

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House



A18

AB110PJN

01/04/2022

COMPANIES HOUSE

#83

1 Company details

Company number 0 0 2 3 7 5 1 1

Company name in full AGL Realisations Limited (formerly Arcadia Group
Limited)

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice, the Business and Property

Courts of England & Wales

Court case number C R - 2 0 2 0 - 0 0 4 3 8 5

3 Administrator's name

Full forename(s) Matthew David

Surname Smith

4 Administrator's address

Building name/number 60 St Martin's Lane

Street London

Post town WC2N 4JS

County/Region

Postcode

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ^①

Full forename(s) Daniel Francis

Surname Butters

① Other administrator

Use this section to tell us about another administrator.

6 Administrator's address ^②

Building name/number 60 St Martin's Lane

Street London

Post town WC2N 4JS

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s) The

Surname Court

8 Proposed liquidator's name

Full forename(s) Matthew David

Surname Smith

Insolvency practitioner number 0 0 9 6 4 0

9 Proposed liquidator's address

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

FORENAME

DANIEL FRANCIS

SURNAME

BUTTERS

IP No:

009242

BUILDING

156 GREAT CHARLES STREET

STREET

QUEENSWAY

POST TOWN

BIRMINGHAM

POST CODE

B3 3HN

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name ^①

Full forename(s) Robert Scott

Surname Fishman

Insolvency practitioner number 0 2 4 8 9 4

① Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address ^②

Building name/number 156 Great Charles Street

Street Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

② Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date d 3 0 m 1 1 y 2 0 y 2 1

To date d 2 9 m 0 3 y 2 0 y 2 2

13 Final progress report☒ I have attached a copy of the final progress report.**14 Sign and date**

Administrator's signature

Signature

X



X

Signature date d 3 1 m 0 3 y 2 0 y 2 2

AM22

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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 Holly Savage

Company name Teneo Financial Advisory Ltd

Address 156 Great Charles Street
Queensway

Post town Birmingham

County/Region

Postcode B 3 3 H N

Country

DX

Telephone +44 121 619 0120



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 and dated 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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Robert Scott
Surname Fishman

3 Insolvency practitioner's address

Building name/number 60 St Martin's Lane
Street London
Post town WC2N 4JS
County/Region
Postcode
Country



The Global CEO Advisory Firm

Court Case No. CR-2020-004384
High Court of Justice, the Business and Property
Courts of England & Wales
Company Number: 00237511

Registered Office:
c/o Teneo Financial Advisory Limited
156 Great Charles Street
Queensway
Birmingham
B3 3HN

AGL Realisations Limited (in administration) **(formerly Arcadia Group Limited)** **(“AGL” or “the Company”)**






Final progress report to creditors pursuant to rules 18.6 and 3.53 of the Insolvency (England & Wales) Rules 2016 (“the Rules”).

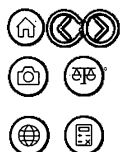
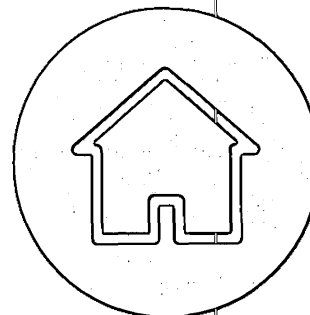
31 March 2022

Matthew David Smith, Daniel Francis Butters and Robert Scott Fishman (“the Joint Administrators”) were appointed Joint Administrators of AGL Realisations Limited (formerly Arcadia Group Limited) on 30 November 2020 by the High Court of Justice. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Teneo Financial Advisory Limited (“Teneo”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by any of them jointly and severally.

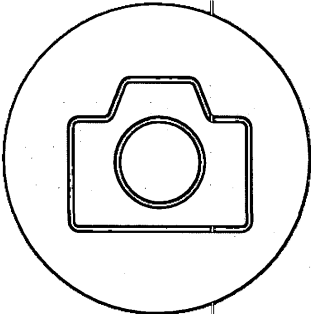
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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Key messages



Key messages

Joint Administrators of the Company

Matthew David Smith

Daniel Francis Butters

Robert Scott Fishman

Teneo Financial Advisory Limited

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email:
arcadiacreditors@teneo.com

www.ips-docs.com



Commentary	
Purpose of administration	<ul style="list-style-type: none">The purpose of the administration was to achieve a better result for the Company's creditors as a whole than a liquidation.
Achievement of the Joint Administrators' Proposals	<ul style="list-style-type: none">AGL was integral to the trading of the wider group (AGL and its subsidiaries, together "the Group"), as it:<ul style="list-style-type: none">employed the majority of the Group's employees;provided head office functions / shared services, including IT, Treasury, HR and operated the Group's distribution centres;operated cash pooling arrangements on behalf of a number of the trading subsidiaries; andcontracted / guaranteed certain key trading liabilities on behalf of the Group.Following the Joint Administrators' appointment, the Group was traded for five months until 30 April 2021. Trading ceased following the conclusion of the Transitional Services Agreement ("TSA") with companies owned by Boohoo.com UK Limited ("Boohoo"). A trading surplus of £1.2m was achieved (currently shown as £2.1m as a result of a pending intercompany reallocation). Please see page 8 and 15 for further details.Furlough claims of c.£7.0m were made from the UK Government for group employees' wages during the trading period.Since the date of our appointment, all of the Group's trading brands have been sold, with AGL receiving proceeds totalling c.£15m for its ownership percentage of some of these sale proceeds. See page 7 for further details.The Long Eaton property was sold in the last report period for £150k. We have now received the sales proceeds during the report period. We have exchanged contracts for the Hartlepool property for a price of £650k with the sale expected to complete in the subsequent Creditors' Voluntary Liquidation ("CVL").All leasehold sites occupied by AGL have now been vacated. Associated fixtures and fittings have been realised for c.£1.4m and keys have been returned to landlords.Head office functions and shared services have been fully decommissioned following the end of the Boohoo TSA.Funds totalling £184m were distributed to the secured creditors. See page 18 for further details.Agreed preferential creditor claims totalling c.£1.9m were paid in full. Further details can be found on page 19.Further details of the work done during the period of the administration can be found on pages 7 to 9.
Costs	<ul style="list-style-type: none">Our fee basis was fixed on a time costs basis.We have incurred total time costs of £10.6m. We have drawn fees of £4.5m plus VAT to date. Please see page 21 for further details.Category 1 third party costs and expenses (being legal and agents fees) of c.£0.4m have been incurred since our last report. Please refer to pages 10 to 12 for details of the total costs.Category 2 expenses have been incurred since our last report, these are included within our total time costs on page 21. Please refer to page 23 for details.

Key messages

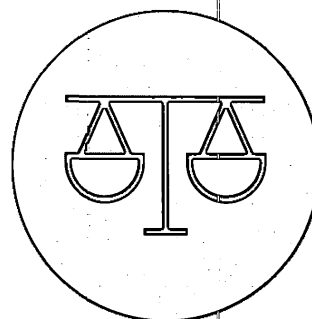


Commentary	
Outcome for creditors	<ul style="list-style-type: none"> • Secured creditors: were paid as follows; <ul style="list-style-type: none"> - <i>Arcadia Group Pension Trust Limited ("the Pension Trust")</i> - £184m out of the Pension Trust's £185m fixed charge security over the Vendor Loan Note ("VLN") owed by Top Shop/Top Man Limited was paid to the Pension Trust from the administration estate of AGL in a previous reporting period. The remaining £1m was paid from the proceeds of the sale of Redcastle 214 Ltd (a subsidiary entity and cross-guarantor of the £185m secured claim). Separately, the Pension Trust has received a c.£6.5m distribution from its second charge security over Tottenham Court Road freehold property (held in Redcastle (TCR) Limited). The remaining element of the Pension Trust's debt is unsecured and thus will not be paid in full. The Pension Trust will be able to rank as an unsecured creditor in respect of any shortfall, and dividends made in respect of the unsecured element of its claim will be paid in line with those paid to other unsecured creditors. - <i>Oaknorth Bank plc ("Oaknorth")</i> – Oaknorth has a fixed charge over AGL's 53% share in Greese Street Limited ("GSL"), a solvent company which owns a property at Gresse Street, London. On appointment, the balance outstanding was £1.7m. On 29 March 2022, contracts were exchanged for the sale of the shares in GSL which will result in the Oaknorth debt being paid in full by GSL. - <i>HSBC Bank Plc ("HSBC")</i> – A fixed charge over certain cash deposits dated 16 April 2019 had been granted in favour of HSBC. As at 30 November 2020, £9.4m of cash deposits were held by HSBC in respect of claims with a maximum liability of £9.1m (i.e. HSBC has no residual claim in the Company). During the period, £5.7m was received from HSBC in respect of these letters of credit. - HSBC also benefitted from fixed charges relating to security over the freehold property at Tottenham Court Road, London, held in Redcastle (TCR) Limited (HSBC also holds security over shares in this entity). The amount outstanding as at 30 November 2020 was £55.3m (£55.0m plus interest and legal fees). Following the sale of the property on 22 December 2020, the amounts outstanding to HSBC under this charge have been repaid in full by Redcastle (TCR) Limited and the security is in the process of being released. - <i>Bank of Scotland plc ("BOS") (as security agent)</i> - BOS has fixed charges over certain properties in other group entities (Redcastle Freeholds Limited, Redcastle TSTM Limited and Redcastle Ltd) all of which have guaranteed a £61.2m debt in Taveta Investments (No.2) Limited in relation to a revolving credit facility, for which AGL is also a guarantor. This debt was repaid in full in August 2021 from the proceeds of the various property sales within other Group entities. As all Group entities are guarantors of the BOS facility, these entities may then have contributory claims against one another, including AGL. - Please see page 18 for further details. • Preferential creditors: We have agreed and paid all preferential claims received in full. Please see page 19 for further details. • Secondary Preferential creditors: There are no Secondary Preferential Creditors. • Unsecured creditors: It is likely there will be a distribution for unsecured creditors estimated to be between 10p to 15p in the £. The actual dividend payable will depend on final asset realisations and the level of creditor claims ultimately received. A dividend will be paid to the unsecured creditors once the Company has moved into CVL. Please see page 19 for further details.
Extension and end of the administration period	<ul style="list-style-type: none"> • The period of the administration was extended for a total of twelve months to enable progression of asset realisations and to allow time to move the Company into CVL. This final report has been prepared to enable the Company to move from administration into CVL. Please refer to page 19 for further details.



Summary Proposals

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Receipts and Payments account	14



Summary of the Joint Administrators' Proposals

The Joint Administrators' Proposals

Our Proposals for the administration were:

- continuing to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses;
- assessing the affairs of the Company and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Company or its management;
- agreement of the claims of any secured, preferential and unsecured creditors against the Company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application;
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration; and
- that, if the Company is to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Specific approval from the appropriate body was sought to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses.

We have applied to Court to agree our discharge on conclusion of the administration. We expect this to be granted during the subsequent CVL.



Summary Proposals

Steps Taken



The Joint Administrators' Proposals

Our Proposals were approved by the creditors of the Company by deemed consent on 8 February 2021.

Background

AGL was integral to the trading of the Group. The Group operated the Topshop, Topman, Dorothy Perkins, Burton, Wallis, Evans, Miss Selfridge and Outfit retail brands, along with associated centralised functions (many of which were undertaken by AGL).

The Group operated from over 400 stores, plus concessions, across the eight brands and employed c.13,000 employees. The Group also operated digital sales operations that were supported by three distribution centres.

The Joint Administrators ("We") were appointed over 27 UK companies in the Group (see page 8 of the Joint Administrators' Proposals for further details), together the "Administration Companies".

Steps taken during the administration

We summarise briefly opposite and at pages 8 to 9 the key areas of progress made and material asset realisations since our appointment as Joint Administrators, however for full details please refer to our previous reports.

Extension to the administration

The administration was extended for a period of twelve months by the Company's creditors on 27 October 2021 by deemed consent in order to:

- Finalise the trading position and settle outstanding supplier balances;
- Complete the reallocation of costs between the Company and trading entities;
- Pay the preferential creditors;
- Decommission IT systems and the data centre; and
- Complete tax and VAT work prior to move to CVL in order to pay distributions to the creditors of the Company.

Directions were sought from the Court with regards to the extension process and, on 10 March 2022, the Court confirmed that the Company's administration had been validly extended for a period of one year until 29 November 2022.

Distributions to creditors

During the report period, we have paid the Company's preferential creditors in full. Please see page 19 for further details.

Asset Realisations

Intellectual Property (Sale of Businesses)

The Group's brands were marketed for sale (as a whole, as sub-groups or as individual brands) through a wide-reaching accelerated M&A process. The following sales were achieved:-

- The operations of Evans were sold to City Chic Collective UK Limited ("City Chic") on 23 December 2020 for a value of £23.1m
- The operations of Topshop, Topman & Miss Selfridge were sold to ASOS.com Limited ("ASOS") for a value of £295m.
- The operations of Dorothy Perkins, Burton and Wallis were sold to Boohoo for £25.2m

The majority of these sale proceeds was paid to the estates of the various operating companies, which owned the underlying assets / businesses, but AGL received c.£15m in respect of assets that it owned which formed part of these sales as shown in our receipts and payments account at page 15.

Please refer to our previous reports for further detail.

Post disposal obligations and TSAs

AGL's support services (including IT, HR, Treasury and operation of the distribution centres) were required to collect and deliver the Topshop, Topman and Miss Selfridge stock purchased by ASOS.

Immediately following the sales to Boohoo and City Chic, the Joint Administrators entered into TSAs to continue to operate e-commerce platforms, distribution centres and associated IT platforms on their behalf as well as to facilitate the transfer of systems, assets and stock.

The City Chic TSA concluded on 31 March 2021 and Boohoo TSA on 30 April 2021, and we have now concluded our reconciliation of the final position and raised appropriate recharges to both City Chic and Boohoo of c.£3.7m and c.£27m respectively. Details of the funds received following the outcome of these reconciliations is found on the receipts and payments account on pages 14 and 15.

Summary Proposals

Steps Taken



Trading costs re-allocation and operating company receipts

AGL acted as a shared service centre and cash pool for the Group's trading activities (excluding the Topshop and Topman brands in the case of cash pooling). As the provider of head office functions and central / shared services (including IT and operating the distribution centres), AGL incurred a wide range of costs during the administration period on behalf of subsidiary trading companies. A reconciliation exercise has been completed to reallocate trading costs to the correct entity.

Details of the transactions relating to the trading receipts and payments account can be found on page 14.

The outcome of the trading period was an overall surplus to the administration estate in the amount of £1,167k (currently showing as £2,050k as a result of pending reallocations which will be completed during the CVL). There was a further direct financial benefit to creditors from trading by allowing the sales of businesses to complete, thus benefitting from part of the sale proceeds and minimising employee claims in the administration.

Freehold properties

As previously advised, AGL owned two freehold properties (retail stores), in Hartlepool and Long Eaton. The Long Eaton property was sold in the last report period for £150k. We have now received the sales proceeds.

We instructed Gooch Cunliffe & Whale ("GCW") to undertake a full marketing campaign for the Hartlepool property which is now under offer. The property was exchanged at auction for £650k and is expected to complete in the subsequent CVL. Shoosmiths is acting as our legal adviser on the transaction. Deloitte Real Estate has been working alongside the Joint Administrators to complete the sales of these assets.

Intangible assets

As previously reported, AGL owned many of the domain names and websites for the trading brands. The sale of these assets concluded in conjunction with the sale of business processes as discussed in our earlier reports.

AGL also owned domains and trademarks relating to the Arcadia and Outfit brands, which were not part of the business sales and are currently being separately marketed for sale.

Hilco Streambank was engaged to review other IT assets such as software licences and Microsoft licenses. A sale process to realise value from these IT assets was concluded and £31k was realised during the period of the administration.

Rates refunds - pre-appointment overpayments recovery

Hilco Profit Recovery were engaged to perform a property review to recover any historical overpayments of business rates from billing authorities.

GL Hearn were instructed to act in appeals against rating assessments, whereby a review of pre-appointment expenditure was conducted to identify overcharges that may be due.

As a result of the reconciliation process across Group entities, £646k of rates refunds (c.£123k during the period) were reallocated to other entities. AGL has realised £186k as shown in the receipts and payments account on page 15. We will continue to seek to maximise realisations from this source in the subsequent CVL.

Trade debtors and other debtors

Since appointment, a total of c.£9.3m has been realised in respect of various types of debtors, including balances held by merchant service providers, an unsecured dividend received from SHB Realisations Limited (formerly BHS Limited) and Covid Job Retention Scheme ("CJRS") debtors.

Cash at bank

During the report period, a further c.£5.7m has been realised from accounts linked to letters of credit, bringing total cash at bank realisations to c.£9.3m to date. Updates will be provided in future liquidation reports.

Chattel assets – fixtures and fittings

Funds totalling £1.4m have been realised in respect of sales of the Company's fixtures and fittings chattel assets since appointment.

Motor vehicles

During the report period and also for the period of the administration appointment, we have realised £329k in respect of sales of motor vehicles.

Bank interest

Amounts accrued on funds held in the administration bank accounts during the report period total c.£1k, bringing total realisations to c.£4k.

Subsidiary dividend

Since appointment, £0.8m was received in respect of a dividend declared and paid from one of the Company's subsidiaries, AG Insurance Company Limited.

Summary Proposals

Steps Taken



Vendor loan note

At the date of appointment, AGL was owed £327.6m by Topshop/Topman Limited ("TSTM") in relation to a vendor loan note ("VLN") entered into on 5 December 2012. This was secured by fixed and floating charges provided by TSTM in favour of AGL.

Following the sale of the digital and wholesale trading operations of the Topshop, Topman and Miss Selfridge businesses to ASOS on 1 February 2021, £184.0m of this VLN has been recovered to date. Of this, £173.4m related to fixed charge recoveries and £10.6m relate to floating charge recoveries. The total realisation of £184.0m has been distributed to the Pension Trust which has fixed and floating charge security (capped at £185.0m) over the proceeds of the AGL vendor loan notes.

Leasehold properties

As previously reported, we have been unable to realise any value in AGL's leasehold property portfolio. This position is unchanged and no realisations are expected.

Sundry refunds

During the period refunds of £5.1k have been received in relation to utility overpayments and a refund from employment tribunal services, both relating to the pre administration period.

Investigations

No further avenues of recovery were identified as result of our investigations.

Statutory tasks

During the period of our appointment we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management, including updating the insolvency creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting including the preparation of the Proposals and previous progress reports;
- Appointment notifications;
- Correspondence;
- CDDA reporting;
- Case reviews;

Statutory tasks continued

- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts;
- Interaction with HM Revenue & Customs ("HMRC") in respect of VAT and Corporation Tax matters;
- Administration extension; and
- Closing preparation.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Unrealised assets

Please find below summary of identified unrealised assets that we will seek to realise in the subsequent CVL:

- The balance of the £327m receivable due under the Vendor Loan Note from TSTM;
- The sale of a remaining freehold property site in Hartlepool;
- Any surplus cash available following release of the HSBC security;
- Recoveries from intercompany loans to subsidiary Group entities (dependent on recoveries available from these entities);
- Recoveries from trade and non trade debtors;
- Recoveries from equity distributions made by subsidiary entities; and
- Completion of the freehold property sale held in Gresse Street Limited, a subsidiary of AGL.

Summary Proposals Costs



Third party costs incurred during the report period

Joint Administrators' – Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

Please see below and on the following pages for details of Category 1 expenses incurred during the report period and a summary of all Category 1 expenses (legal and agent fees) incurred since our appointment (in the below and on the following page) and the position with regard thereto:

Legal Costs

Freshfields Bruckhaus Deringer LLP ("Freshfields")

Freshfields are the principal legal advisor for the Company and the Joint Administrators. Their workstreams to date include, but are not limited to, procedural appointment preparation and formalities, general insolvency advice and advice on matters including employees, pensions, sale of business, properties, stock, contracts and litigation.

Freshfields' discounted costs incurred in AGL for the report period total £362k (exclusive of VAT).

Freshfields have been paid discounted costs of £487k during the period and £3,044k (both exclusive of VAT) during the administration.

Unbilled discounted Work In Progress ("WIP") amounts to £94k (exclusive of VAT) and is subject to review before billing.

Future costs will be dependent on the level of legal advice and support required in the subsequent CVL.

DLA Piper UK LLP ("DLA")

DLA work included correspondence with landlord, leasehold surrenders in the Republic of Ireland, other related matters and assistance with creditor claims in Italy.

DLA have incurred costs of £12k during the report period. Of which £6k remains unpaid.

A total of £23k (excluding VAT) has been paid to DLA during the administration.

Future costs will be dependent on the level of legal advice and support required in the subsequent CVL.

Gateley Plc ("Gateleys")

Gateleys were instructed to deal with correspondence for a particular matter involving employments tribunals. They have incurred £3k (exclusive of VAT) which has been paid during the report period.

Littleton Chambers ("Littletons")

Littletons were engaged through Freshfields and are assisting with employment tribunal claims alongside Gateleys.

During the report period they have incurred £1k which brings their total costs to £18k (both exclusive of VAT), which remain unpaid.

Aleman, Cordero, Galindo & Lee Trust ("Alcogal")

Alcogal has provided legal services in relation to franchise tax and representation.

They have incurred and been paid £1k (excluding VAT) during the report period and during the administration.

Belastingdienst Apeldoorn ("BA")

BA are a legal firm based in the Netherlands who have been instructed to assist the Joint Administrators in relation to Dutch Tax matters.

They have incurred and been paid £1k (exclusive of VAT) during the report period and during the administration.

Intertrust Fiduciary Services (Jersey) Limited ("Intertrust Jersey")

Intertrust Jersey have been instructed to assist with advice on tax filings for a solvent group entity (based in Jersey).

They have incurred and been paid £6k (exclusive of VAT) during the report period and during the administration.

Burness Paul ("BP")

BP were instructed to assist in relation to Scottish property matters. In respect of this work, BP have incurred and been paid £6k (exclusive of VAT) during the report period and during the administration.

Mishcon De Reya ("MDR")

We sought and received advice from MDR in order to complete a sale of the Intellectual Property. Their costs of £30k (plus VAT) have been paid during the period, although these costs were incurred in the prior report period.

Summary Proposals Costs

Third party costs incurred during the report period

Legal costs continued

A summary of costs paid in the period and to date can be found below.

£k (net)	Costs incurred	O/S WIP	Period Paid	Total Paid
Freshfields				
Costs incurred during the previous period	2,806	-	-	-
Costs incurred during the period	362	-	-	-
Billed costs	-	-	487	3,044
Outstanding WIP	-	94	-	-
Freshfields pre-appointment fees (see page 14)	25	-	-	25
DLA				
Costs incurred during the previous period - £	7	-	-	-
Costs incurred during the previous period - € cor	10	-	-	-
Costs incurred during the period	12	-	-	-
Billed costs	-	-	23	23
Outstanding WIP	-	6	-	-
Gateley				
Costs incurred during the previous period	3	-	-	-
Billed costs	-	-	3	3
Outstanding WIP	-	-	-	-
Littletons				
Costs incurred during the previous period	17	-	-	-
Costs incurred during the period	1	-	-	-
Outstanding WIP	-	18	-	-
Costs incurred and paid during the period				
Aleman, Cordero, Galindo & Lee Trust	1	-	1	1
Belastingdienst Apeldoorn	1	-	1	1
Intertrust Fiduciary Services (Jersey) Limited	6	-	6	6
Burness Paull	6	-	6	6
Mishcon De Reya	30	-	30	30
Costs incurred and paid during the previous periods				
Appleby G, J and IOM	-	-	-	11
A&O	-	-	-	70
Total Floating Charge Legal Costs	3,287	118	557	3,219
Teacher Stern - Fixed Charge Legal Costs	6	-	-	6



Summary
Proposals
Costs

Third party costs incurred during the report period

Professional costs- Agents' costs

Hilco Valuation Services ("Hilco Val")

- Hilco Val were instructed to provide advice on valuation of both stock and chattels of the Group and assisted in the realisation of chattels and fixed assets.
- During the period £258k (exclusive of VAT) has been incurred by and paid to Hilco Val bringing total amounts paid to Hilco Val to £330k (exclusive of VAT), relating to commission on the sale of assets.

Lambert Smith Hampton ("LSH")

- LSH was instructed to provide valuation advice for the freehold property in Hartlepool held in AGL.
- LSH billed £2k (exclusive of VAT) which has been paid.

Jackson Criss ("JC")

- JC acted as agents for the sale of the freehold property at Long Eaton, for which they incurred £5k (exclusive of VAT) which was paid in the previous period.

£k (net)	O/S WIP	Period Paid	Total Paid
Hilco Val	-	258	330
LSH	-	2	2
Total Floating Charge Agents Costs	-	260	332
JC	-	-	5
Total Fixed Charge Agents Costs	-	-	5

* Whilst £260k was paid during the period, £260k was also reallocated from TSTM to AGL, accordingly the agents fees in the receipts and payments account appear to be minimal.

Category 1 Expenses - Disbursements

Category 1 expenses, categorised as disbursements, are Payments to third parties which are initially met by us and the reimbursed to us out of the estate when funds become available, and for which no approval is required. These are summarised in the table below;

Category 1 disbursements				
£ (net)	Estimate	Incurred in previous periods	Incurred in current period	Paid
Auto / Taxi	600	447	-	447
Meals	1,500	1,126	-	869
Printing & Copying	55,000	34,681	-	34,681
Mailing Incurred	25,000	15,425	-	15,425
Train	500	143	-	143
Advertising costs (Isle of Man)	900	288	-	288
Specific Penalty Bond	230	230	-	230
TV Licence	158	158	-	158
Defibrillator battery replacement	286	286	-	286
IT software	5,400	5,400	-	5,400
Legal Fees	-	2,573	-	2,559
Total	89,573	60,756	-	60,485

Joint Administrators' – Category 2 Expenses

These are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses required creditor approval in the same manner as our remuneration. Please refer to page 23 for further information.



Summary Proposals

Pre-administration costs

Pre administration costs

We included the following statement of pre-administration costs in our Proposals:

Pre-administration administrators' costs

In the following paragraphs we have provided an explanation of the work carried out by us in the period prior to the administration and which was carried out with the intention of achieving the objective of the administration, i.e. to achieve a better result for AGL's creditors as a whole than a liquidation and includes, but is not limited to:

- Planning for the administration and administration strategy;
- Gathering company information in preparation for trading on day one;
- Planning and arranging staffing;
- Identifying key suppliers;
- Gathering information in preparation for immediate post appointment statutory notifications;
- Liaison with the Pension Trust, and key stakeholders;
- Consultation with BOS and HSBC Bank Plc as secured creditors; and
- Preparation for, and facilitation of continuation of shared services in AGL.

This work was performed before the Company went into administration in order to ensure continuity of trading post appointment, to protect the value in the Group's businesses.

These costs set out in this column and opposite (other than certain costs incurred by A&O, where indicated) were all incurred on work undertaken to implement the administration strategy and statutory purpose.

In relation to this work our time costs were £757,806. During the report period, we have billed £530,464 in respect of this work.

Pre-administration legal costs

Freshfields

Freshfields were instructed to assist in planning for the administration and to undertake formalities of the administration appointments in relation to the Company and the wider-Group, including but not limited to: drafting and preparation of Court documents and notices; Court attendance; and advice on timings and procedural aspects of appointments.

In respect of this work, Freshfields incurred £24,925 (excluding VAT) in each of the Administration Companies.

The Court ordered that these costs plus expenses of £3,425 (exclusive of VAT) to be paid as an expense of the administration.

Freshfields were also instructed to advise on operational matters in order to facilitate continuity of trading post appointment, including but not limited to:

- Employment matters;
- Rent and Day 1 landlord letters;
- Retention of title;
- Review of letters of credit / financing arrangements;
- TSAs and non disclosure agreements;
- Ransom suppliers; and
- Advice in relation to the Pension Schemes and UK pensions stakeholders.

In respect of this work, Freshfields incurred £189,546 of time costs (after discount and excluding VAT) this was paid during the report period.

The costs outlined above and opposite were all incurred on work undertaken to implement the administration strategy and statutory purpose.

A&O

A&O were instructed to assist with planning for the administration, in relation to security review matters. In respect of this work, A&O incurred c.£75k plus VAT of pre-administration time costs in AGL, the breakdown of which was awaited at the time of the Proposals.

In accordance with the administration Court order, £10k of this amount has now been paid as an expense of the administration. The balance (c.£65k) related to pre-administration financing advice to AGL and did not relate to work undertaken with a view to placing AGL into administration. The balance will therefore rank as an unsecured creditor in the administration.

Approval and payment of unpaid pre-administration costs

These costs have now been approved by a decision of the unsecured creditors on 6 December 2021, any unpaid costs will be drawn as and when funds permit in the subsequent CVL.



Summary Proposals Receipts and payments

AGL is not a trading entity and acts as a shared service centre and cash pool for the group.

AGL Realisations Limited - In Administration Joint Administrators' Receipts and Payments Account 30 November 2021 to 29 March 2022

£	Notes	SoA	Period	To date
Trading Receipts				
Opco Sales and Debtors	1		515,952	92,478,994
Other Income			1,768	1,115,101
CJRS Claims			-	7,533,887
TSA Fees	2		463,624	25,383,548
ASOS Contribution to Costs	3		1,171,006	1,181,006
Rent			78,057	388,992
Intercompany Receipts Reallocation	4		(516,929)	(100,007,739)
Intercompany Funding:				
Wallis Retail Limited			-	3,000,000
Burton Trading Limited			-	2,000,000
Evans Retail Limited			-	1,500,000
Miss Selfridge Retail Limited			-	1,500,000
Dorothy Perkins Retail Limited			-	7,000,000
Total Trading Receipts			1,714,478	43,073,790
Trading Payments				
Refund of CJRS Over payment	5		(293,126)	(293,126)
Merchant Service Provider Fees			-	(1,065,663)
Merchandise/Stock Purchases			-	(18,112,503)
Concession Stock			-	(3,816,033)
Freight Forwarders			(36,305)	(3,533,828)
Employee Costs (inc. NI, PAYE and Other Related Expenses)			11,511	(61,755,819)
Consumable Stores			-	(895,365)
Indirect Labour			(1,259)	(5,583,013)
Rents			(56,626)	(6,436,385)
Rates			(3,515)	(9,123)
Heat & Light			(13,157)	(1,480,241)
Telephone			-	(3,515,052)
Carriage			-	(15,886,267)
Insurance			(5,790)	(2,026,966)
Professional Fees			(650)	(616,067)
Customs VAT/Duty			-	(4,019,869)
Hire of Equipment			(86,139)	(324,311)
Property Repairs & Maintenance			(32,669)	(1,268,236)
Advertising			(24,717)	(3,870,836)
Stationery			-	(145,473)
Service Charge			(67,213)	(1,132,581)
Own Site Digital Brand Costs			(840)	(4,424,836)
Central Costs			(5,687)	(7,103,256)
Central Costs - Other			-	(51,670)
Finance and Admin Services			-	(511,601)
Haulage			-	(1,741,473)
Warehouse Services			-	(893,306)
Pre Appointment Pensions/3rd Party			-	(919,835)
Other Sundry Expenses			(7,233)	(221,695)
Intercompany Payments Reallocation	4		247,142	150,762,453
TSA Costs	2		(463,625)	(25,131,414)
Intercompany Funding:				
Wallis Retail Limited			-	(3,000,000)
Burton Trading Limited			-	(2,000,000)
Evans Retail Limited			-	(1,500,000)
Miss Selfridge Retail Limited			-	(1,500,000)
Dorothy Perkins Retail Limited			-	(7,000,000)
Total Trading Payments			(839,898)	(41,023,389)
Trading Surplus	5			2,050,400

Notes to trading account

The trading account shown in the column opposite has been prepared on a cash basis. All trading accounts have now been reconciled and as can be seen.

Two receipts have been received and one payment made since the reconciliation which will be paid to the correct entity once the Company has moved to CVL.

After these receipts are repaid and payments made, there is an overall trading surplus of £1.2m.

The Company is a non trading entity and only acted as the Group treasury function. Notes to the trading account are shown on the next page.



Summary Proposals

AGL Realisations Limited - In Administration Joint Administrators' Receipts and Payments Account 30 November 2021 to 29 March 2022

£	Notes	SoA	Period	To date
Fixed Charge Receipts				
Property (Hartlepool Store)		170,000	-	150,000
Long Leasehold		500,000	-	-
Vendor Loan Notes (TSTM Receivable)		200,000,000	-	173,400,000
Total Fixed Charge Receipts		200,670,000	-	173,550,000
Fixed Charge Payments				
EPC Costs		-	-	(1,890)
Rent Apportionment		-	-	(3,791)
Legal Fees and Disbursements		-	-	(5,813)
Agents/Valuers Fees		-	-	(5,000)
Distribution to Fixed Charge Holder		-	-	(173,400,000)
Total Fixed Charge Payments		-	-	(173,416,494)
Fixed Charge Balance in Hand				133,506
Floating Charge Receipts				
Trading Surplus			874,580	2,050,400
Vendor Loan Notes (TSTM Receivable)	127,562,000	-	-	10,800,000
Sale of Business - Intangibles:				
ASOS	-	-	-	9,500,003
City Chic	-	-	-	5,000,000
Other	-	-	-	3
Stock	23,000	-	-	-
Trade Debtors	583,000	-	-	1,776,123
Other Debtors	14,464,000	-	-	1,000,000
Transfer from CVA	-	-	103	7,020,378
Amounts Due from Group Undertakings	703,000	-	-	122
Cash at Bank at Appointment	5,440,000	5,731,805	9,339,697	
Fixtures & Fittings	100,000	-	-	1,383,746
Motor Vehicles	-	329,388	329,732	
Software Licences	-	-	-	30,500
Subsidiary Dividend	-	-	-	800,000
Bank Interest Gross	6	-	925	3,915
Monies Received in Error	-	63,700	140,095	
Rent Received on Behalf of Propcos	-	525	158,805	
Intercompany Receipts Reallocation	4	-	(1,125)	(158,805)
Debtor - CJRS Claims	-	-	-	6,533,670
Sundry Refunds	-	-	6,887	13,054
Rates Refunds	-	-	(122,899)	185,730
Insurance Refunds	-	-	-	128,259
Stock Receipts on Behalf of ASOS/Boohoo	-	-	-	265,617
Cash Held by Lawyers	-	-	-	94
Cash Received on Behalf of Boohoo	-	408,434	27,309,390	
Cash Received on Behalf of City Chic	-	23,100	3,739,640	
Total Floating Charge Receipts	148,875,000	7,315,422	87,150,170	

AGL Realisations Limited - In Administration Joint Administrators' Receipts and Payments Account 30 November 2021 to 29 March 2022

£	Notes	Period	To date
Floating Charge Payments			
Distribution to Floating Charge Holder		-	(10,600,000)
Joint Administrators' Fees	7	(4,497,364)	(4,497,364)
Joint Administrators' Expenses (Disbursements)	7	(112,298)	(112,298)
Joint Administrators' Pre Administration Fees	8	(530,464)	(530,464)
Agents/Valuers Fees *	9	(26)	(1,746,599)
Agents/Valuers Fees reallocated	9	(131,436)	1,413,992
Legal Fees	10	(556,743)	(3,219,371)
Legal Disbursements	10	-	(45,060)
Pre Appointment Legal Fees		(189,546)	(189,546)
Storage Costs		(1,794)	(18,177)
Postage & Redirection		(28,080)	(28,080)
Statutory Advertising	4	-	(945)
Intercompany Payments Reallocation		(114,323)	945
Return of Monies Received in Error		(61,900)	(135,957)
Repayment of Funds Received for ASOS/Boohoo		(172,513)	(265,617)
Pre Appointment Tax/NIC on CJRS Grant		-	(362,654)
Cash Paid to Boohoo		(1,227,657)	(27,309,390)
Cash Paid to City Chic		(215,893)	(3,739,640)
Distribution to Preferential Creditors		(1,906,968)	(1,906,968)
Total Floating Charge Payments		(9,747,006)	(53,293,194)
Floating Charge Balance in Hand			33,856,976
Balance			33,990,483
Made up of:			
Fixed Charge Non Interest Bearing Account	6		133,506
Floating Charge Non Interest Bearing Account	6		32,861,874
VAT Receivable/(Payable)	11		938,217
Legal Fees Paid on Behalf of AGC/RH/RF	12		56,885
Balance in Hand			33,990,483



Summary Proposals



A receipts and payments account together with a separate trading account is provided on the previous pages, detailing the transactions in the final period of the administration since our last report on 23 December 2021, and also summarising the transactions for the entire period of the administration.

In addition to the commentary provided earlier in this report, we set out below some additional information in respect of the transactions in the final period since our last report:

1. Opco Sales and Debtors: Receipts in respect of Dorothy Perkins, Burton, Wallis, Evans, Miss Selfridge and Outfit operating companies. As noted above c.£5.1k will be reallocated once the Company is in CVL.

2. TSA Fees inc. stock recharges and costs: Fees and costs received from City Chic and Boohoo in relation to their respective TSAs. We have now concluded our reconciliation of the final positions.

3. ASOS Contribution to Costs: Of this amount, £1,171k was received during the report period which will need to be reallocated to other Group entities.

4. Intercompany Receipts Reallocation: AGL is not a trading entity and acts as a shared service centre and cash pool for the group. We have largely concluded our reconciliation process (with the exception of two receipts and one payment noted above) and reallocated receipts and payments to the appropriate Group entities.

5. Trading Surplus: As mentioned at notes 1 and 3, there will be a reallocation of amounts to other Group entities, so the true trading surplus will be £1,167k.

6. Bank Interest: All funds are held in an interest-bearing account. The associated corporation tax on interest received will be accounted for to HMRC in due course.

7. Administrators' Fees and Expenses: During the report period, we have drawn fees of £4,497k and expenses of £112k. The expenses are made up of category 1 disbursements (£60k) and category 2 disbursements (£51k). All figures are exclusive of VAT. Please refer to pages 13 and 23 for further details.

8. Administrators' Pre appointment Fees: We have drawn pre appointment fees of £530k (excluding VAT) during the report period. Please refer to page 13 for further details.

9. Agents/Valuers Fees: The breakdown of costs incurred and paid amounting to £332k (excluding VAT) in respect of Agents Fees can be found on page 12.

10. Legal Fees and disbursements: The breakdown of costs incurred and paid in respect of Legal fees and disbursements can be found on page 10 and 11.

11. VAT: All sums shown on the prior pages are shown net of VAT, which is recoverable and has been and will be accounted for to HMRC in due course.

12. Legal fees paid on behalf of other companies: During the previous report period, AGL paid legal fees on behalf of three group companies, A.G. Clothing Limited, Redcastle (Holdings) Limited and Redcastle Finance Limited. Redcastle Finance Limited has repaid these funds to AGL, the remaining funds will be repaid to AGL as soon as possible in the subsequent CVL.

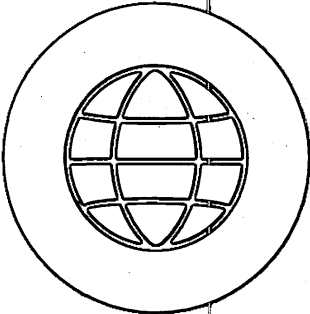
Rounding note: In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



Information for creditors

Outcome for creditors

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Information for creditors

Outcome for creditors



Secured creditors

At the date of our appointment, AGL's records show that the following security and amounts were outstanding to secured creditors:

Arcadia Group Pension Trust Limited

AGL has provided funding to TSTM, secured by the Vendor Loan Note ("VLN"), with approximately £327.6m outstanding as at the date of appointment.

TSTM and TS Properties (formerly Top Shop/Top Man Properties Limited) granted AGL a fixed and qualifying floating charge in respect of this VLN, registered at Companies House on 12 July 2012.

On 12 June 2019, AGL assigned part of this VLN security to the Pension Trust, in addition to a second charge over the property owned by Redcastle 214 Limited. The total value of this secured element of the Pension Schemes' deficit is capped at £185m. To date, £184m of this secured claim has been distributed to the Pension Trust. Of this balance, £173m was distributed from fixed charge assets in partial settlement of the Pension Trusts fixed charge security in the administration. The remaining £1m was paid from the proceeds of the sale of Redcastle 214 Ltd (a subsidiary entity over which the Pension Trust also holds a security).

In addition, the Pension Trust also benefits from a second charge over the freehold property at Tottenham Court Road, London, held in Redcastle (TCR) Limited which was capped at c.£25m and following the sale of the property on 22 December 2020, £6.5m was distributed to the Pension Trust.

It is currently unknown whether there will be any further distributions in relation to this security.

The balance of any monies owing to the Pension Trust will rank as an unsecured claim.

Oaknorth

A fixed charge dated 31 July 2020 over AGL's 53% share in GSL (a solvent company which owns a property at Gresse Street, London) was granted to Oaknorth.

The balance outstanding was £1.7m. GSL is jointly owned by a number of other retailers. On 29 March 2022, contracts were exchanged for the sale of the shares in GSL which will result in the Oaknorth debt being paid in full by GSL.

HSBC

A fixed charge over certain cash deposits dated 16 April 2019 was granted in favour of HSBC. As at 30 November 2020, £9.4m of cash deposits were held by HSBC to cover a potential liability of £9.1m.

We have received funds of £5.7m during the period which has finalised the position.

HSBC also benefits from fixed charges relating to security over the freehold property at Tottenham Court Road, London, held in Redcastle (TCR) Limited (HSBC also holds security over shares in this entity). The amount outstanding as at 30 November 2020 was £55.3m (£55m plus interest and legal fees).

Following the sale of the property at Tottenham Court Road on 22 December 2020, the amounts outstanding to HSBC under this charge have been repaid in full from the property sale proceeds, as outlined above, and the security is in the process of being released.

As HSBC have been repaid in full from the property sale proceeds, the cash deposit balances are not subject to any fixed charges and have therefore been categorised as floating charge assets.

BOS as security agent

BOS has fixed charges over certain properties across the Group to secure a £61.2m debt in Taveta Investments (No.2) Limited in relation to a revolving credit facility, for which AGL is a guarantor. The other security provided is also to guarantee this facility.

This debt has been repaid in full through proceeds of the sale of secured properties by other Group entities who have also guaranteed this facility (Redcastle Freeholds Limited, Redcastle Ltd and Redcastle TSTM Limited).

These other guaranteeing entities will then have a contribution claim against AGL which will need to be marshalled between estates to the extent the guaranteeing entities are able to make payment under the guarantees. This marshalling exercise will take place in the subsequent CVL.

Information for creditors

Outcome for creditors

Preferential creditors

Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

During the period, we have agreed all preferential claims received prior to the last date to prove being 2 December 2021 and paid the preferential creditors in full.

The preferential dividend was declared and paid to the majority of preferential creditors on 17 December 2021, top up dividends on claims received after the last date to prove have also been made. Total preferential claims were £1.9m and these were paid in full.

Secondary Preferential Debts due to HMRC

Secondary preferential debts are debts due to HMRC in respect of deducted taxes (including VAT, PAYE, student loan repayments, employee NICs and CIS deductions) on insolvency appointments falling on or after 1 December 2020.

As the appointment date for the Company predates 1 December 2020, the Secondary Preferential Debt provisions do not apply.

Prescribed Part

The Prescribed Part is an amount set aside for unsecured creditors from asset realisations that would otherwise be paid to secured creditors under their floating charge, (referred to as the net property), as set out under section 176A of the Act. It applies only where the charge was created on or after 15 September 2003.

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £0.6m where the floating charge pre dates 6 April 2020, or £0.8m where the floating charge is dated on or after 6 April 2020.

As we anticipate that there will be sufficient funds to repay the floating charge holder in full and therefore provide a surplus available for distribution to unsecured creditors, the Prescribed Part provisions will not apply to this case.

Unsecured creditors

AGL's records as at 30 November 2020 show c.550 unsecured creditors with balances totalling c.£17.8m.

This list does not capture a number of other unsecured creditor claims which were expected to arise in the administration, including the unsecured element of the pension deficit, a number of intercompany creditors, amounts due under guarantees crystallised by the insolvency of other Group companies and amounts due to HMRC in respect of VAT.

The total value of unsecured creditors is expected to be materially higher than the total provided above once all liabilities have been quantified and included. On present information we anticipate that sufficient funds will be realised to enable a distribution to be made to unsecured creditors.

The quantum of the dividend payable will depend on final asset realisations, costs of the subsequent CVL and the level of creditor claims ultimately received and accepted for dividend purposes.

During the report period, we have undertaken the process of adjudicating unsecured creditor claims received by the Company in preparation to issue the notice of intended dividend once the Company enters CVL.

End of the administration

The administration will end when the appropriate Notice has been registered at Companies House, following which the Company will move into CVL to enable payment of a dividend to unsecured creditors.

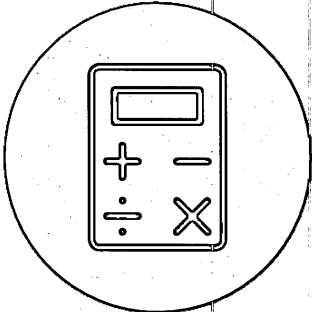




Remuneration and expenses

Joint Administrators' remuneration

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Remuneration and expenses

Joint Administrators' remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com.

Should you require a paper copy, please send your request in writing to us at the address on page 1 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 6 December 2021 by the unsecured creditors by reference to the time properly given by the Joint Administrators and their staff plus VAT thereon.

Please also note that our approved fee basis was inclusive of the costs in respect of work delivered by Deloitte LLP and as detailed further on pages 23 to 24.

Fees drawn

We have drawn a total of £4,497,364 plus VAT in respect of our time costs as shown in the receipts and payments account on page 15.

Further fees will be drawn in the CVL.

Pre-administration administrators' costs

In addition, pre-appointment fees of £530,464 was also paid as shown in the receipts and payments account on page 15 and as discussed at page 13. The final balance of the approved ore appointment fees will be paid from the subsequent CVL.

Time costs - analysis of actual against initial estimate

Please refer to the next page where we have updated the fee analysis to provide details of our actual time costs for the period of the report and for the entire period of our appointment. As you will see our total time costs to 29 March 2022, are £10,645,570 made up of 15,265 hours at a blended charge out rate of £697 across all grades of staff.

As can be seen on the next page our actual time costs are higher than we initially anticipated, and which can be attributed to the following:

- Additional cashiering tasks have been carried out with relation to a high volume of receipts and payments during the report period;
- Increased amount of work carried out regarding liaising with employees and work on employment tribunals including liaising with external solicitors. This work must be carried out by specialists from our Employment Rights Act Team;
- Higher volume than anticipated of creditor queries;
- Investigation time is much higher due to the additional work undertaken in response to requests received from the Insolvency Service; and
- Increased number of queries received from suppliers not familiar with insolvency procedures.

Although our actual time costs to date are higher than we anticipated, we have not and do not intend to seek an increase in the amount of our fee in excess of our approved Fee Estimate, as shown on the next page.



Fees Estimate and Joint Administrators' time costs for the period 30 November 2020 to 29 March 2022

All staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Approved Fees Estimate			Actual Time and Costs for Report Period			Actual Time and Costs since Appointment		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	560.0	400	223,859	421.2	396	166,734	2,055.0	362	743,222
	Case supervision	690.4	646	445,720	207.8	795	165,285	704.2	752	529,806
	Case review s	16.8	470	7,898	-	-	-	5.7	420	2,394
	Case closure matters	41.0	558	22,868	4.1	896	3,687	6.0	908	5,423
	Compliance & IFS diary	137.4	738	101,457	0.3	551	174	168.8	995	167,993
Statutory & compliance	Insurance	62.0	777	48,153	3.5	873	3,021	47.2	840	39,686
	General reporting	560.0	664	371,885	60.0	782	46,907	220.6	781	172,338
	Statutory meetings	-	-	-	2.5	538	1,345	54.6	973	53,102
	Regulatory & other legislation	2.4	762	1,828	-	-	-	1.1	800	880
	Court applications	21.0	639	13,422	-	-	-	-	-	-
Initial actions	Appointment matters	12.0	783	9,393	-	-	-	11.8	803	9,488
	Securing assets	40.0	769	30,727	-	-	-	33.1	825	27,310
	Notifications	9.6	572	5,465	-	-	-	8.4	563	4,737
Investigations	CDDA reporting	45.5	445	20,242	-	-	-	43.1	434	18,682
	Investigations	1,442.0	510	735,268	8.8	1,097	9,616	2,481.7	666	1,653,017
Total of above categories		3,640.0	560	2,038,183	708.2	560	396,769	5,841.3	587	3,428,077
Taxation	Tax	1,403.7	1,027	1,441,127	48.9	983	48,103	1,796.6	1,051	1,888,860
	VAT	367.5	965	354,627	3.4	650	2,215	248.3	1,203	298,648
Asset realisations	Third party assets	40.0	566	22,620	-	-	-	21.9	516	11,293
	Book debts	37.5	788	29,555	0.8	991	793	5.0	842	4,225
	Chattel assets	20.0	802	16,031	-	-	-	18.1	800	14,502
	Other assets	320.0	786	251,377	40.0	848	33,938	521.6	837	436,658
	Property	138.6	677	93,888	23.4	722	16,887	214.7	658	141,367
	Retention of title	5.0	881	3,403	-	-	-	-	-	-
	Sale of business	230.0	984	226,351	0.5	900	450	179.9	998	179,589
Trading	Day 1 control of trading	107.7	724	78,028	-	-	-	106.7	725	77,389
	Ongoing trading	2,925.0	661	1,933,589	32.6	677	22,029	3,394.0	670	2,273,830
	Monitoring trading	850.0	832	707,397	-	-	-	685.0	872	597,522
	Closure of trade	464.5	629	292,331	14.1	754	10,596	274.5	622	170,749
Employees	Consultation	88.8	762	67,611	-	-	-	73.7	780	57,467
	Correspondence	694.1	478	331,649	103.3	582	60,109	893.8	498	444,885
	Employment tribunals	94.0	673	63,264	53.5	843	45,122	113.9	787	89,649
	Pensions	49.5	727	35,970	0.9	700	600	16.9	778	13,142
Correspondence	Creditors	517.5	511	264,220	192.3	483	92,778	624.9	529	330,536
	Shareholders	12.0	787	9,448	-	-	-	1.4	1,025	1,435
	Customers	-	-	-	15.2	380	5,776	23.9	392	9,360
	Press & media queries	12.6	838	10,561	-	-	-	3.3	1,070	3,531
Distributions	Secured creditors	58.0	758	43,969	-	-	-	0.4	1,070	428
	Preferential creditors	297.8	659	196,271	112.4	836	93,974	162.3	856	138,872
	Unsecured creditors	398.5	584	232,608	39.0	800	31,191	43.3	776	33,554
Total fees estimate		12,772.3	685	8,744,078	1,388.4	620	861,330	16,266.3	697	10,646,570

Remuneration and expenses
Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators – Category 2 Expenses

As described on page 13, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. Specific approval is required before these expenses can be drawn from the administration estate.
Details of our Category 2 expenses and the position with regard thereto are given below, all figures are shown exclusive of VAT.
Mileage was calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

Table with 5 columns: £ (net), Estimate, Incurred in previous periods, Incurred in current period, Paid. Rows include Mileage, Data hardware, Deloitte call centre, Deloitte Ireland, and Total.

Data hardware costs were incurred in order to store the electronic data the Group held. Each storage device costs £400. We estimated in our proposals that only one device would be needed, however 21 devices have been used.
Deloitte call centre – were engaged to assist with running a call centre to help customers, suppliers and employees with queries. Their work, which is no longer ongoing following the Transaction (see opposite), was charged on a time costs basis.
Deloitte Ireland – were engaged to assist with undertaking work in connection with preparation of appointment notifications and related matters. Their work, which is no longer ongoing following the Transaction, was charged on a time costs basis. They incurred £633 net of VAT in prior periods.
Specific approval is required before these costs and expenses can be drawn from the administration estate, which was given by the unsecured creditors of AGL on 6 December 2021.

Deloitte LLP – Services being provided

Prior to the move of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited, ("the Transaction"), work being delivered by other Deloitte service lines (with the exception of Deloitte Call Centre) was charged to the estate to be recovered as part of the Joint Administrators' remuneration (from which an internal recharge would have then been made). We had thus included the anticipated costs for such services being delivered by Deloitte LLP in our fees as approved by creditors.
Following the Transaction, Deloitte costs were required to be treated as Category 2 disbursements and thus required creditor approval. For avoidance of doubt however, all such costs were paid out of our approved remuneration, i.e. have not been charged as an additional cost.
A summary charge out rate table is provided below.

Deloitte LLP Charge out Rate Bands (£/hour)
Table with 2 columns: Grade, Rate (£/hour). Rows include Partners, Directors, Associate Directors, Managers/Assistant Managers, Consultants, Associates, Administrators/Analysts, and Agent.



Remuneration and expenses

Deloitte LLP – Services being provided continued

We have detailed below the services which have been or continue to be provided by Deloitte LLP, the costs of which are included in our fee estimate and will thus be paid out of our approved remuneration:

- **Deloitte Tax/VAT** – were engaged to assist with corporation tax planning and formal corporation tax filings. Completing and filing VAT returns, VAT compliance advice with regards to bonded warehouse stock, stock on the water and shared services agreements. Their work, which is ongoing, is charged on a time costs basis and will be paid out of our approved remuneration.
- **Deloitte Global Financial Advisory India (“DIJV”)** – are engaged to assist with general case management and administration. Their work, which is ongoing, is charged on a time costs basis and will be paid out of our approved remuneration.
- **Deloitte Real Estate** – were engaged to assist with the marketing and sales strategy for the freehold and leasehold properties. Their work, which is ongoing, is charged on a time costs basis and which will be paid out of our approved remuneration.
- **Deloitte Forensics** – were engaged to assist with the back up and management of the Groups records and systems. Their work, which is ongoing, is charged on a time costs basis and will be paid out of our approved remuneration.

Creditors’ right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors’ right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.





This document is confidential and prepared solely for your information. Therefore you should not, without our prior written consent, refer to or use our name or this document for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. No other party is entitled to rely on our document for any purpose whatsoever and thus we accept no liability to any other party who is shown or gains access to this document.

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