

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



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24/11/2021

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COMPANIES HOUSE

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1 Company details

Company number 0 2 7 5 9 4 3 7

Company name in full SUK Oldco Limited

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

2 Administrator's name

Full forename(s) Richard Michael

Surname Hawes

3 Administrator's address

Building name/number 2 Fitzalan Road Brunel

Street Cardiff

Post town CF24 0EB

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Daniel Francis

Surname Butters

① Other administrator
Use this section to tell us about
another administrator.

5 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.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	1	d	8	m	0	m	3	y	2	y	0	y	2	y	1
To date	d	1	d	7	m	0	m	9	y	2	y	0	y	2	y	1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

1	5	1	0	y	2	y	0	y	2	y	1
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AM10

Notice of administrator's progress report



Presenter information

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

Contact name Vinay Mistry

Company name Teneo Restructuring 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 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



The Global CEO Advisory Firm

Court Case Numbers: 248 and 249 of 2019
High Court of Justice
Chancery Division
Birmingham District

Company Numbers: 02430955 and 02759437
Registered Office: c/o Teneo Restructuring Limited
156 Great Charles Street
Queensway
Birmingham
B3 3HN

**SUK Retail Limited t/a Office Outlet
(formerly Staples UK Retail Limited)
("SUK Retail") and
SUK Oldco Limited (formerly Staples UK Real Estate
Limited) ("Oldco")
(both in administration) (together "the Companies")**






Progress report to creditors for the period 18 March 2021 to 17 September 2021 pursuant to rules 18.2 to 18.6
inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

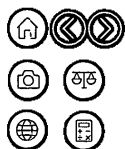
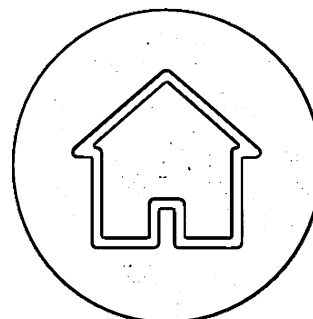
15 October 2021

Richard Michael Hawes and Daniel Francis Butters ("the Joint Administrators") were appointed Joint Administrators of of SUK Retail Limited and SUK Oldco Limited on 18 March 2019 by the directors of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Teneo Restructuring 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 either of them jointly and severally. As stated in the administration appointment documents, these are COMI proceedings (i.e. the centre of main interests is in the UK).

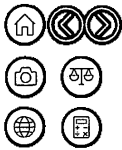
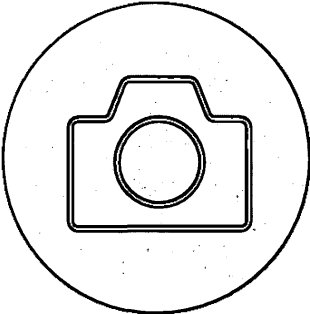
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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Key messages



Key messages

Joint Administrators of the Companies

Richard Michael Hawes

Daniel Francis Butters

Teneo Restructuring

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email: vinay.mistry@teneo.com

Website: www.ips-docs.com/creditor/SUK001C/15A655EF-4A36-4572-933A-B0CD8FEAE9F2

Tel: 0121 619 0149



Commentary	
Purpose of administrations	<ul style="list-style-type: none">The purpose of the administrations is to achieve a better result for the Companies creditors as a whole than liquidations.
Important Notice re Administrators	<ul style="list-style-type: none">On 29 May 2021, the UK Restructuring Practice of Deloitte LLP was sold to Teneo Restructuring Limited (the "Transaction"). The majority of live insolvency appointments, including these this administration appointments, were transferred to Teneo Restructuring Limited ("Teneo"), with their respective officeholders and case teams, as part of the Transaction. Please also note that our Teneo contact details are provided on the left hand column of this page.
Progress of administrations	<ul style="list-style-type: none">We have continued to liaise with the third parties who are progressing the ongoing litigation claim in SUK Retail. Please see page 6 for a detailed summary of the background and progress made to date in respect of the ongoing litigation claim.We have continued to liaise with all creditors of the Companies and have responded to queries raised during the report period.We have reached out to the utility providers in connection with SUK Retail's former leasehold properties in order to obtain a final billing position on each property for payment.
Costs	<ul style="list-style-type: none">The basis of our remuneration for SUK Retail has been fixed as both a set amount of £975,000 plus VAT and on a percentage basis of 20% of any recoveries for the estate in respect of the ongoing litigation claim.As it is unlikely that sufficient realisations will be made in Oldco to allow us to recover our fee, we do not propose to take any steps to fix the basis of our remuneration in Oldco at this time.During the report period, we have not incurred any disbursements in either of the Companies. Please see page 16 for further details.Third party legal fees and expenses of £6,290 and £95 respectively, plus VAT and storage costs of £2,401 plus VAT have been incurred in respect of SUK Retail during the report period, and legal fees of £2,000 plus VAT have been incurred in respect of Oldco during the report period. Please see page 7 for further details.
Outstanding matters	<ul style="list-style-type: none">Finalise outstanding trading payments, including rent and utilities in SUK Retail.Continue to progress and ultimately conclude matters in relation to the ongoing litigation claim in SUK Retail.Adjudicate on all unsecured claims in order to pay the Prescribed Part dividend to the unsecured creditors from SUK Retail.Pay a final distribution to the Secured Creditors from SUK Retail.Statutory closing procedures for the Companies.

Key messages (Continued)

Commentary	
Dividend prospects	<p>On current information, we anticipate the following outcome for each category of creditor:</p> <ul style="list-style-type: none">• Secured creditor – the Secured Creditor will not be repaid in full from either administration.• Preferential creditors – A distribution of 100p in the £ was made to preferential creditors of SUK Retail on 30 April 2020. There are no preferential creditors in Oldco.• Unsecured creditors – It is likely that there will be a distribution for unsecured creditors via the Prescribed Part in SUK Retail. We do not anticipate a distribution to unsecured creditors in Oldco either via the Prescribed Part or otherwise.
Extension to administration periods	<ul style="list-style-type: none">• The period of the administrations was extended for 12 months to 18 March 2021 by the Secured Creditor and preferential creditors for SUK Retail, and by the Secured Creditor for Oldco on 17 February 2020.• Further extensions to the administration periods were granted by the Court in February 2021 for a further 2 years. The administrations will now end on or before 18 March 2023.





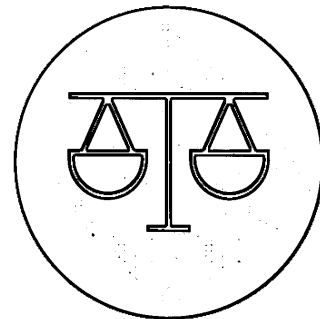
Progress of the administrations

Summary

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Receipts and payments

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Progress of the administrations Summary

Work done during the report period

During the period, we have continued to carry out various tasks relating to the fulfilment of statutory and compliance obligations, as well as finalising trading matters in respect of SUK Retail.

SUK Retail

Trading

Trading ceased on 21 June 2019. We are continuing to chase suppliers for final trading invoices and will settle these costs from the administration estate as soon as possible. We anticipate a trading surplus of c.£1m once all outstanding invoices have been settled.

Book Debts

We continue to liaise with debtors to recover any residual outstanding book debts. There have been no further debtor recoveries during the report period. A review of further recoveries from this source will be carried out in due course.

Leasehold property

As previously reported, all former trading sites have now been vacated and the keys have been returned to the respective landlords.

We continue to reach out to utility providers on SUK Retail's former leasehold properties to obtain a final billing position in respect of each property for payment.

It has been necessary to obtain legal advice in relation to the various properties and leases held by SUK Retail at the date of appointment. We continue to liaise with the landlords regarding the formal surrendering of leases. To date, we have formally surrendered 29 sites.

Duty Deferment funds

In the previous report period, the duty deferment position had been finalised with a net receipt of £191,175 received into the administration estate, being the final balance received by SUK Retail. No further funds are expected in this regard.

Ongoing Litigation Claim

As noted in previous reports, SUK Retail is a claimant in a class legal action which commenced prior to our appointment ("the Ongoing Litigation Claim"). All matters in respect of the Ongoing Litigation Claim are being progressed by third parties and our involvement as Joint Administrators in relation to the pursuance of the claim is limited to assisting with matters such as document discovery/production, and monitoring progress only.

Investigations

We have engaged with Forensics specialists within Deloitte to assist with the following in contemplation of any requirements under the Ongoing Litigation:

- Forensic data capture exercise to obtain electronic copies of SUK Retail's company records; and
- Forensic analysis of electronic records, including various key word searches.

Oldco

Leasehold property

All former trading sites have now been vacated and the keys have been returned to the respective landlords. We have formally surrendered 1 site to date.

Further work is being undertaken to finalise property expenses and return any excess funds to SUK Retail.



Progress of the administrations Summary

SUK Retail and Oldco

Statutory tasks

During the period, 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 management actions, including updating the insolvency website for the cases, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of progress reports;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters.

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

Third party costs incurred during the report period

The following third party expenses have been incurred during the report period:

SUK Retail:

- Further legal fees of £6,290 plus VAT have been paid to Gateley Plc in respect of work completed in relation to employee claims. This is in excess of our initial estimate as detailed in our Proposals.
- Storage costs totalling £2,401, plus VAT, have been paid to Iron Mountain (UK) Ltd during the period in relation to retaining SUK Retail's books and records.

SUK Retail and SUK Oldco:

- As previously reported, legal fees totalling £4,990 including VAT have been incurred by Harrison Clark Rickerbys Limited in relation to the extension of the administrations. These fees have been split equally between the Companies during the report period and £2,000 has been paid by each of the Companies, along with £95 of expenses from SUK Retail.

All costs have been paid, as shown in the receipts and payments accounts on pages 8 and 10.

All professional costs are reviewed and analysed in detail before payment is approved.



Progress of the administration

Receipts and payments

SUK Retail Limited				
Joint Administrators' Receipts & Payments Account				
18 March 2021 to 17 September 2021				
£	SoA values	Notes	Period	To date
Receipts				
Trading surplus/deficit	-	1	(4,595)	1,450,511
Cash held in stores on appointment	208,708	-	-	200,298
Insurance claims	-	-	-	16,747
Refund	-	-	-	569
Lease premium & landlord contributions	-	-	-	20,750
Sale of IP	-	-	-	50,000
Property funds held on account	-	-	-	68,718
Realisation of Office Equipment	-	-	-	67,210
Sundry Debtor	-	-	-	89,100
Rebates	-	-	-	141,536
Rates Refund	-	-	-	58,708
Plant & Machinery	279,000	2	(50)	361,864
Book Debts	248,000	-	-	353,433
Insurance Refund	-	-	301	6,386
Cash at Bank	2,105,637	-	-	2,215,566
Bank Interest Gross	-	3	106	18,646
Suspense Account	-	4	-	20,544
Duty deferment deposit account	-	-	-	191,175
Total receipts	2,841,345		(4,238)	5,331,760
Payments				
Property Agents	-	-	-	120,794
Arrears of wages	-	-	-	1,426,114
Goods not for resale	-	-	-	2,145
Administrators' Fees	-	-	-	965,000
Administrators' Expenses	-	-	-	44,807
Agent Fees	-	-	-	16,725
Legal Fees	-	6,290	-	134,934
Legal Disbursements	-	95	-	95
VAT Irrecoverable	-	7	-	18
Store clearance costs	-	-	-	2,944
Storage Costs	-	2,401	-	25,414
Postage & Redirection	-	-	-	211
Statutory Advertising	-	-	-	87
Surrender Deed and agreement	-	-	-	9,000
Bank Charges	-	13	-	27
Pre-Appointment Pension Cost	-	-	-	76,439
Distribution to Floating Charge Creditor	-	20,000	-	920,000
Distribution to Preferential Creditors	-	5	3,932	25,242
Total payments			32,731	3,769,997
Balance				1,561,763
Made up of:				
IB Current A/C	-	3	-	1,785,375
VAT Payable	-	6	-	(223,612)
Balance in hand				1,561,763

A receipts and payments account is provided opposite detailing the transactions during the report period and entire period of our appointment.

Notes to receipts and payments account

1 - A trading account is provided on the following page. The final position, which is expected to be a trading surplus, will be confirmed once all trading costs have been settled.

2 - During the period, a review has been undertaken of funds received, following this an adjustment has been made relating to a duplicate receipt.

3 - All funds are held in an interest bearing bank account. The associated corporation tax on interest received will be accounted for to HMRC.

4 - This amount relates to unidentified receipts received into the administration bank account. We have made further enquiries to the bank to obtain information in respect of these amounts and will reallocate the funds as required once they have been identified.

5 - The PAYE and NI deductions paid to HMRC in relation to the distribution made to the preferential creditors was rejected by HMRC, in error. These payments have been re-issued to HMRC during the period.

6 - All sums shown opposite are shown net of VAT, which is payable and will be accounted for to HMRC.

7 - A proportion of the VAT shown above will be irrecoverable due to adjustments relating to invoices paid prior to our appointment.

Rounding note

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



**Progress of the
administration**
Receipts and
payments

SUK Retail



SUK Retail Limited
Joint Administrators' Trading Receipts & Payments Account
18 March 2021 to 17 September 2021

£	Current Period	To date
Receipts		
Sales	-	13,321,029
Rent Received	-	76,849
Total receipts	-	13,397,879
Payments		
Direct Labour	-	3,515,910
Direct Expenses	-	69,048
Childcare Vouchers	-	4,522
Indirect Labour	-	2,935
Rents	4,595	874,642
Rates	-	930,765
Costs for Collection of Cash	-	22,474
Telephone	-	22,071
Water suppliers	-	630
Insurance	-	108,046
Bank Charges	-	208,087
Confidential waste disposal	-	14,948
Lease/HP Payments	-	99,363
Hire of Equipment	-	24,482
Repairs & Maintenance	-	17,836
Sundry Expenses	-	225
Returns, chargebacks & other cash costs	-	72,998
Advertising	-	263,262
Waste disposal	-	55,601
IT Systems	-	560,869
Delivery/Courier Costs	-	321,988
Security costs	-	56,632
ROT settlements	-	2,458,922
Service Charge	-	100,394
Consultancy Costs	-	36,441
Utilities Deposit	-	6,331
Utilities	-	247,949
Retail agent's cost	-	1,400,000
Funds paid to SUK Oldco - Rent	-	450,000
Total payments	4,595	11,947,367
Trading surplus/(deficit)	(4,595)	1,450,511

Notes to trading account

The trading account shown opposite has been prepared on an accruals basis for all invoices received but not yet paid. Trading ceased on 21 June 2019 and we anticipate that, on completion of all trading costs, there will be a trading surplus.

Progress of the administration

Receipts and payments

SUK Oldco

SUK Oldco Limited				
Joint Administrators' Receipts & Payments Account				
18 March 2021 to 17 September 2021				
£	SoA values	Notes	Period	To date
Receipts				
Funds Received from SUK Retail for Rental Costs			-	450,000
Bank Interest Gross		1	9	340
Fixtures and Fittings	18,000		-	-
Total receipts	18,000		9	450,340
Payments				
Rents		2	(39,281)	214,948
Rates		2	(3,593)	83,570
Service Charge			-	1,064
Legal Fees			2,000	3,049
Legal Expenses			95	95
Bank Charges			0	14
Total payments			(40,778)	302,739
Balance				147,601
Made up of:				
Floating Chge Deposit A/c		1		103,789
VAT Control Account		3		43,412
Balance in hand				147,601

A receipts and payments account is provided opposite detailing the transactions during the report period and entire period of our appointment.

Notes to receipts and payments account

1 - All funds are held in an interest bearing bank account. The associated corporation tax on interest received will be accounted for to HMRC.

2 - An invoice was issued and logged on our system to be paid, subsequently the local council confirmed it had been issued in error and no payment was due. As such, the transactions have been reversed.

3 - All sums shown opposite are shown net of VAT, which is recoverable and has been accounted for to HM Revenue & Customs. We await a refund from HMRC.

Rounding note

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

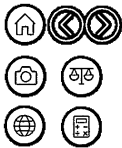
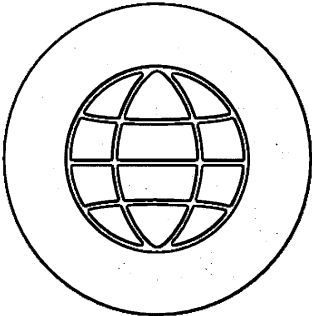




Information for creditors

Outcome

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Information for creditors

Outcome

Outcome for creditors

Secured Creditors

The Companies' records show that OO Retail Limited in its capacity as the Secured Creditor was owed £12,326,748 by SUK Retail as at the date of appointment and this was cross-guaranteed by Oldco. This amount is secured by way of fixed and floating charges granted by the Companies on 24 November 2016.

The Companies also granted floating charges to UK New Holdco Limited on 24 November 2016. We are not aware of any outstanding balances due by the Companies in respect of these floating charges.

SUK Retail

The records available at Companies House show that SUK Retail granted a fixed charge in favour of Barclays Bank PLC ("Barclays") on 31 March 2017. Barclays have confirmed there is no outstanding balance due in respect of this charge.

Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditor in full from either of the Companies.

Preferential Creditors

Preferential claims in SUK Retail consist of amounts owed to employees for arrears of holiday pay up to the date of the Company Voluntary Arrangement on 6 September 2018. There are no other preferential claims.

Preferential creditors in SUK Retail were paid in full on 30 April 2020.

There are no preferential creditors in Oldco.

Prescribed Part

As previously noted, based on current information available, we anticipate that there will be a Prescribed Part fund available for distribution to unsecured creditors of SUK Retail of c.£300k.

Please note that in accordance with Rule 3.50 the costs associated with the prescribed part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the prescribed part fund.

Unsecured creditors

On present information, it is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors in respect of SUK Retail (save for any distribution that may be available under the Prescribed Part – see opposite).

On present information we anticipate that there will be insufficient funds to enable a distribution to be made to unsecured creditors in respect of Oldco.

Claims process

SUK Retail

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less per SUK Retail's per the Directors' Statement of Affairs.

Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by downloading and completing a proof of debt form from the case website and return to the address on the cover page. Alternatively, a hard copy proof of debt form will be provided free of charge on request.

Oldco

As there is little prospect of a distribution for unsecured creditors of Oldco, we do not intend to undertake any work to agree any creditor claims received and this work will be performed only once the dividend prospects are certain.



Information for creditors

Outcome

Extensions to the administrations

The administration periods were extended for both Companies for a period of 12 months to 18 March 2021 by the Secured and Preferential creditors for SUK Retail and the Secured Creditor for Oldco on 17 February 2020. This was to allow for sufficient time to conclude trading and property matters, and pay dividends to creditors.

A further extension to the administration periods was granted by the Court in February 2021 for a further 2 years. The administrations will now end on or before 18 March 2023.

Exit

As detailed in our Proposals, we consider that dissolution is the most appropriate exit route from the administrations upon completion of all outstanding matters.

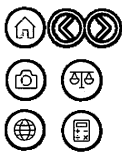
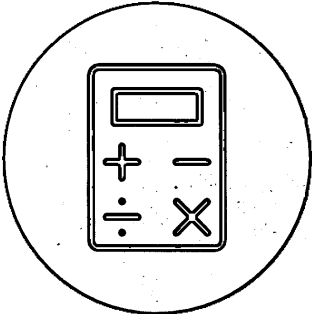




Remuneration and expenses

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/creditor/SUK001C/15A655EF-4A36-4572-933A-B0CD8FEAE9F2.

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

Basis of remuneration

SUK Retail

The basis of our remuneration for SUK Retail was fixed on 8 July 2019 by the Secured Creditor and preferential creditors as both a set amount of £975,000 and 20% of the value of any recoveries from the Ongoing Litigation plus VAT thereon.

Please also note that our approved fee basis is inclusive of the costs in respect of ongoing work being delivered by Deloitte LLP and as detailed further on page 17.

Oldco

As it is unlikely that sufficient realisations will be made in Oldco to allow us to recover our fee, we do not propose to take any steps to fix the basis of our remuneration in Oldco at this time.

Fees drawn to date

SUK Retail

We have drawn fees of £965,000, plus VAT as shown in the receipts and payments account on page 8.

SUK Retail - Third Party Contribution to Costs

The former parent of SUK Retail, Staples Inc, has made a one-off contribution of £20,000 in respect of the additional time costs incurred by us in resolution of lease and property matters. These funds do not form part of the administration estate and are not reflected in the receipts and payment figures shown on page 8.

SUK Retail - Remuneration as a percentage

No fees have been drawn to date in line with this remuneration approval basis in relation to SUK Retail, as the litigation matters are still ongoing.

Oldco

No fees have been drawn in relation to Oldco from the administration estate to date.



Remuneration and expenses

Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Joint Administrators' Disbursements

Details of all disbursements are given below and from which it can be seen that we have not yet recovered our disbursements in full.

Category 2 Disbursements

Specific approval is required before these costs and expenses can be drawn from the administration estates and was given by the Secured Creditor and preferential creditors on 8 July 2019 for SUK Retail.

We have not yet sought approval in respect of Oldco.

Mileage is calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

SUK Retail

Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Travel - Train	2,017	-	2,462	2,440	22
Statutory Advertising	-	-	87	87	-
Accommodation	24,730	-	24,596	24,515	81
Telephone	162	-	2,855	2,855	-
Postage/Couriers	3,462	-	3,882	2,298	1,584
Meals	-	-	7,647	7,387	260
Subsistence	5,624	-	3,898	3,333	565
Specific Penalty Bond	230	-	230	230	-
Total disbursements	36,225	-	45,658	43,146	2,512

Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Mileage	3,709	-	4,405	4,405	-
Website set up	500	-	500	500	-
Total disbursements	4,209	-	4,905	4,905	-

Oldco

Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Postage/Couriers	217	-	7	-	7
Specific Penalty Bond	230	-	230	-	230
Total disbursements	447	-	237	-	7

Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Total disbursements	-	-	-	-	-

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.



Remuneration and expenses

Additional note regarding category 2 disbursements – SUK Retail

Prior to the move of the Deloitte UK Restructuring team to Teneo Restructuring Limited, (“the Transaction”), the work delivered by other Deloitte service lines 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 have thus included the anticipated costs for the services being delivered by Deloitte LLP in our set fee for SUK Retail as approved from creditors.

Following the Transaction, we are now required to seek approval before making payment to Deloitte LLP in respect of their costs which now fall to be treated as Category 2.

For avoidance of doubt however, all such costs will be paid out of our approved remuneration, i.e. will not be an additional cost.

Permission to draw these costs will be sought from a consent of Secured Creditor and a decision of preferential creditors formal notice of which will be uploaded to the website in the near future.

Deloitte hosted website

Prior to the sale of the UK Restructuring practice of Deloitte LLP to Teneo Restructuring Limited (“Teneo”) the Companies’ website was hosted on a Deloitte LLP platform for which a fixed cost of £500 was made. Please note that the Deloitte hosted website has now been closed and all content transferred to the new website, details of which have been provided on page 3, at no extra cost to the estate.

Deloitte India (“DIJV”)

We engaged the services of the DIJV, then an internal service delivery team, to assist with case management and administration. Their services are ongoing and have been provided for in our set fee and will be paid out of our approved remuneration. We are nonetheless required to seek approval before making payment to the DIJV in relation to these costs and this will be done as part of the decision procedure as discussed above.

Their work was charged on a time costs basis at a fixed rate of £360 plus VAT per hour.

Deloitte Forensics

As previously advised, we engaged the services of Deloitte Forensics, then an internal team, to assist with undertaking work in connection with the Ongoing Litigation claim.

Their costs have been provided for in our set fee and will be paid out of our approved remuneration. We are nonetheless required to seek approval before making payment to Deloitte Forensics in relation to these costs and this will be done as part of the decision procedure as discussed opposite.

Going forward, we are continuing to use these services and any costs in relation thereto will be reported as Category 2 disbursements but will continue to be paid out of our approved remuneration.

Their work will continue to be charged on a time costs basis, the charge out rates for which are provided below:

Grade	From 1 June 2021
Partners & Directors	1,100 - 1,195
Assistant Directors	900
Managers	815
Assistant Managers	650
Assistants & Support	380

Additional note regarding category 2 disbursements – Oldco

As it is unlikely that sufficient realisations will be made in Oldco to allow us to recover our fee, we do not propose to hold any decision procedure for category 2 disbursements in Oldco at this time.





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.

Teneo Restructuring Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

Company number 0 2 4 3 0 9 5 5

Company name in full SUK Retail Limited

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

2 Administrator's name

Full forename(s) Richard Michael

Surname Hawes

3 Administrator's address

Building name/number 2 Fitzalan Road Brunel

Street Cardiff

Post town CF24 0EB

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Daniel Francis

Surname Butters

① Other administrator
Use this section to tell us about
another administrator.

5 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.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 8	^m 0	^m 3	^y 2	^y 0	^y 2	^y 1
To date	^d 1	^d 7	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

1 5

1 0

^y2 ^y0 ^y2 ^y1

AM10

Notice of administrator's progress report



Presenter information

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

Contact name Vinay Mistry

Company name Teneo Restructuring 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 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



The Global CEO Advisory Firm

Court Case Numbers: 248 and 249 of 2019
High Court of Justice
Chancery Division
Birmingham District

Company Numbers: 02430955 and 02759437
Registered Office: c/o Teneo Restructuring Limited
156 Great Charles Street
Queensway
Birmingham
B3 3HN

**SUK Retail Limited t/a Office Outlet
(formerly Staples UK Retail Limited)
("SUK Retail") and
SUK Oldco Limited (formerly Staples UK Real Estate
Limited) ("Oldco")
(both in administration) (together "the Companies")**






Progress report to creditors for the period 18 March 2021 to 17 September 2021 pursuant to rules 18.2 to 18.6
inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

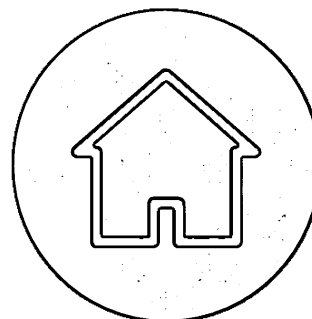
15 October 2021

Richard Michael Hawes and Daniel Francis Butters ("the Joint Administrators") were appointed Joint Administrators of SUK Retail Limited and SUK Oldco Limited on 18 March 2019 by the directors of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Teneo Restructuring 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 either of them jointly and severally. As stated in the administration appointment documents, these are COMI proceedings (i.e. the centre of main interests is in the UK).

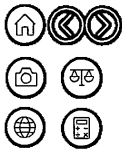
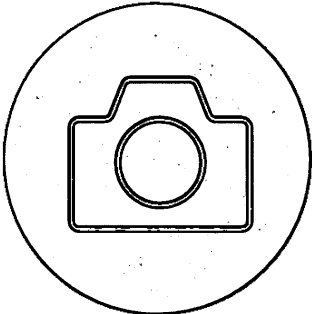
Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

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	Progress of the administrations	5
	Information for creditors	11
	Remuneration and expenses	14





Key messages



Key messages

Joint Administrators of the Companies

Richard Michael Hawes

Daniel Francis Butters

Teneo Restructuring

156 Great Charles Street

Queensway

Birmingham

B3 3HN

Contact details

Email: vinay.mistry@teneo.com

Website: www.ips-docs.com/creditor/SUK001C/15A655EF-4A36-4572-933A-B0CD8FEAE9F2

Tel: 0121 619 0149



Commentary	
Purpose of administrations	<ul style="list-style-type: none">The purpose of the administrations is to achieve a better result for the Companies creditors as a whole than liquidations.
Important Notice re Administrators	<ul style="list-style-type: none">On 29 May 2021, the UK Restructuring Practice of Deloitte LLP was sold to Teneo Restructuring Limited (the "Transaction"). The majority of live insolvency appointments, including these this administration appointments, were transferred to Teneo Restructuring Limited ("Teneo"), with their respective officeholders and case teams, as part of the Transaction. Please also note that our Teneo contact details are provided on the left hand column of this page.
Progress of administrations	<ul style="list-style-type: none">We have continued to liaise with the third parties who are progressing the ongoing litigation claim in SUK Retail. Please see page 6 for a detailed summary of the background and progress made to date in respect of the ongoing litigation claim.We have continued to liaise with all creditors of the Companies and have responded to queries raised during the report period.We have reached out to the utility providers in connection with SUK Retail's former leasehold properties in order to obtain a final billing position on each property for payment.
Costs	<ul style="list-style-type: none">The basis of our remuneration for SUK Retail has been fixed as both a set amount of £975,000 plus VAT and on a percentage basis of 20% of any recoveries for the estate in respect of the ongoing litigation claim.As it is unlikely that sufficient realisations will be made in Oldco to allow us to recover our fee, we do not propose to take any steps to fix the basis of our remuneration in Oldco at this time.During the report period, we have not incurred any disbursements in either of the Companies. Please see page 16 for further details.Third party legal fees and expenses of £6,290 and £95 respectively, plus VAT and storage costs of £2,401 plus VAT have been incurred in respect of SUK Retail during the report period, and legal fees of £2,000 plus VAT have been incurred in respect of Oldco during the report period. Please see page 7 for further details.
Outstanding matters	<ul style="list-style-type: none">Finalise outstanding trading payments, including rent and utilities in SUK Retail.Continue to progress and ultimately conclude matters in relation to the ongoing litigation claim in SUK Retail.Adjudicate on all unsecured claims in order to pay the Prescribed Part dividend to the unsecured creditors from SUK Retail.Pay a final distribution to the Secured Creditors from SUK Retail.Statutory closing procedures for the Companies.

Key messages (Continued)

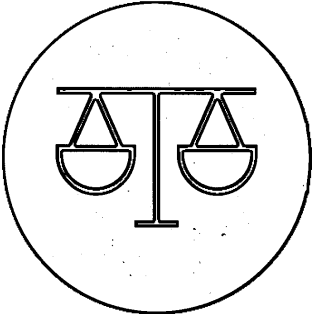
Commentary	
Dividend prospects	<p>On current information, we anticipate the following outcome for each category of creditor:</p> <ul style="list-style-type: none"> Secured creditor – the Secured Creditor will not be repaid in full from either administration. Preferential creditors – A distribution of 100p in the £ was made to preferential creditors of SUK Retail on 30 April 2020. There are no preferential creditors in Oldco. Unsecured creditors – It is likely that there will be a distribution for unsecured creditors via the Prescribed Part in SUK Retail. We do not anticipate a distribution to unsecured creditors in Oldco either via the Prescribed Part or otherwise.
Extension to administration periods	<ul style="list-style-type: none"> The period of the administrations was extended for 12 months to 18 March 2021 by the Secured Creditor and preferential creditors for SUK Retail, and by the Secured Creditor for Oldco on 17 February 2020. Further extensions to the administration periods were granted by the Court in February 2021 for a further 2 years. The administrations will now end on or before 18 March 2023.





Progress of the administrations

Summary	6
Receipts and payments	8



Progress of the administrations Summary

Work done during the report period

During the period, we have continued to carry out various tasks relating to the fulfilment of statutory and compliance obligations, as well as finalising trading matters in respect of SUK Retail.

SUK Retail

Trading

Trading ceased on 21 June 2019. We are continuing to chase suppliers for final trading invoices and will settle these costs from the administration estate as soon as possible. We anticipate a trading surplus of c.£1m once all outstanding invoices have been settled.

Book Debts

We continue to liaise with debtors to recover any residual outstanding book debts. There have been no further debtor recoveries during the report period. A review of further recoveries from this source will be carried out in due course.

Leasehold property

As previously reported, all former trading sites have now been vacated and the keys have been returned to the respective landlords.

We continue to reach out to utility providers on SUK Retail's former leasehold properties to obtain a final billing position in respect of each property for payment.

It has been necessary to obtain legal advice in relation to the various properties and leases held by SUK Retail at the date of appointment. We continue to liaise with the landlords regarding the formal surrendering of leases. To date, we have formally surrendered 29 sites.

Duty Deferment funds

In the previous report period, the duty deferment position had been finalised with a net receipt of £191,175 received into the administration estate, being the final balance received by SUK Retail. No further funds are expected in this regard.

Ongoing Litigation Claim

As noted in previous reports, SUK Retail is a claimant in a class legal action which commenced prior to our appointment ("the Ongoing Litigation Claim"). All matters in respect of the Ongoing Litigation Claim are being progressed by third parties and our involvement as Joint Administrators in relation to the pursuance of the claim is limited to assisting with matters such as document discovery/production, and monitoring progress only.

Investigations

We have engaged with Forensics specialists within Deloitte to assist with the following in contemplation of any requirements under the Ongoing Litigation:

- Forensic data capture exercise to obtain electronic copies of SUK Retail's company records; and
- Forensic analysis of electronic records, including various key word searches.

Oldco

Leasehold property

All former trading sites have now been vacated and the keys have been returned to the respective landlords. We have formally surrendered 1 site to date.

Further work is being undertaken to finalise property expenses and return any excess funds to SUK Retail.



Progress of the
administrations
Summary

SUK Retail and Oldco
Statutory tasks

During the period, 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 management actions, including updating the insolvency website for the cases, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of progress reports;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters.

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

Third party costs incurred during the report period

The following third party expenses have been incurred during the report period:

SUK Retail:

- Further legal fees of £6,290 plus VAT have been paid to Gateley Plc in respect of work completed in relation to employee claims. This is in excess of our initial estimate as detailed in our Proposals.
- Storage costs totalling £2,401, plus VAT, have been paid to Iron Mountain (UK) Ltd during the period in relation to retaining SUK Retail's books and records.

SUK Retail and SUK Oldco:

- As previously reported, legal fees totalling £4,990 including VAT have been incurred by Harrison Clark Rickerbys Limited in relation to the extension of the administrations. These fees have been split equally between the Companies during the report period and £2,000 has been paid by each of the Companies, along with £95 of expenses from SUK Retail.

All costs have been paid, as shown in the receipts and payments accounts on pages 8 and 10.

All professional costs are reviewed and analysed in detail before payment is approved.



Progress of the administration

Receipts and payments

SUK Retail Limited				
Joint Administrators' Receipts & Payments Account				
18 March 2021 to 17 September 2021				
£	SoA values	Notes	Period	To date
Receipts				
Trading surplus/deficit	-	1	(4,595)	1,450,511
Cash held in stores on appointment	208,708		-	200,298
Insurance claims	-		-	16,747
Refund	-		-	569
Lease premium & landlord contributions	-		-	20,750
Sale of IP	-		-	50,000
Property funds held on account	-		-	68,718
Realisation of Office Equipment	-		-	67,210
Sundry Debtor	-		-	89,100
Rebates	-		-	141,536
Rates Refund	-		-	58,708
Plant & Machinery	279,000	2	(50)	361,864
Book Debts	248,000		-	353,433
Insurance Refund	-		301	6,386
Cash at Bank	2,105,637		-	2,215,566
Bank Interest Gross	-	3	106	18,646
Suspense Account	-	4	-	20,544
Duty deferment deposit account	-		-	191,175
Total receipts	2,841,345		(4,238)	5,331,760
Payments				
Property Agents			-	120,794
Arrears of wages			-	1,426,114
Goods not for resale			-	2,145
Administrators' Fees			-	965,000
Administrators' Expenses			-	44,807
Agent Fees			-	16,725
Legal Fees			6,290	134,934
Legal Disbursements			95	95
VAT Irrecoverable		7	-	18
Store clearance costs			-	2,944
Storage Costs			2,401	25,414
Postage & Redirection			-	211
Statutory Advertising			-	87
Surrender Deed and agreement			-	9,000
Bank Charges			13	27
Pre-Appointment Pension Cost			-	76,439
Distribution to Floating Charge Creditor			20,000	920,000
Distribution to Preferential Creditors		5	3,932	25,242
Total payments			32,731	3,769,997
Balance				1,561,763
Made up of:				
IB Current A/C		3		1,785,375
VAT Payable		6		(223,612)
Balance in hand				1,561,763

A receipts and payments account is provided opposite detailing the transactions during the report period and entire period of our appointment.

Notes to receipts and payments account

1 - A trading account is provided on the following page. The final position, which is expected to be a trading surplus, will be confirmed once all trading costs have been settled.

2 - During the period, a review has been undertaken of funds received, following this an adjustment has been made relating to a duplicate receipt.

3 - All funds are held in an interest bearing bank account. The associated corporation tax on interest received will be accounted for to HMRC.

4 - This amount relates to unidentified receipts received into the administration bank account. We have made further enquiries to the bank to obtain information in respect of these amounts and will reallocate the funds as required once they have been identified.

5 - The PAYE and NI deductions paid to HMRC in relation to the distribution made to the preferential creditors was rejected by HMRC, in error. These payments have been re-issued to HMRC during the period.

6 - All sums shown opposite are shown net of VAT, which is payable and will be accounted for to HMRC.

7 - A proportion of the VAT shown above will be irrecoverable due to adjustments relating to invoices paid prior to our appointment.

Rounding note

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



**Progress of the
administration**
Receipts and
payments

SUK Retail



SUK Retail Limited
Joint Administrators' Trading Receipts & Payments Account
18 March 2021 to 17 September 2021

£	Current Period	To date
Receipts		
Sales	-	13,321,029
Rent Received	-	76,849
Total receipts	-	13,397,879
Payments		
Direct Labour	-	3,515,910
Direct Expenses	-	69,048
Childcare Vouchers	-	4,522
Indirect Labour	-	2,935
Rents	4,595	874,642
Rates	-	930,765
Costs for Collection of Cash	-	22,474
Telephone	-	22,071
Water suppliers	-	630
Insurance	-	108,046
Bank Charges	-	208,087
Confidential waste disposal	-	14,948
Lease/HP Payments	-	99,363
Hire of Equipment	-	24,482
Repairs & Maintenance	-	17,836
Sundry Expenses	-	225
Returns, chargebacks & other cash costs	-	72,998
Advertising	-	263,262
Waste disposal	-	55,601
IT Systems	-	560,869
Delivery/Courier Costs	-	321,988
Security costs	-	56,632
ROT settlements	-	2,458,922
Service Charge	-	100,394
Consultancy Costs	-	36,441
Utilities Deposit	-	6,331
Utilities	-	247,949
Retail agent's cost	-	1,400,000
Funds paid to SUK Oldco - Rent	-	450,000
Total payments	4,595	11,947,367
Trading surplus/(deficit)	(4,595)	1,450,511

Notes to trading account

The trading account shown opposite has been prepared on an accruals basis for all invoices received but not yet paid. Trading ceased on 21 June 2019 and we anticipate that, on completion of all trading costs, there will be a trading surplus.

Progress of the administration

Receipts and payments

SUK Oldco

SUK Oldco Limited				
Joint Administrators' Receipts & Payments Account				
18 March 2021 to 17 September 2021				
£	SoA values	Notes	Period	To date
Receipts				
Funds Received from SUK Retail for Rental Costs			-	450,000
Bank Interest Gross		1	9	340
Fixtures and Fittings	18,000		-	-
Total receipts	18,000		9	450,340
Payments				
Rents		2	(39,281)	214,948
Rates		2	(3,593)	83,570
Service Charge			-	1,064
Legal Fees			2,000	3,049
Legal Expenses			95	95
Bank Charges			0	14
Total payments			(40,778)	302,739
Balance				147,601
Made up of:				
Floating Chge Deposit A/c		1		103,789
VAT Control Account		3		43,412
Balance in hand				147,601

A receipts and payments account is provided opposite detailing the transactions during the report period and entire period of our appointment.

Notes to receipts and payments account

1 - All funds are held in an interest bearing bank account. The associated corporation tax on interest received will be accounted for to HMRC.

2 - An invoice was issued and logged on our system to be paid, subsequently the local council confirmed it had been issued in error and no payment was due. As such, the transactions have been reversed.

3 - All sums shown opposite are shown net of VAT, which is recoverable and has been accounted for to HM Revenue & Customs. We await a refund from HMRC.

Rounding note

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

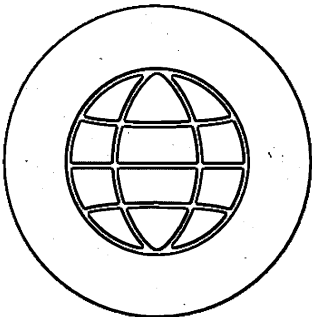




Information for creditors

Outcome

12



Information for creditors Outcome

Outcome for creditors

Secured Creditors

The Companies' records show that OO Retail Limited in its capacity as the Secured Creditor was owed £12,326,748 by SUK Retail as at the date of appointment and this was cross-guaranteed by Oldco. This amount is secured by way of fixed and floating charges granted by the Companies on 24 November 2016.

The Companies also granted floating charges to UK New Holdco Limited on 24 November 2016. We are not aware of any outstanding balances due by the Companies in respect of these floating charges.

SUK Retail

The records available at Companies House show that SUK Retail granted a fixed charge in favour of Barclays Bank PLC ("Barclays") on 31 March 2017. Barclays have confirmed there is no outstanding balance due in respect of this charge.

Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditor in full from either of the Companies.

Preferential Creditors

Preferential claims in SUK Retail consist of amounts owed to employees for arrears of holiday pay up to the date of the Company Voluntary Arrangement on 6 September 2018. There are no other preferential claims.

Preferential creditors in SUK Retail were paid in full on 30 April 2020.

There are no preferential creditors in Oldco.

Prescribed Part

As previously noted, based on current information available, we anticipate that there will be a Prescribed Part fund available for distribution to unsecured creditors of SUK Retail of c.£300k.

Please note that in accordance with Rule 3.50 the costs associated with the prescribed part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the prescribed part fund.

Unsecured creditors

On present information, it is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors in respect of SUK Retail (save for any distribution that may be available under the Prescribed Part – see opposite).

On present information we anticipate that there will be insufficient funds to enable a distribution to be made to unsecured creditors in respect of Oldco.

Claims process

SUK Retail

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less per SUK Retail's per the Directors' Statement of Affairs.

Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by downloading and completing a proof of debt form from the case website and return to the address on the cover page. Alternatively, a hard copy proof of debt form will be provided free of charge on request.

Oldco

As there is little prospect of a distribution for unsecured creditors of Oldco, we do not intend to undertake any work to agree any creditor claims received and this work will be performed only once the dividend prospects are certain.



Information for creditors Outcome

Extensions to the administrations

The administration periods were extended for both Companies for a period of 12 months to 18 March 2021 by the Secured and Preferential creditors for SUK Retail and the Secured Creditor for Oldco on 17 February 2020. This was to allow for sufficient time to conclude trading and property matters, and pay dividends to creditors.

A further extension to the administration periods was granted by the Court in February 2021 for a further 2 years. The administrations will now end on or before 18 March 2023.

Exit

As detailed in our Proposals, we consider that dissolution is the most appropriate exit route from the administrations upon completion of all outstanding matters.

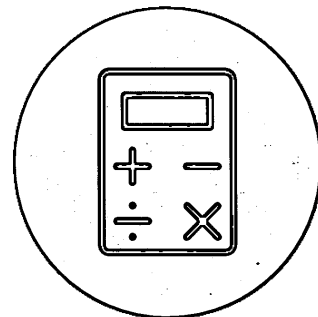




Remuneration and expenses

Joint Administrators' remuneration

15



Remuneration and expenses

Joint Administrators' remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com/creditor/SUKO01C/15A655EF-4A36-4572-933A-B0CD8FEAE9F2.

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

Basis of remuneration

SUK Retail

The basis of our remuneration for SUK Retail was fixed on 8 July 2019 by the Secured Creditor and preferential creditors as both a set amount of £975,000 and 20% of the value of any recoveries from the Ongoing Litigation plus VAT thereon.

Please also note that our approved fee basis is inclusive of the costs in respect of ongoing work being delivered by Deloitte LLP and as detailed further on page 17.

Oldco

As it is unlikely that sufficient realisations will be made in Oldco to allow us to recover our fee, we do not propose to take any steps to fix the basis of our remuneration in Oldco at this time.

Fees drawn to date

SUK Retail

We have drawn fees of £965,000, plus VAT as shown in the receipts and payments account on page 8.

SUK Retail - Third Party Contribution to Costs

The former parent of SUK Retail, Staples Inc, has made a one-off contribution of £20,000 in respect of the additional time costs incurred by us in resolution of lease and property matters. These funds do not form part of the administration estate and are not reflected in the receipts and payment figures shown on page 8.

SUK Retail - Remuneration as a percentage

No fees have been drawn to date in line with this remuneration approval basis in relation to SUK Retail, as the litigation matters are still ongoing.

Oldco

No fees have been drawn in relation to Oldco from the administration estate to date.



Remuneration and expenses

Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Joint Administrators' Disbursements

Details of all disbursements are given below and from which it can be seen that we have not yet recovered our disbursements in full.

Category 2 Disbursements

Specific approval is required before these costs and expenses can be drawn from the administration estates and was given by the Secured Creditor and preferential creditors on 8 July 2019 for SUK Retail.

We have not yet sought approval in respect of Oldco.

Mileage is calculated at the prevailing standard mileage rate of up to 45p at the time when the mileage is incurred.

SUK Retail

Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Travel - Train	2,017	-	2,462	2,440	22
Statutory Advertising	-	-	87	87	-
Accommodation	24,730	-	24,596	24,515	81
Telephone	162	-	2,855	2,855	-
Postage/Couriers	3,462	-	3,882	2,298	1,584
Meals	-	-	7,647	7,387	260
Subsistence	5,624	-	3,898	3,333	565
Specific Penalty Bond	230	-	230	230	-
Total disbursements	36,225	-	45,658	43,146	2,512

Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Mileage	3,709	-	4,405	4,405	-
Website set up	500	-	500	500	-
Total disbursements	4,209	-	4,905	4,905	-

Oldco

Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Postage/Couriers	217	-	7	-	7
Specific Penalty Bond	230	-	230	-	230
Total disbursements	447	-	237	-	7

Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Total	Paid	Unpaid
Total disbursements	-	-	-	-	-

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.



Remuneration and expenses



Additional note regarding category 2 disbursements – SUK Retail

Prior to the move of the Deloitte UK Restructuring team to Teneo Restructuring Limited, (“the Transaction”), the work delivered by other Deloitte service lines 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 have thus included the anticipated costs for the services being delivered by Deloitte LLP in our set fee for SUK Retail as approved from creditors.

Following the Transaction, we are now required to seek approval before making payment to Deloitte LLP in respect of their costs which now fall to be treated as Category 2.

For avoidance of doubt however, all such costs will be paid out of our approved remuneration, i.e. will not be an additional cost.

Permission to draw these costs will be sought from a consent of Secured Creditor and a decision of preferential creditors formal notice of which will be uploaded to the website in the near future.

Deloitte hosted website

Prior to the sale of the UK Restructuring practice of Deloitte LLP to Teneo Restructuring Limited (“Teneo”) the Companies’ website was hosted on a Deloitte LLP platform for which a fixed cost of £500 was made. Please note that the Deloitte hosted website has now been closed and all content transferred to the new website, details of which have been provided on page 3, at no extra cost to the estate.

Deloitte India (“DIJV”)

We engaged the services of the DIJV, then an internal service delivery team, to assist with case management and administration. Their services are ongoing and have been provided for in our set fee and will be paid out of our approved remuneration. We are nonetheless required to seek approval before making payment to the DIJV in relation to these costs and this will be done as part of the decision procedure as discussed above.

Their work was charged on a time costs basis at a fixed rate of £360 plus VAT per hour.

Deloitte Forensics

As previously advised, we engaged the services of Deloitte Forensics, then an internal team, to assist with undertaking work in connection with the Ongoing Litigation claim.

Their costs have been provided for in our set fee and will be paid out of our approved remuneration. We are nonetheless required to seek approval before making payment to Deloitte Forensics in relation to these costs and this will be done as part of the decision procedure as discussed opposite.

Going forward, we are continuing to use these services and any costs in relation thereto will be reported as Category 2 disbursements but will continue to be paid out of our approved remuneration.

Their work will continue to be charged on a time costs basis, the charge out rates for which are provided below:

Grade	From 1 June 2021
Partners & Directors	1,100 - 1,195
Assistant Directors	900
Managers	815
Assistant Managers	650
Assistants & Support	380

Additional note regarding category 2 disbursements – Oldco

As it is unlikely that sufficient realisations will be made in Oldco to allow us to recover our fee, we do not propose to hold any decision procedure for category 2 disbursements in Oldco at this time.



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Teneo Restructuring Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom