In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

# 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 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 ❶

| | |
|---|---|
| Full forename(s) | Daniel Francis |
| Surname | Butters |

❶ **Other administrator**
Use this section to tell us about another administrator.

### 5 Administrator's address ❷

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

❷ **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 9 | y 2 y 0 y 2 y 1 |
| To date | d 1 d 7 | m 0 m 3 | y 2 y 0 y 2 y 2 |

## 7 Progress report

☒ I attach a copy of the progress report

## 8 Sign and date

| | | |
|---|---|---|
| Administrator's signature | Signature X | X |
| Signature date | d 1 d 4 | m 0 m 4 | y 2 y 0 y 2 y 2 |

# 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 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 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

Teneo®

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 Financial Advisory 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 September 2021 to 17 March 2022 pursuant to rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

14 April 2022

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 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 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 administration | 5 |
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| Remuneration and expenses | 14 |

# Key messages

## Key messages

### Joint Administrators of the Companies

Richard Michael Hawes

Daniel Francis Butters

Teneo Financial Advisory Limited

156 Great Charles Street

Queensway

Birmingham

B3 3HN

### Contact details

Email: vinay.mistry@teneo.com

Website: www.ips-docs.com

Tel: 0121 619 0149

**Purpose of administration**

- The purpose of the administrations is to achieve a better result for the Companies creditors as a whole than liquidations.

**Progress of administration**

- We have continued to liaise with the third parties who are progressing the ongoing litigation claim in SUK Retail. Please see page 6 for further details.
- 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**

- 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.
- We have not incurred any expenses in the report period of either of the Companies. Please see page 16 for further details.

**Outstanding matters**

- 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.
- Await conclusion of the ongoing employment tribunals.
- Adjudicate on all unsecured claims in order to pay the Prescribed Part dividend to the unsecured creditors from SUK Retail, upon conclusion of the employment tribunals referred to above.
- Pay a final distribution to the secured creditors from SUK Retail.
- Statutory closing procedures for the Companies.

**Dividend prospects**

On current information, we anticipate the following outcome for each category of creditor:

- 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.
- Secondary preferential creditors - There is no Secondary Preferential Creditor due to the date of appointment.
- 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.

## Key messages

## (Continued)

**Extension to administration periods**

- The period of the administrations was extended for 12 months to 18 March 2021 by the secured creditors 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 administration


| | |
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# Progress of the administration

## 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.

### 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.

### Duty Deferment funds

In previous reporting periods, 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.

### 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. In this respect we have paid £4k in the period as shown on the trading account of SUK Retails on page 9. It is expected that this process will be completed in the next reporting period.

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 32 sites.

### 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 2 sites to date.

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

# Progress of the administration

## 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

**Joint Administrators' –** Category 1 Expenses

**Agents' Costs**

No category 1 expenses have been incurred in the report period in either of the Companies.

SUK Retail:

A final payment of £1,057 plus VAT in respect of legal fees was paid to Gateley Plc in respect of work completed in relation to employee claims. Their final costs were higher than anticipated as the employee tribunals were unforeseen at the time of our Proposals.

All costs have been paid, as shown in the receipts and payments accounts on pages 8 and 9.

All professional costs and expenses are kept under review and analysed to ensure best value for creditors is being obtained.

Please refer to the table opposite and the receipts and payments account on pages 8 and 9 for details of Category 1 expenses paid to date.

### Disbursements – Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then 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:

**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 Advertisng | - | - | 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 | 9,048 | (1,401) |
| Subsistence | 5,624 | - | 3,898 | 3,333 | 565 |
| Specific Penalty Bond | 230 | - | 230 | 230 | - |
| **Total disbursements** | **36,225** | **-** | **45,658** | **44,807** | **851** |

*Please note that £3,244.01 of Category 1 disbursements was allocated to IT Systems given on the page 9 trading account.

**SUK Oldco**
**Category 1 disbursements**

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

### Category 2 Expenses

These are payments out of the estate either:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs; or
- to our associates, e.g. to Deloitte LLP where their costs are being charged to the estate following the sale of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited ("Teneo" and "the Transaction") on 29 May 2021.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 16.

# Progress of the administration

## Receipts and payments

SUK Retail Limited
Joint Administrators' receipts and payments account
18 September 2021 to 17 March 2022

| £ | SoA values | Notes | Period | To date |
|---|---|---|---|---|
| Receipts | | | | |
| Trading surplus/deficit | - | 1 | (4,070) | 1,446,441 |
| 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 |
| Insolvency Service Receipt | - | | 15 | 15 |
| Sundry Debtor | - | | - | 89,100 |
| Rebates | - | | - | 141,536 |
| Rates Refund | - | | - | 58,708 |
| Plant & Machinery | 279,000 | | - | 361,864 |
| Book Debts | 248,000 | | - | 353,433 |
| Insurance Refund | - | | - | 6,386 |
| Cash at Bank | 2,105,637 | | - | 2,215,566 |
| Bank Interest Gross | - | 2 | 88 | 18,735 |
| Suspense Account | - | 3 | - | 20,544 |
| Duty deferment deposit account | - | | - | 191,175 |
| Total receipts | 2,841,345 | | (3,967) | 5,327,794 |
| | | | | |
| 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 | | | 1,057 | 135,991 |
| Legal Disbursements | | | - | 95 |
| VAT Irrecoverable | | 5 | - | 18 |
| Store clearance costs | | | - | 2,944 |
| Storage Costs | | | 954 | 26,368 |
| Postage & Redirection | | | - | 211 |
| Statutory Advertising | | | - | 87 |
| Surrender Deed and agreement | | | - | 9,000 |
| Bank Charges | | | 4 | 31 |
| Pre- Appointment Pension Cost | | | - | 76,439 |
| Distribution to Floating Charge Creditor | | | - | 920,000 |
| Distribution to Preferential Creditors | | | - | 25,242 |
| Total payments | | | 2,015 | 3,772,012 |
| | | | | |
| Balance | | | | 1,555,781 |
| | | | | |
| Made up of: | | | | |
| IB Current A/C | | 2 | | 1,871,654 |
| Vat Control Account | | 4 | | (315,872) |
| Balance in hand | | | | 1,555,781 |

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

3 - 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.

4 - All sums shown opposite are shown net of VAT, which is receivable/payable and has been and will continue to be accounted for to HMRC.

5 – 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 Limited

Joint Administrators' trading account

18 September 2021 to 17 March 2022

| £ | Current Period | To date |
|---|---|---|
| Receipts | | |
| Sales | - | 14,424,171 |
| Rent Received from DHL | - | 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 | - | 874,642 |
| Rates | - | 930,765 |
| Costs for Collection of Cash | - | 22,474 |
| Telephone | - | 22,071 |
| Water Supplies | 4,070 | 4,701 |
| 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 | 4,070 | 11,951,438 |
| Trading surplus/(deficit) | (4,070) | 1,446,441 |

### 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 and payments account
18 September 2021 to 17 March 2022

| £ | SoA values | Notes | Period | To date |
|---|---|---|---|---|
| **Receipts** | | | | |
| Funds Received from SUK Retail for Rental Costs | | | - | 450,000 |
| Bank Interest Gross | | 1 | 20 | 360 |
| Fixtures and Fittings | 18,000 | | - | - |
| Total receipts | 18,000 | | 20 | 450,360 |
| **Payments** | | | | |
| Rents | | | - | 214,948 |
| Rates | | | - | 83,570 |
| Service Charge | | | - | 1,064 |
| Legal Fees | | | - | 3,049 |
| Legal Expenses | | | - | 95 |
| Bank Charges | | | - | 14 |
| Total payments | | | - | 302,739 |
| Balance | | | | 147,621 |
| **Made up of:** | | | | |
| Floating Chge Deposit A/c | | 1 | | 103,809 |
| Vat Control Account | | 2 | | 43,812 |
| Balance in hand | | | | 147,621 |

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 has been and will continue to be accounted for to HMRC.

2 - 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.

#### Secondary Preferential Debts due to HM Revenue and **Customs ("HMRC")**

As this appointment pre dates 1st December 2020, the Secondary Preferential Debt provisions do not apply.

#### Unsecured Creditors

We have received 98 claims to date for a total of £22.4 million in SUK Retail which is significantly higher than anticipated when compared to the statement of affairs figures of 293 of unsecured creditors with estimated non-preferential claims totalling £9.7 million. The increase in claims is attributed to a large claim by Oldco.

On present information, we anticipate that there will be sufficient funds to enable a distribution to be made to unsecured creditors in respect of SUK, in addition to the prescribed part distribution referred to below.

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.

#### Prescribed Part

As detailed in the Proposals, 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.

### 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 administration

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 https://www.ips-docs.com/case/SUKO01C/TeneoTRL2021

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 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 (including** disbursements)

As described on page 7, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. We have summarised our Category 2 expenses in the table below.

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

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

**SUK Oldco**
**Category 2 disbursements**

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

**SUK Retail**
**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** | **-** |

Additional note regarding category 2 disbursements – SUK Retail

As discussed on page **7** prior to 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, whilst all such costs will continue to be paid out of our approved remuneration (i.e. will not be an additional cost to the estate) we will provide you with a narrative summary of the work being delivered. We will also provide a summary rates table of the applicable charge out rates in force at the time of the report.

Further details regarding the ongoing Deloitte LLP services and summary charge out rate table are provided below.

Deloitte LLP – Services being provided

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 set fee and will thus be paid out of our approved remuneration:

- Deloitte hosted case website - a one off fixed cost of £500 was applied and approved on 8 July 2019 by the creditors. Please note that following the Transaction all Deloitte hosted websites have been closed and their content transferred to the new website details of which have been provided on page 3, at no extra cost to the estate.
- Deloitte Global Financial Advisory India (**"DIJV"**) – We engaged the services of the DIJV, then an internal service delivery team, to assist with case management and administration. Their work, which is no longer ongoing, was charged on a time costs basis in line with the charge out rates provided opposite.
- 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.

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:

**Deloitte LLP Charge out Rate Bands (£/hour)**

| Grade | Rate (£/hour) |
|---|---|
| Partners | 1430 - 1475 |
| Directors | 1205 -1240 |
| Associate Directors | 1095 - 1130 |
| Managers/Assistant Managers | 94 - 400 |
| Consultants | 565 - 845 |
| Associates | 135 - 340 |
| Administrators/Analysts | 90 - 370 |
| Agent | 34 |

## Remuneration and expenses

**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.

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