



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 2 8 0 8 5 8 3

Company name in full CKL Realisations Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Richard Dixon

Surname Fleming

### 3 Administrator's address

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

Country

### 4 Administrator's name ①

Full forename(s) Mark Granville

Surname Firmin

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Suite 3 Regency House

Street 91 Western Road

Post town Brighton

County/Region

Postcode B N 1 2 N W

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	<sup>d</sup> 2	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*M. Allen*

X

Signature date	<sup>d</sup> 1	<sup>d</sup> 7	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
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**Presenter information**

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

Contact name **Brian Walford**

Company name **Alvarez & Marsal Europe LLP**

Address **Suite 3 Regency House  
91 Western Road**

Post town **Brighton**

County/Region

Postcode **B N 1 2 N W**

Country

DX

Telephone **+44 (0) 20 7715 5200**

**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**

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**CKL REALISATIONS LIMITED (FORMERLY CATH KIDSTON LIMITED) - IN  
ADMINISTRATION**

# Joint Administrators' first progress report

For the period from 20 April 2020 to 19 October 2020

*17 November 2020*

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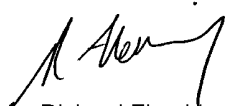
# 1 Executive summary

Richard Fleming and Mark Firmin of Alvarez & Marsal Europe LLP (“A&M”) were appointed as Joint Administrators (“we”/“us”/“our”) of CKL Realisations Limited (formerly Cath Kidston Limited) (the “Company”) on 20 April 2020.

The Directors resolved on 3 April 2020 to appoint us as Joint Administrators. The notice of appointment was lodged at the High Court of Justice, Business and Property Courts in Birmingham at 3:50pm on 20 April 2020. On that date the Company was placed into administration and our appointment as Joint Administrators became effective.

This progress report covers the period from the date of our appointment to 19 October 2020.

- We delivered our statement of proposals (“proposals”) to all known creditors on 27 April 2020. They were deemed approved without modification on 12 May 2020.
- A pre-packaged sale of certain of the business and assets was completed to CK Acquisitions Limited (the “Purchaser”) immediately following our appointment (Section 2 – Progress to date).
- Realisations in respect of the cash collateral, book debts, cash at bank / merchant services balances and various refunds have been made during the period (Section 2 – Progress to date).
- We anticipate that secured creditors will receive a dividend but will not be repaid in full (Section 3.1 – Dividend prospects).
- We anticipate there will be sufficient floating charge assets to enable payment in full of preferential claims (Section 3.2 – Dividend prospects).
- Based on current estimates we anticipate unsecured creditors will receive a small dividend by virtue of the prescribed part (Section 3.3 – Dividend prospects).
- Approval was obtained from the secured and preferential creditors that our remuneration will be based on time properly given by us and the various grades of our staff (Section 4 - Joint Administrators’ remuneration and disbursements).
- Approval was also sought from the secured and preferential creditors for the payment of pre-administrations costs.
- Please note you should read this progress report in conjunction with our proposals which were issued to the Company’s creditors and are available on the Portal. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Richard Fleming  
Joint Administrator

## 2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our proposals.

As set out in our proposals a pre-packaged sale of certain of the business and assets was completed to the Purchaser immediately following our appointment for a sale consideration of £17.8m which was paid by virtue of a credit bid against the existing secured debt in the Company of BPEA Private Equity Asia V Holding (18) Limited ("BPEA").

The sale included the ecommerce / online division of the Company resulting in 32 employees transferring their contracts of employment to the Purchaser. Unfortunately, no offers were received that included the Company's retail store portfolio, and so there was no alternative but to announce 909 redundancies immediately after the appointment.

The strategy of the administration has not materially changed from that set out in our proposals, however, additional assets have been realised, realisations remain ongoing, and the volume of enquiries from / correspondence with unsecured creditors and landlords has been significantly greater than anticipated.

Realisations during the period of this report are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

We have successfully recovered £2.36m from Lloyds in respect of the monies previously held for the provision of ancillary services to the Company totalling £3.2m at the date of appointment. Lloyds continue to withhold £846k to cover all liabilities due to HMRC under a guarantee, however, we understand that the actual liability to HMRC is significantly lower. We expect the surplus funds will be repaid shortly.

As set out in our proposals, as a condition of the sale, the Purchaser is collecting the Company's debtors with the first £500k being payable to the administration in full, plus 50% of collections between £500k and £1m. All debts collected over £1m will be retained by the Purchaser.

The Company's debtor ledger as at 20 April 2020 totalled £1.4m and to date £570k has been received into the administration estate. The Purchaser has advised that they are anticipating recoveries to exceed £1m against the ledger, and therefore in accordance with the sale agreement, this will result in the administration estate receiving the maximum recovery of £750k in due course.

#### Pre-appointment bank accounts

We have received funds from Lloyds and Barclays of £1.5m and £4k respectively relating to cash held on the Company's bank accounts at the date of appointment. We are still awaiting closure of the account held with HSBC but the balance is nominal. No funds were held in the account with Ulster Bank.

#### Merchant services

Prior to the administration the Company had operated accounts with three separate merchant services providers with combined funds held at the date of appointment of c.£1.3m.

Adyen was the main provider of merchant services at the date of appointment and held c.£1.1m due to the administration estate. A new merchant services facility was required to be set up by the Purchaser but, together with Ayden, we allowed the continued use of the Company's facility whilst this process was completed. Therefore, after the account was reconciled, further funds of c.£1m were held in the account in respect of ongoing online sales which were due to the Purchaser. To date, we have received £1m of the funds due to the administration estate. Adyen continue to withhold £250k to cover chargebacks/refunds, with 50% of this balance being payable to the Purchaser. We anticipate that our share of the remaining balance of £125k will be received into the administration estate within the next two months.

PayPal held £180k at the date of appointment. To date, we have received £139k into the administration estate. We continue to pursue PayPal for the remaining £41k.

Klarna held £54k at the date of appointment. To date, we have received £43k into the Administration estate and Klarna continue to withhold £11k to cover chargeback/refunds. However, the remaining balance is anticipated to be released and realised into the administration estate within the next month.

Following our appointment we instructed a third party agent, CAPA Limited ("CAPA"), to undertake reviews of the Company's property portfolio to identify and recover rates refunds/credits and to extract data from the accounts payable system to check for and recover duplicate payments. To date we have received rates and service charge refunds totalling £246k and £91k respectively. CAPA are continuing with their work to pursue credits from councils and landlords. No recoverable duplicate payments were discovered in the Company's records.

We have reviewed the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors and can confirm no such claims have been identified.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

Payments made in the period of this report are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period of this report are provided below.



Employment consultants, Evolve IS Limited ("Evolve"), have been paid £32,640 for advice and dealing with the claims of the Company's employees. These costs are based on standard costs from a menu of services and the number of employees.

Security agents, MAPS Solutions Europe Limited, have been paid £3,016 for their services in assisting us with facilitating access to the Company's head office to allow personal belongings to be collected and the Company's assets (laptops/mobile phones) to be recovered. These costs are based on hourly rates.

Property consultants, CAPA, have been paid commissions totalling £33,440 for their services in recovering rates and service charge refunds. CAPA was selected due to its expertise dealing with these matters. These are commission based on a percentage of funds recovered.

Tax advisors, William Fry, have been paid fees totalling £2,780 for their services providing corporation tax compliance services. William Fry was selected due to its expertise dealing with these matters in a different jurisdiction. The fees detailed above were charged on a time cost basis.

Property agents, Avison Young (UK) Limited, have been paid a total of £96,483 (£52,500 pre-administration costs and £43,983 post-appointment) for their assistance in recovering assets and clearing confidential information from the stores.

Pension consultants, Clumber Consultancy Limited ("Clumber"), have been paid £1,797 for their services dealing with statutory compliance matters in respect of the Company's pension schemes. Clumber was selected due to its insolvency expertise. The fees detailed above were charged on a fixed fee basis

Valuation advisors, Hilco Appraisal Limited (trading as Hilco Global Valuation Services), have been paid £18,000 for their services in the valuation of the Company's assets prior to the appointment.

Shoosmiths LLP have been paid fees and disbursements of £193,765 and £54 respectively in respect of their pre-administration costs, as detailed in our Proposals, for their assistance with the sale process. A further £7,148 has been paid to Shoosmiths for their advice in respect to dealing with a data subject access request received.

Adena Property Investments Inc. were paid £38,018 in respect of rent due for our period of occupation at the Company's head office from 20 April 2020 to 1 May 2020 to collect the Company's books & records.

We have detailed the costs incurred during the period of this report, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period of this report but have not yet been paid are provided below.

Employment consultants, Evolve, continue to provide employment advice and services in dealing with the claims of the Company's employees.

Shoosmiths continue to provide general legal advice to ensure that we are legally compliant. During the period of this report they have provided advice in respect of dealing with landlords and surrenders of leases for the Company's leasehold store portfolio, assisted with the recovery of various assets, provided advice in respect of a Data Subject Access Request ("DSAR") as well as providing general legal advice. Their further fees are estimated to be c.£56k.

Eversheds were engaged to provide specific advice in respect of the validity and value attached to BPEA's security, which was relied upon for the purposes of the credit bid, and conducting the detailed investigation required to complete this work. Their fees are anticipated to be c.£80k. Eversheds was selected as it is a well-known and reputable law firm that are experienced in work of this nature. The estimated legal fees detailed above will be charged on a time costs basis.

### 3 Dividend prospects and dividends paid

The Company has two secured creditors; BPEA and LBG, both of which hold fixed and floating charge debentures.

1. : BPEA is owed £20.7m (excluding interest and charges). This is made up of £15.0m provided in February 2019 to repay external debt facilities and £5.7m provided in February 2020, from which £3.2m was provided to LBG as cash collateral.
2. LBG held £3.2m as cash collateral against ancillary facilities provided to the Company. The Company has no liability to LBG.

Eversheds have reviewed and confirmed the validity of all security held by the secured creditors.

During the period of this report, BPEA has received a notional distribution by way of a credit bid of £17.8m following the pre-packaged sale and a further £2.28m cash distribution in respect of the cash collateral – all of which relates to fixed charge realisations. It is anticipated a further distribution will be made to BPEA from the remaining balance of the cash collateral held by LBG following the release of the HMRC guarantee and return of these funds. BPEA will not be repaid in full.

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

We are still awaiting the preferential claim from the Redundancy Payment Service (“RPS”), however based on asset realisations to date, and our high-level estimate of the preferential claims, we anticipate that preferential creditors will be paid in full. We anticipate the dividend should be paid within the next 2-3 months.

Based on current estimates, we anticipate that the unsecured creditors should receive a small dividend by virtue of the prescribed part. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.

## 4 Other matters

During the period of this report, significantly more time costs have been incurred than anticipated due, in part, to the COVID-19 pandemic. The categories of work most impacted are as follows:

### *Asset realisations*

Additional asset realisations have been achieved since appointment that were not envisaged on appointment. These are predominately in relation to rates and service charge refunds. This has led to additional time required in dealing with these realisations.

The realisation of funds held by the merchant services providers has been more problematic than envisaged, particularly in respect of providers withholding funds for a prolonged period to cover chargebacks. Unexpectedly, there were three facilities to recover. This has resulted in additional time spend in recovering these assets.

Dealing with the collateralised cash account has also incurred more time than anticipated due to the level of funds requested to be retained and the delays agreeing the liabilities under the guarantee with HMRC.

### *Unsecured creditors*

Due to remote working there appears to have been some delays to creditors receiving correspondence leading to a much higher volume of calls and correspondence. The actual number of trade creditors was greater than originally advised by Company and many of creditors were from overseas jurisdictions with no understanding of the UK insolvency process.

### *Property and landlords*

Prior to appointment, the UK Government had imposed a lockdown of all non-essential retail stores and, as a result, the stock at the stores was left in-situ. Whilst the stock was the property of the Purchaser, the landlords of most of the properties have not yet accepted surrenders of the leases and therefore the landlords have ultimately referred requests from the Purchaser to us to assist in this process. Such requests have been directed back to the landlord but it has been a time consuming process.

### *Employees*

The volume of enquiries from employees has been significantly higher than anticipated due partly to the confusion over payment of arrears shortly after appointment. We have received a large number of enquiries that relate to employees seeking to recover their personal belongings from store locations due to COVID-19 related store closures and restrictions imposed prior to our appointment.

### *Tax*

The tax affairs on the Company are more complex than anticipated, predominantly due to overseas jurisdictions and the matters relating to the Company's bonded warehouse. In addition, COVID-19 restrictions caused significant delays when corresponding with the tax authorities.

## 5 Joint Administrators' remuneration, disbursements and pre-administration costs

During the period of this report, the secured and preferential creditors have provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided in our proposals; and
- disbursements for services provided by A&M (defined as Category 2 disbursements in Statement of Insolvency Practice 9 ("SIP9")) will be charged in accordance with A&M's policy as set out in Appendix 4.

During the period since our appointment we have exceeded our previous fees estimate, as detailed in our proposals, and we wish to draw remuneration in excess of our previous estimate. Therefore, we will be seeking the approval of the secured and preferential creditors that we are authorised to draw additional remuneration.

From the date of our appointment to 19 October 2020, we have incurred time costs of £836,509. These represent 2,106 hours at an average rate of £397 per hour.

During the period of this report, we have not drawn any remuneration.

During the period of this report, we have incurred disbursements of £13,641.75. A breakdown of these disbursements can be found in Appendix 4. None of these disbursements have yet been paid.

Our fees estimate of £582,396.50 has been exceeded because of the reasons set out at section 4.

As we intend to seek approval to draw remuneration in excess of £582,396.50, we will ensure that the requisite disclosures are made to the relevant creditors and that the requisite approvals are obtained.

We have attached at Appendix 4 an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by A&M for the period from our appointment to 19 October 2020. We have also attached our charging and disbursements policy.

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

#### **Pre-administration costs**

	Disclosed costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
A&M pre-administration fees	186,894	186,894		186,894
Legal fees - Shoosmiths	193,765	193,765	193,765	-
Legal expenses - Shoosmiths	54	54	54	-
Agents' fees - Hilco	18,000	18,000	18,000	-
Agents' fees - AY	65,000	65,000	65,000	-
Agents' fees - Evolve	5,760	5,760	5,760	-
<b>Total</b>	<b>469,473</b>	<b>469,473</b>	<b>282,579</b>	<b>186,894</b>

On 8 September 2020, we obtained approval from secured and preferential creditors to pay these unpaid pre-administration costs as an expense of the administration.

## 6 Future strategy

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Finalising asset realisations, which include;
  - cash collateral held by Lloyds in respect of the HMRC guarantee;
  - residual funds held by merchant services;
  - trade debtors; and
  - rates and service charge refunds.
- Continuing to correspond with key stakeholders including dealing with creditor/landlord enquiries and agreeing the remaining lease surrenders;
- Seeking an extension of the period of administration;
- Processing final distributions to secured creditors once the cash collateral from Lloyds discussed above has been realised and other asset realisations concluded;
- Agreeing claims and processing a dividend to the preferential creditors;
- Commencing the process for agreeing and paying a prescribed part dividend to unsecured creditors. This will include advertising the intended dividend, agreeing claims and processing payments.
- Submitting tax and VAT returns and seeking clearance from HMRC;
- Dealing with all closure matters.

The administration is currently due to expire on 19 April 2021. For the reasons outlined above we are now seeking approval from the secured and preferential creditors that the period of the administration be extended, by 12 months, to 19 April 2022.

The reasons for the extension are detailed above.

We have sought and obtained approval from the secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon filing of our final receipts and payments account with the Registrar of Companies.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

We will provide a further progress report within one month of 19 April 2021 or earlier if the administration has been completed prior to that time.

# Appendix 1 – Statutory information

## Company information

Company and trading name	CKL Realisations Limited (formerly Cath Kidston Limited)
Date of incorporation	13 April 1993
Company registration number	02808583
Present registered office	C/O Alvarez & Marsal Europe LLP Suite 3 Regency House 91 Western Road Brighton BN1 2NW

## Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, Business and Property Courts in Birmingham, CR-2020-BHM-000244
Appointor	The directors of the Company
Date of appointment	20 April 2020
Joint Administrators	Richard Fleming and Mark Firmin
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	19 April 2021
Prescribed part	The prescribed part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4)
Estimated values of the net property and prescribed part	Estimated net property is uncertain. Estimated prescribed part is uncertain.
Prescribed part distribution	If funds do become available for distribution under the prescribed part, we may make a distribution to the unsecured creditors; or if appropriate may apply to the Court to obtain an Order that the prescribed part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.



# Appendix 2 – Receipts and payments account

## CKL Realisations Limited (In Administration) Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 20/04/2020 To 19/10/2020 £	From 20/04/2020 To 19/10/2020 £
	<b>FIXED CHARGE ASSETS</b>		
16,599,999.00	Goodwill	16,599,999.00	16,599,999.00
1.00	Intellectual Property	1.00	1.00
3,210,000.00	Lloyds Cash Collateral	2,380,000.00	2,380,000.00
		18,959,999.00	18,959,999.00
	<b>FIXED CHARGE COSTS</b>		
	Legal Fees/Disbursements		
	Pre-administration Fees	61,000.00	61,000.00
	Agents/Valuers Fees/Disbursements		
	Pre-administration Fees	9,000.00	9,000.00
		(70,000.00)	(70,000.00)
	<b>FIXED CHARGE CREDITORS</b>		
(25,277,155.00)	Fixed Charge Creditor	18,879,990.00	18,879,990.00
		(18,879,990.00)	(18,879,990.00)
	<b>ASSET REALISATIONS</b>		
2,867,356.00	Book Debts	589,992.84	589,992.84
1,980,359.00	Cash at Bank	2,701,284.80	2,701,284.80
	Contributions from Purchaser	991,581.10	991,581.10
	Insurance Refund	40,909.54	40,909.54
35,000.00	P & M. Fixtures & Equipment	NIL	NIL
	Sale Consideration		
	Business Information	1.00	1.00
	Contracts	1.00	1.00
	Customer Deposits	1.00	1.00
	E Commerce Contracts	1.00	1.00
	E Commerce Cash	1.00	1.00
	Information Technology	1.00	1.00
	IP Licences	1.00	1.00
	Japan Intercompany debt	1.00	1.00
	Prepayments	1.00	1.00
	Social Media Accounts	1.00	1.00
1,200,000.00	Stock	1,200,000.00	1,200,000.00
		5,503,778.28	5,503,778.28
	<b>OTHER REALISATIONS</b>		
	Bank Interest	0.06	0.06
	Rates Refunds	246,446.71	246,446.71
	Sundry Refunds	91,307.73	91,307.73
	Third Party Monies Received in Error	1,070,803.95	1,070,803.95
		1,408,558.45	1,408,558.45
	<b>COST OF REALISATIONS</b>		
	Agents/Valuers Fees/Disbursements		
	Post-appointment Fees	33,280.10	33,280.10
	Pre-administration Fees	75,500.00	75,500.00
	Bank Charges	83.80	83.80
	Contractor Costs	70,732.32	70,732.32
	Heat, Light & Water	150.86	150.86
	Insurance of Assets	207.20	207.20
	Legal Fees/Disbursements		
	Pre-administration Fees	142,931.67	142,931.67
	Pre-administration Disbursements	54.00	54.00
	Post-appointment Fees	7,148.00	7,148.00
	Other Property Expenses	3,336.00	3,336.00

**CKL Realisations Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 20/04/2020 To 19/10/2020 £	From 20/04/2020 To 19/10/2020 £
Pre-administration Contractor Costs	5,760.00	5,760.00
Preparation of SoA	3,000.00	3,000.00
Purchasers Wages & Salaries	991,581.10	991,581.10
Re-direction of Mail	473.67	473.67
Rents Payable	38,018.01	38,018.01
Repayment Third Party Monies Rec'd	1,070,803.95	1,070,803.95
Specific Bond	200.00	200.00
Stationery & Postage	13.91	13.91
Statutory Advertising	95.50	95.50
Storage Costs	754.17	754.17
	<u>(2,444,124.26)</u>	<u>(2,444,124.26)</u>
FLOATING CHARGE CREDITORS		
Floating Charge Creditor	1,200,010.00	1,200,010.00
	<u>(1,200,010.00)</u>	<u>(1,200,010.00)</u>
<b>615,560.00</b>	<b><u>3,278,202.47</u></b>	<b><u>3,278,202.47</u></b>
REPRESENTED BY		
Fixed Charge IB Current		79,985.00
Floating Charge IB Current		3,122,811.24
Floating VAT Receivable		75,406.23
		<b><u>3,278,202.47</u></b>

## Appendix 3 – Schedule of expenses

A summary of the expenses incurred during the period of this report is set out below.

<b>Expenses paid</b>			
<b>Type of expense</b>	<b>Incurred and paid in the period (£)</b>	<b>Incurred in the period and not yet paid (£)</b>	<b>Total (£)</b>
Agent fees	45,780	-	45,780
Contractor costs	70,732	-	70,732
Legal fees	7,148	144,361	151,509
Storage costs	754	-	754
Statutory advertising	96	-	96
Rents payable	38,018	-	38,018
Heat, Light and Water	151	-	151
Other Property Expenses	3,336	-	3,336
Insurance	207	-	207
Postage	14	-	14
Preparation of SofA	3,000	-	3,000
Mail redirection	474	-	474
Bank charges	84	-	84
Bonding	200	-	200
<b>Total</b>	<b>169,993</b>	<b>144,361</b>	<b>314,354</b>

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Charles Titmus at C/O Alvarez & Marsal Europe LLP, Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW.

# Appendix 4 – Charging and disbursement policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, Dispute & Investigations and pensions from A&M in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of “A Creditor’s Guide to Joint Administrators’ Fees” from Statement of Insolvency Practice 9 (“SIP 9”) produced by the Association of Business Recovery Professionals is available via the Portal.

If you are unable to access this guide and would like a copy, please send your request to [INS\\_CKL@alvarezandmarsal.com](mailto:INS_CKL@alvarezandmarsal.com).

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring	
Grade	From 20 April 2020
Managing Director	675
Senior Director	635
Director	595
Associate Director	535
Senior Associate	455
Associate Director	335
Analyst	225
Support	165

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by A&M Restructuring include mileage at a rate of 45p per mile. When carrying an A&M passenger, no additional cost per passenger will be charged.

We have incurred the following disbursements during the period:

£	
<b>Category 1 disbursements</b>	
InterCall charges	3,312.74
Storage	2,160.58
Postage	3,768.18
Travel	290.65
IT equipment and software	1,275.08
Overseas tax advice	2,780.07
<b>Total category 1 disbursements</b>	<b>13,587.30</b>
<b>Category 2 disbursements</b>	
Mileage	54.45
<b>Total category 2 disbursements</b>	<b>54.45</b>
<b>Total disbursements</b>	<b>13,641.75</b>

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements has been approved in the same manner as our remuneration.

Please refer to the tables below for a detailed breakdown and narrative of our time costs for the period of this report in accordance with SIP 9.

Fee estimate category	Total hours	Total time costs (£)	Average hourly rate (£)
Engagement control	187.2	80,411	430
Appointment and risk	16.6	5,785	348
Reports, decision making and remuneration	129.2	63,514	492
Correspondence & statutory filing	568.7	164,280	289
Investigations	246.0	83,375	339
Sale of business	67.4	36,667	544
Asset realisations	362.1	166,854	461
Costs of realisation	50.9	14,533	286
Tax	179.6	79,718	444
Cashiering	126.1	53,176	422
Employees and pensions	154.7	78,270	506
Claims and distributions	17.4	9,927	571
Exit routes and closure	-	-	-
<b>Totals</b>	<b>2,105.7</b>	<b>836,509</b>	<b>397</b>

### SIP 9 narrative for the period from appointment to 19 October 2020

Type of work	Narrative description of work	Why was/is this work necessary?	What, if any financial benefit will the work provide to creditors?
<b>Engagement control</b>	<ul style="list-style-type: none"> <li>- Formulating, monitoring and reviewing the administration strategy</li> <li>- Briefing our staff on the administration strategy and matters in relation to various work-streams</li> <li>- Regular case management and reviewing of process, including regular team update meetings and calls</li> <li>- Meeting with management to review and update strategy and monitor progress</li> <li>- Reviewing and authorising junior staff correspondence and other work</li> <li>- Dealing with queries arising during the appointment</li> <li>- Reviewing matters affecting the outcome of the administration</li> <li>- Dealing with a DSAR from a former employee</li> <li>- Allocating and managing staff/case resourcing and budgeting exercises and reviews</li> <li>- Liaising with legal advisers regarding the various instructions, including agreeing content of engagement letters</li> <li>- Complying with Internal filing and information recording practices, including documenting strategy decisions</li> </ul>	To ensure appropriate oversight, decision making and overall control of the administration, which will help to progress the case efficiently, maximising asset realisations and minimising costs.	None
<b>Appointment &amp; risk</b>	<ul style="list-style-type: none"> <li>- Collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets</li> <li>- Requesting confirmation of validity of appointment</li> <li>- Arranging bonding and complying with statutory requirements</li> <li>- Arranging ongoing insurance cover for the Company's business and assets</li> <li>- Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place</li> <li>- Assessing the level of insurance premiums</li> </ul>	To comply with statutory requirements and protection of company assets.	None

<b>Reports, decision making &amp; remuneration</b>	<ul style="list-style-type: none"> <li>- Preparing statutory receipts and payments accounts</li> <li>- Drafting and publishing our proposals</li> <li>- Obtaining approval of our proposals</li> <li>- Ensuring compliance with all statutory obligations within the relevant timescales</li> <li>- Preparing for creditors' decisions relating to the approval of fees, expenses and discharge from liability.</li> <li>- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9</li> <li>- Preparing and reviewing the fees estimate</li> <li>- Preparing and reviewing the expenses estimate</li> <li>- Seeking approval of the basis of remuneration from the relevant parties</li> <li>- Reporting to the secured creditor and updating the estimated outcome statement</li> </ul>	To comply with statutory requirements and ensure creditors are informed of progress.	None
<b>Correspondence &amp; statutory filing</b>	<ul style="list-style-type: none"> <li>- Uploading information to the Creditors' Portal</li> <li>- Providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders and advertising our appointment</li> <li>- Providing written and oral updates to representatives of secured creditor regarding the progress of the administration and case strategy</li> <li>- Dealing with creditor queries</li> </ul>	To comply with statutory requirements and ensure creditors are informed of progress.	None
<b>Investigations</b>	<ul style="list-style-type: none"> <li>- Locating relevant Company books and records, arranging for their collection, review and ongoing storage</li> <li>- Reviewing Company and Directorship searches and advising the directors of the effect of the administration</li> <li>- Liaising with management to produce the Statement of Affairs and filing it with the Registrar of Companies</li> <li>- Arranging for the redirection of the Company's mail</li> <li>- Reviewing the questionnaire submitted by the Directors of the Company</li> <li>- Reviewing pre-appointment transactions</li> <li>- Drafting the statutory report and submitting to the relevant authority</li> </ul>	To comply with statutory requirements and to pursue any potential asset recoveries for the estate.	Maximising asset realisations may increase the dividend prospects for creditors

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- Review the validity and value attached to BPEA's security

<b>Sale of business</b>	<ul style="list-style-type: none"> <li>- Finalising the pre-packaged sale of certain business and assets immediately on appointment</li> <li>- Dealing with any post sale requirements under the terms of the sale and purchase agreement</li> <li>- Preparing the SIP 16 statement</li> </ul>	<p>To realise the value of the Company's business and assets.</p> <p>To facilitate any requirements under the terms of the Sale and Purchase Agreement.</p>	<p>Maximising asset realisations and minimising potential liabilities may increase the dividend prospects for creditors</p>
<b>Asset realisations</b>	<ul style="list-style-type: none"> <li>- Collating information from the Company's records regarding assets</li> <li>- Dealing with the Company's' pre-appointment bank accounts</li> <li>- Liaising with finance companies in respect of assets subject to finance agreements</li> <li>- Liaising with agents regarding the sale of assets</li> <li>- Reviewing outstanding debtors and management of debt collection strategy</li> <li>- Liaising with Company credit control staff and communicating with debtors</li> <li>- Liaising with the Purchaser regarding debtor recoveries</li> <li>- Reviewing the inter-company debtor position between the Company and other group companies</li> <li>- Reviewing the Company's leasehold properties, including review of leases</li> <li>- Communicating with landlords regarding rent, property occupation and other issues</li> <li>- Realising collateralised cash held by one of the secured creditors at the date of appointment</li> <li>- Liaising with agents and realising rates and service charge refunds</li> </ul>	<p>To identify, secure and realise the value of the Company's assets.</p>	<p>Maximising asset realisations may increase the dividend prospects for creditors</p>



	<ul style="list-style-type: none"> <li>- Liaising with merchant services providers and recovery of funds</li> </ul>		
<b>Costs of realisation</b>	<ul style="list-style-type: none"> <li>- Liaising with third parties regarding costs incurred</li> <li>- Reviewing costs incurred to ensure recorded accurately</li> <li>- Arranging payment of the costs in a timely manner as and when funds allow</li> </ul>	To settle costs of third parties who have facilitated the realisation of the Company's assets and mitigation of the administration costs/liabilities.	Realisation of assets and minimising the costs/liabilities may increase the dividend prospects for creditors
<b>Tax</b>	<ul style="list-style-type: none"> <li>- Gathering initial information from the Company's records in relation to the taxation position of the Company;</li> <li>- Submitting relevant initial notifications to HM Revenue and Customs and overseas tax authorities.</li> <li>- Reviewing the Company's pre-appointment corporation tax and VAT position</li> <li>- Analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisation</li> <li>- Working initially on tax returns relating to the periods affected by the administration</li> <li>- Analysing VAT related transactions</li> <li>- Corresponding with HMRC regarding the Company's bonded warehouse</li> <li>- Dealing with overseas tax authorities re: deregistration</li> <li>- Reviewing the Company's duty position to ensure compliance with duty requirements</li> <li>- Dealing with post appointment tax compliance</li> </ul>	To comply with statutory requirements and ensure mitigation of the tax liabilities/expenses of the administration.	Minimising the costs/liabilities of the administration may increase the dividend prospects for creditors
<b>Cashiering</b>	<ul style="list-style-type: none"> <li>- Setting up administration bank accounts</li> <li>- Preparing and processing vouchers for the payment of post-appointment invoices</li> <li>- Creating remittances and sending payments to settle post-appointment invoices</li> <li>- Preparing payroll payments for staff</li> <li>- Reconciling post-appointment bank accounts to internal systems</li> <li>- Ensuring compliance with appropriate risk management procedures in respect of receipts and payments</li> </ul>	To effectively manage funds, receive asset realisations and discharge the costs of the administration.	Receipt of bank interest maximises asset realisations which may increase the dividend prospects for creditors

<b>Employees &amp; pensions</b>	<ul style="list-style-type: none"> <li>- Dealing with queries from employees regarding various matters relating to the administration and their employment</li> <li>- Dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments</li> <li>- Holding employee briefing meetings to update employees on progress in the administration on our strategy</li> <li>- Liaising with our specialist employee agent with regards to issues arising from the employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office</li> <li>- Administering the Company's payroll</li> <li>- Communicating and corresponding with HM Revenue and Customs</li> <li>- Ensuring security of assets held by employees</li> <li>- Collating information, reviewing the Company's pension schemes and liaising with our specialist pensions agent</li> <li>- Calculating employee pension contributions and review of pre-appointment unpaid contributions</li> <li>- Ensuring compliance with our duties to issue statutory reports</li> <li>- Liaising with Evolve regarding all employee related matters</li> </ul>	<p>To provide effective and informative communication to employees.</p> <p>To comply with statutory requirements.</p>	<p>Assistance to employees will help them recover the maximum claims in the circumstances</p>
<b>Claims &amp; distributions</b>	<ul style="list-style-type: none"> <li>- Reviewing and updating the list of unsecured creditors</li> <li>- Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records</li> <li>- Responding to creditors regarding queries about the administration and their claims</li> </ul>	<p>To comply with statutory requirements, ensure creditors are informed of progress and claims are agreed for dividend purposes (where appropriate).</p>	<p>Ensuring creditor records are kept up to date, claims are agreed at the correct value and funds are distributed accurately to the relevant creditors (where appropriate)</p>

# Appendix 5 – Glossary

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

Defined Terms	Definition
A&M	Alvarez & Marsal Europe LLP
AMA	Accelerated sale process
AY	Avison Young UK Limited
Bank / LBG / Lloyds	Lloyds Banking Group
BPEA	BPEA Private Equity Asia V Holding (18) Limited
CAPA	CAPA Limited
Clumber	Clumber Consultancy Limited
Company / CKL	CKL Realisations Limited (formerly Cath Kidston Limited) – In Administration
DSAR	Data Subject Access Request
EBITDA	profit before interest tax, depreciation and amortisation
Eversheds	Eversheds Sutherland LLP
Evolve	Evolve IS Limited
Hilco	Hilco Appraisal Limited (trading as Hilco Global Valuation Services)
Joint Administrators/we/our/us	Richard Fleming and Mark Firmin
MAPS	MAPS Solutions Europe Limited
NOI	Notice of intention to appoint administrators
Purchaser	CK Acquisitions Limited
RPS	Redundancy Payments Service
Secured creditor(s)	BPEA and LBG
Shoosmiths	Shoosmiths LLP
SIP	Statements of insolvency practice
SIP 9	Payments to insolvency office holders and their associates
SIP 13	Disposal of assets to connected parties
SIP 16	Pre-packaged sales in administrations
TUPE	Transfer of Undertakings (Protection of Employment Regulations 2006)

# Appendix 6 – Notice: About this progress report

This progress report has been prepared by Richard Fleming and Mark Firmin, the Joint Administrators of CKL Realisations Limited (formerly Cath Kidston Limited) (the “Company”), solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This progress report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this progress report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this progress report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Richard Fleming and Mark Firmin are authorised to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agent for the Company without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Alvarez & Marsal Europe LLP does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the administration.