rate £
	Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst		
Accounting & Administration	16.0	1.9	14.8	35.6	53.5	13.7	27.6	163.1	548.39
Sale of Business	0.6	-	7.7	-	-	-	-	8.3	781.28
Creditors	-	1.6	2.7	55.7	-	-	7.2	67.2	570.54
Debtors	-	-	-	-	-	-	-	-	-
Employee matters	-	-	-	-	0.2	-	-	0.2	422.10
Investigations	-	-	-	-	-	-	-	-	-
Immediate Tasks	-	-	-	-	-	-	-	-	-
Job Acceptance & Strategy	-	-	-	-	-	-	-	-	-
Legal Issues	5.5	-	-	0.9	-	-	-	6.4	1,031.23
Other Matters	-	-	1.9	2.0	0.3	-	-	4.2	646.65
Property	-	-	-	-	-	-	-	-	-
Public Relations	-	-	-	-	-	-	-	-	-
Reporting	-	-	1.9	38.7	-	-	18.3	58.9	521.56
Statutory Duties	10.0	2.0	37.1	41.1	-	-	13.9	104.1	671.49
VAT & Taxation	9.4	23.2	26.0	17.2	0.2	17.5	35.5	129.0	645.07
Total Hours	41.5	28.7	92.1	191.2	54.2	31.2	102.5	541.4	
Time Costs (£)	47,510.97	25,555.83	73,793.40	109,412.19	22,877.80	11,891.88	36,461.78		327,503.85
Average Hourly Rate (£)	1,144.84	890.45	801.23	572.24	422.10	381.15	355.72		604.92

Muji Europe Holdings Limited (in Administration)

Summary of Joint Administrators' time costs incurred in the Period and a comparison to the Fee Estimate dated 12 April 2024

	Per 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 (£)
Accounting & Administration	168.5	73,152.90	434.14	163.1	89,442.36	548.39	321.3	163,415.40	508.61
Sale of Business	52.5	39,091.50	744.60	8.3	6,484.59	781.28	30.7	23,621.91	769.44
Creditors	192.5	96,576.50	501.70	67.2	38,340.23	570.54	110.6	64,766.69	585.59
Debtors	14.5	6,694.50	461.69	-	-	-	3.3	2,309.48	699.84
Employee matters	25.0	17,955.00	718.20	0.2	84.42	422.10	8.2	4,872.00	594.15
Investigations	149.0	83,697.00	561.72	-	-	-	108.6	66,890.43	615.93
Immediate Tasks	58.0	32,120.00	553.79	-	-	-	47.9	30,459.90	635.91
Job Acceptance & Strategy	11.0	8,496.00	772.36	-	-	-	31.7	22,033.04	695.05
Legal Issues	32.4	22,921.20	707.44	6.4	6,599.88	1,031.23	15.0	13,699.08	913.27
Other Matters	35.0	21,952.60	627.22	4.2	2,715.93	646.65	8.0	5,144.13	643.02
Property	31.7	18,234.10	575.21	-	-	-	5.4	3,162.96	585.73
Public Relations	10.0	8,289.00	828.90	-	-	-	2.5	1,955.10	782.04
Statutory Reporting	187.5	96,145.50	512.78	58.9	30,720.06	521.56	139.3	82,530.41	592.47
Statutory Duties	211.0	102,153.00	484.14	104.1	69,902.28	671.49	239.6	144,970.34	605.05
VAT & Taxation	120.0	68,592.00	571.60	129.0	83,214.10	645.07	186.6	125,132.14	670.59
Total	1,298.6	696,070.80	536.02	541.4	327,503.85	604.92	1,258.7	754,962.99	599.80

Appendix 5

Muji Europe Holdings Limited (in Administration)

Statement of Work Completed in the Period and accumulatively during the Administration

Outlined in the table below is supporting narrative explanation as to the work undertaken during the Period and accumulatively during the Administration. This information is detailed on a category by category basis, aligned to the reporting of time costs in the table at Appendix 4.

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 to be completed	Work done / in progress / to be performed
Accounting & Administration	<i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i>	
	<ul style="list-style-type: none"> General administrative duties and overall management of the case, such as filing and maintaining the Joint Administrators' accounting records, statutory compliance diaries and time cost reporting Treasury and accounting functions e.g. opening bank accounts, preparing bank reconciliations, posting transactions 	<ul style="list-style-type: none"> Completed Completed
	<i>Certain tasks undertaken by the Accounting and Treasury Executives have a financial benefit to the creditors, including:</i>	<ul style="list-style-type: none"> Completed
Bank & Statutory Reporting	<i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors – including:</i> <ul style="list-style-type: none"> Investing of estate funds and maintaining cash controls Preparation and delivery of the Joint Administrators' proposals and delivery to creditors, members and Companies House Preparation of six-monthly progress report and delivery to creditors, members and Companies House Preparation of final progress report, in respect to finalising and concluding the Administration, and delivery to creditors, members and Companies House 	<ul style="list-style-type: none"> Completed Completed Completed

Creditors	<p><i>Tasks providing a direct benefit to creditors, to allow their claims to be submitted in the Administration for any potential future distribution of funds, including:</i></p> <ul style="list-style-type: none"> • Receipt and recording creditor claims • Corresponding with creditors and members and answering specific creditor/member queries in relation to the Administration • Adjudicating creditor claims received • Processing distributions to unsecured non-preferential creditors <p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p>	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed
Debtors	<ul style="list-style-type: none"> • Realising the book of debts of the Company • Pursuit of debtor collections from Franchisees • Intercompany deeds of release <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors as no employee claims expected in the Administration - including:</i></p>	<ul style="list-style-type: none"> • Completed • Completed • Completed
Employee matters	<ul style="list-style-type: none"> • Addressing residual employee issues arising after the transfer to the Purchaser • Tasks associated with the Company's pension scheme • Processing P11D and P45 information 	<ul style="list-style-type: none"> • Completed • Completed • Completed
Immediate Tasks	<p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors – including:</i></p> <ul style="list-style-type: none"> • Completion of workstreams requiring immediate attention following the appointment as required by statute, e.g. speaking with the Company's directors, issuing correspondence notifying of appointment, collating information and carrying out other initial activities to execute the strategy outlined in the Proposals. <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors – including:</i></p>	<ul style="list-style-type: none"> • Completed
Investigations	<ul style="list-style-type: none"> • Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders" • Preparation of the Joint Administrators' submission on the conduct of the directors under the Company Directors Disqualification Act 1986 <p><i>Tasks providing a direct benefit to creditors by preserving and realising value in the assets, including:</i></p>	<ul style="list-style-type: none"> • Completed • Completed
Job Acceptance & Strategy	<ul style="list-style-type: none"> • Matters relating to the appointment and initial planning of the administration strategy, including management of and formulating and executing the strategy adopted • Considering exit routes from Administration and implementing the most appropriate route 	<ul style="list-style-type: none"> • Completed • Completed

Legal Issues	<p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Obtaining legal advice during the Administration on live legal matters, on appointment matters, compliance with statutory duties and in respect of aspects relating to asset recoveries (where applicable) • Costs associated with the application to distribute dividend to unsecured – non preferential creditors in the Administration • Review of the Barclays security release • Dealing with any ad hoc legal issues <p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Recovery of the Company's physical books and records, and electronic records (including a back-up of the Company's servers and systems) <p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Liaising with the landlord of the Company's head office in respect of the licence to occupy and other matters • Correspondence with the Landlord and Business Rating authority • Lease assignment to Purchaser. <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i></p> <p>Agreeing and issuing statements to the press as required in pursuit of the strategy</p>	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed • Completed • Completed • Completed
Other Matters	<p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Recovery of the Company's physical books and records, and electronic records (including a back-up of the Company's servers and systems) <p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Liaising with the landlord of the Company's head office in respect of the licence to occupy and other matters • Correspondence with the Landlord and Business Rating authority • Lease assignment to Purchaser. <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i></p> <p>Agreeing and issuing statements to the press as required in pursuit of the strategy</p>	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed
Property	<p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Liaising with the landlord of the Company's head office in respect of the licence to occupy and other matters • Correspondence with the Landlord and Business Rating authority • Lease assignment to Purchaser. <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i></p> <p>Agreeing and issuing statements to the press as required in pursuit of the strategy</p>	<ul style="list-style-type: none"> • Completed • Completed • Completed
Public Relations	<p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Liaising with the landlord of the Company's head office in respect of the licence to occupy and other matters • Correspondence with the Landlord and Business Rating authority • Lease assignment to Purchaser. <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i></p> <p>Agreeing and issuing statements to the press as required in pursuit of the strategy</p>	<ul style="list-style-type: none"> • Completed
Sale of Business	<p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Sale of business and assets of the Company in pursuance with the Joint Administrators' objectives • Liaising with the Purchaser and its advisors and relevant suppliers in relation to transitional arrangements • Assisting MEL with the completion of the sale of the Italian Shares which formed part of the original Transaction <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i></p> <ul style="list-style-type: none"> • Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, and sending to creditors and filing at Companies House • Requesting and obtaining the Statement of Affairs from the Directors of the Company <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors – including:</i></p> <ul style="list-style-type: none"> • Preparation and delivery of the Joint Administrators' proposals and delivery to creditors, members and Companies House • Preparation of six-monthly progress reports and delivery to creditors, members and Companies House 	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed • Completed • Completed
Statutory Duties	<p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Sale of business and assets of the Company in pursuance with the Joint Administrators' objectives • Liaising with the Purchaser and its advisors and relevant suppliers in relation to transitional arrangements • Assisting MEL with the completion of the sale of the Italian Shares which formed part of the original Transaction <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i></p> <ul style="list-style-type: none"> • Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, and sending to creditors and filing at Companies House • Requesting and obtaining the Statement of Affairs from the Directors of the Company <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors – including:</i></p> <ul style="list-style-type: none"> • Preparation and delivery of the Joint Administrators' proposals and delivery to creditors, members and Companies House • Preparation of six-monthly progress reports and delivery to creditors, members and Companies House 	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed • Completed
Statutory Reporting	<p><i>Tasks providing a direct benefit to creditors by preserving and realising value from the assets, including:</i></p> <ul style="list-style-type: none"> • Sale of business and assets of the Company in pursuance with the Joint Administrators' objectives • Liaising with the Purchaser and its advisors and relevant suppliers in relation to transitional arrangements • Assisting MEL with the completion of the sale of the Italian Shares which formed part of the original Transaction <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors - including:</i></p> <ul style="list-style-type: none"> • Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, and sending to creditors and filing at Companies House • Requesting and obtaining the Statement of Affairs from the Directors of the Company <p><i>Tasks required by legislation and professional best practice – no direct financial benefit to creditors – including:</i></p> <ul style="list-style-type: none"> • Preparation and delivery of the Joint Administrators' proposals and delivery to creditors, members and Companies House • Preparation of six-monthly progress reports and delivery to creditors, members and Companies House 	<ul style="list-style-type: none"> • Completed • Completed

	<ul style="list-style-type: none"> • Preparation of final progress reports, in respect to finalising and concluding the Administration, and delivery to creditors, members and Companies House 	<ul style="list-style-type: none"> • Completed
VAT & Taxation	<p><i>Tasks providing a direct benefit to creditors by establishing the tax position on appointment, including the recoverability of any pre appointment tax balances, including:</i></p> <ul style="list-style-type: none"> • Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists. • Responding to HMRC's investigations into the Company's transfer pricing policy • Submitting relevant notifications to HMRC • Assessment of the VAT and tax treatments of transactions and agreements entered into during the Administration 	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed

Muji Europe Holdings Limited (in Administration)

Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

Joint Administrators' charging policy for remuneration

The Joint Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

Administrators' charging policy for expenses

Statement of Insolvency Practice No. 9 divides expenses into two categories:

- ▶ Category 1 expenses are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.
- ▶ Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 expenses before they are drawn.

