



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

### 1 Company details

Company number 0 3 7 8 8 1 9 4

Company name in full JD Classics Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Mark Granville

Surname Firmin

### 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) Richard Dixon

Surname Fleming

#### 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><br>1 | <sup>d</sup><br>0 | <sup>m</sup><br>0 | <sup>m</sup><br>9 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>2 | <sup>y</sup><br>2 |
| To date   | <sup>d</sup><br>0 | <sup>d</sup><br>9 | <sup>m</sup><br>0 | <sup>m</sup><br>3 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>2 | <sup>y</sup><br>3 |

### 7 Progress report

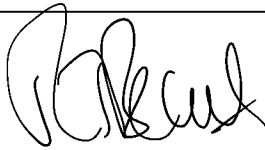
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

|                   |                   |                   |                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <sup>d</sup><br>0 | <sup>d</sup><br>6 | <sup>m</sup><br>0 | <sup>m</sup><br>4 | <sup>y</sup><br>2 | <sup>y</sup><br>0 | <sup>y</sup><br>2 | <sup>y</sup><br>3 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|

**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 **Maria French**

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.**

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**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.  
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# Continuation page

Name and address of insolvency practitioner

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

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

❶ You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Richard James

Surname

Beard

## 3 Insolvency practitioner'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

**JD CLASSICS LIMITED IN ADMINISTRATION**

# **Joint Administrators' ninth progress report**

**For the period from 10 September 2022 to 9 March 2023**

*6 April 2023*

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# 1 Executive summary

- This progress report covers the period from 10 September 2022 to 9 March 2023 for JD Classics Limited in administration (“the Company”).
- During the period we have realised the Company’s remaining tangible assets. We continue to be involved in a number of complex claims against various third parties which are at different stages in the legal process. These claims have potential to generate significant recoveries for the estate (Section 2 – Strategy and progress of the administration to date).
- We have declared and paid interim distributions totalling £4.8 million to Lloyds Bank plc, as agent for the secured lenders (“the Secured Lenders”), during the administration to date. Estimated net realisations from the Company’s assets are unlikely to be sufficient to enable the Secured Lenders to be repaid in full (Section 3 – Dividend prospects and dividends paid).
- Preferential creditors have been repaid in full (Section 3 – Dividend prospects and dividends paid).
- In the previous period, a first and final dividend to unsecured creditors in respect of the Prescribed Part of 0.46 pence in the pound was declared and paid. Based on current estimates, we do not anticipate that there will be sufficient funds to enable a further dividend to be paid to the unsecured creditors (Section 3 – Dividend prospects and dividends paid).
- During the period we have sought the agreement of the secured and preferential creditors to our revised fees estimate of £9.5 million. We have received the approval of the preferential creditor and are awaiting the consent of the secured creditors (Section 4 – Joint Administrators’ remuneration and category 2 expenses).
- Please note you should read this progress report in conjunction with our previous progress reports and 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 Beard  
Joint Administrator

## 2 Strategy and progress of the administration 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 and previous progress reports.

### 2.1 Strategy

The administration strategy during the period has been to continue to pursue and maximise recoveries from legal claims against third parties, whilst also complying with our statutory duties. Further, the two remaining motorbikes discussed in previous reports were sold via auction during the period as detailed below.

### 2.2 Asset realisations

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

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

#### *Stock*

Stock realisations of £393,000 have been achieved in the period in relation to the previously agreed sale of a Jaguar XJ13, as well as the auction of the two remaining motorbikes which were in the Company's stock as at our appointment. Commission of £34,800 has been paid to Woodham Mortimer Limited in respect of the sales.

#### *Recoveries from legal disputes/claims against third parties*

As a result of our pursuit of legal claims, we have realised a further £1,020,316 in the period in relation to settlements agreed in prior periods.

As set out above, legal action against third parties is ongoing. Given the commercially sensitive nature of these matters it is not appropriate to provide further information at this stage. We anticipate that due to their complexity, these claims are likely to continue for a significant period of time.

#### *Derek Hood bankruptcy dividends*

As reported previously, we have agreed the Company's claim against a former director of the Company with the joint trustees of his bankruptcy estate. During the period, we have received dividends from the bankruptcy estate totalling £2,141,191. The bankruptcy process is ongoing and we receive regular updates from the joint trustees in relation to realisations made in the estate. We anticipate that a further dividend will become payable to the Company, however at the present time we are unable to comment further on the quantum or timing of any payments.

#### *Bank interest*

During the period, we have realised £88,228 of bank interest.



## 2.3 Expenses

### 2.3.1 Payments

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

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

#### *Legal fees*

Legal fees totalling £2,015,056 million were paid during the period which relate to:

- Quinn Emanuel Urquhart & Sullivan LLP (“QE”) fees (totalling £2,009,314) – QE have been engaged throughout the administration to advise us in respect of various legal claims against third parties and litigation matters; and
- Pinsent Masons LLP (“Pinsents”) fees (totalling £5,742) – Pinsents have been engaged by us throughout the administration to assist with general insolvency law matters.

#### *Joint Administrators’ fees and disbursements*

Our time costs of £358,219 and our disbursements totalling £10,512 were paid during the period.

## 2.4 Schedule of expenses

We have detailed the costs incurred during the period, 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 but have not yet been paid are provided below:

- Legal fees and disbursements incurred by QE totalling £1.4 million in relation to advice provided on litigation matters.

# 3 Dividend prospects and dividends paid

## 3.1 Secured creditors

As reported in our eighth progress report, the Secured Lenders submitted a claim in the administration of £76.2 million in respect of their secured indebtedness. As mentioned in our proposals, a security review confirmed the security and priority arrangements in the Company. To date, a total distribution of £4.8 million has been paid to the Secured Lenders under their security.

As previously reported, the Secured Lenders have also received £394,472. This amount represents the unsecured dividend payable to the Company's parent company, JD Classics Holdings Limited ("JDCHL"), from the Prescribed Part (see below) but which, following JDCHL's dissolution on 15 December 2020, became payable to the Secured Lenders in accordance with turnover provisions in the intercompany financing documents.

No payments have been made to the Secured Lenders in the period.

Based on current estimates, future realisations from the Company's assets are unlikely to be sufficient to enable the Secured Lenders to be repaid in full.

## 3.2 Preferential creditors

The preferential creditors have been paid in full.

## 3.3 Unsecured creditors

As reported in our eighth progress report, unsecured claims have been agreed at £118,830,014.

A first and final dividend to unsecured creditors in respect of the Prescribed Part of 0.46 pence in the pound was declared on 6 September 2022. The total amount distributed in the prior period was £549,629. As previously reported, payments totalling £370 have been withheld where the information requested from creditors to allow us to make the payments is outstanding. These retained funds will be distributed once all creditors have complied with the relevant regulatory regulations.

Based on current estimates, we do not anticipate that there will be sufficient funds to enable a further dividend to be paid to unsecured creditors because, as stated above, there is anticipated to be a deficiency as regards the Secured Lenders.

# 4 Joint Administrators' remuneration and category 2 expenses

## 4.1 Joint Administrators' remuneration and category 2 expenses

### 4.1.1 Basis of remuneration and category 2 expenses

During the administration, the secured and preferential creditors have provided approval that:

- our remuneration will be drawn on the basis of the time properly given by us and the various grades of our staff in accordance with the revised fees estimate and charge-out rates provided to creditors; and
- category 2 expenses (as defined in Statement of Insolvency Practice 9 ("SIP 9") and disclosed to creditors) will be paid as an expense of the estate, including disbursements paid directly by A&M and charged in accordance with our charging policy as set out in Appendix 4.

As reported in our previous progress report, it became apparent during the previous period that we would exceed our previous fees estimate of £8.0 million as a result of ongoing complex litigation matters. We wish to draw remuneration in excess of that estimate and therefore we have sought approval from the secured and preferential creditors during the period that we be authorised to draw additional remuneration.

A revised fees estimate of £9.5 million was provided to the secured and preferential creditors on 6 October 2022. We have received approval to this revised fees estimate from the preferential creditor and we are awaiting the approval from the secured creditors. Due to the nature of the work still to be undertaken, particularly in respect of the ongoing claims/actions, we are unable to provide an estimate at this date as to the total amount of remuneration that will be paid from the estate.

### 4.1.2 Time costs

During the period we have incurred time costs of £459,120. These represent 851.7 hours at an average rate of £539 per hour.

### 4.1.3 Remuneration

During the period, we have drawn floating charge remuneration of £358,219.

#### 4.1.4 Additional information

##### *Expenses estimate*

It is anticipated that the expenses to be incurred during the administration will exceed our original expenses estimate of £13,427,312 because of additional legal costs associated with the ongoing complex litigation matters.

##### *Time spent and charging policy*

We have attached at Appendix 4 an analysis of time spent, the charge-out rates for each grade of staff and the expenses paid directly to A&M for the period, together with a summary of the cumulative time costs to 9 March 2023. We have also attached our charging policy.

# 5 Future strategy

## 5.1 Future conduct of the administration

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:

- Pursuing actions against third parties with a view to recovering value for the estate;
- Obtaining the approval of the secured creditor to our revised fees estimate;
- Dealing with the Company's corporation tax and VAT matters;
- Distributing funds in the estate to the Secured Lenders; and
- Undertaking procedures to exit the administration.

## 5.2 Future reporting

We will provide a further progress report within one month of 9 September 2023 or earlier if the administration has been completed prior to that time.

# A1 Appendix 1 – Statutory information

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## Company information

|                             |   |
|-----------------------------|---|
| Company name                | JD Classics Limited                                       |
| Date of incorporation       | 11 June 1999  |
| Company registration number | 03788194  |
| Present registered office   | Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW |

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## Administration information

|  |  |
|--|--|
| Administration appointment             | The administration appointment granted in the High Court of Justice, case number CR-2018-007197  |
| Appointor                              | The directors of JD Classics Limited   |
| Date of appointment                    | 10 September 2018  |
| Joint Administrators                   | Richard Fleming, Mark Firmin and Richard Beard   |
| Joint Administrators' contact details: | Address: Suite 3, Regency House, 91 Western Road, Brighton BN1 2NW<br>Tel: +44 (0) 20 7715 5200<br>Email: <a href="mailto:INS_JDCL@alvarezandmarsal.com">INS_JDCL@alvarezandmarsal.com</a> |
| 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     | 9 September 2023   |

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# A2 Appendix 2 – Receipts and payments account

**JD Classics Limited**  
(In Administration)  
**Joint Administrators' Summary of Receipts & Payments**

| Statement of Affairs<br>£ |                                      | From 10/09/2022<br>To 09/03/2023<br>£ | From 10/09/2018<br>To 09/03/2023<br>£ |
|---------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
|                           | <b>FIXED CHARGE ASSETS</b>           |                                       |                                       |
| 231,000.00                | Plant & Machinery                    | NIL                                   | 40,030.00                             |
|                           | Bank Interest                        | NIL                                   | 8.83                                  |
|                           |                                      | NIL                                   | 40,038.83                             |
|                           | <b>FIXED CHARGE COSTS</b>            |                                       |                                       |
|                           | Administrators' Fees                 | NIL                                   | 40,038.83                             |
|                           |                                      | NIL                                   | (40,038.83)                           |
|                           | <b>FIXED CHARGE CREDITORS</b>        |                                       |                                       |
| (76,237,375.00)           | Chargeholder (1)                     | NIL                                   | NIL                                   |
|                           |                                      | NIL                                   | NIL                                   |
|                           | <b>ASSET REALISATIONS</b>            |                                       |                                       |
|                           | Secured Lender Loan                  | NIL                                   | 700,000.00                            |
| 902,164.00                | Parts                                | NIL                                   | 527,930.00                            |
|                           | Fleet Motor Vehicles                 | NIL                                   | 223,088.34                            |
| 22,638,000.00             | Stock                                | 393,000.00                            | 22,860,245.23                         |
|                           | Work in Progress                     | NIL                                   | 140,710.00                            |
| 11,193,990.00             | Book Debts - pre appt                |                                       |                                       |
|                           | Vehicle Sales                        | NIL                                   | 3,109,900.00                          |
|                           | Workshop/Racing                      | NIL                                   | 109,096.22                            |
|                           | Other                                | NIL                                   | 5,250.00                              |
|                           | Rates Refund                         | 15.78                                 | 14,370.18                             |
|                           | Automobilia                          | NIL                                   | 57,655.00                             |
| 936,320.00                | Corporation Tax Refund               | NIL                                   | 8,125,966.98                          |
| 494,928.00                | VAT Refund                           | NIL                                   | 327,302.08                            |
| 73,706.00                 | Cash at Bank                         | NIL                                   | 71,590.84                             |
|                           | Rent & Property Expenses Received    | NIL                                   | 1,069,844.60                          |
| 489,067.00                | Registration Numbers                 | NIL                                   | 283,203.33                            |
|                           | DTH Bankruptcy Dividend              | 2,141,191.37                          | 2,141,191.37                          |
|                           |                                      | 2,534,207.15                          | 39,767,344.17                         |
|                           | <b>OTHER REALISATIONS</b>            |                                       |                                       |
|                           | Bank Interest Gross                  | 88,227.73                             | 144,495.96                            |
|                           | Other Realisations                   | NIL                                   | 831.83                                |
|                           | Processing Fee Received              | NIL                                   | 10,000.00                             |
|                           | Litigation/Settlement Recoveries     | 1,020,316.03                          | 8,883,222.20                          |
|                           | Sundry Refunds                       | NIL                                   | 20,815.64                             |
|                           | Trading Surplus/(Deficit)            | NIL                                   | (19,228.16)                           |
|                           | Third Party Funds Received           | NIL                                   | 1,221,684.00                          |
|                           | Cost Order Recoveries                | NIL                                   | 150,000.00                            |
|                           | Credit Card refund                   | NIL                                   | 12,231.82                             |
|                           | Storage Receipts                     | NIL                                   | 3,197.10                              |
|                           |                                      | 1,108,543.76                          | 10,427,250.39                         |
|                           | <b>COST OF REALISATIONS</b>          |                                       |                                       |
|                           | Repairs & Maintenance                | 975.00                                | 1,310,952.17                          |
|                           | Interest paid re Secured Lender Loan | NIL                                   | 2,222.39                              |
|                           | Repayment of Secured Lender Loan     | NIL                                   | 700,000.00                            |
|                           | ERA Solutions                        | NIL                                   | 200.00                                |
|                           | Margin Scheme VAT                    | NIL                                   | 102,973.17                            |
|                           | Registration Costs                   | NIL                                   | 1,859.36                              |
|                           | Transportation costs                 | NIL                                   | 169,616.19                            |
|                           | Specific Bond                        | NIL                                   | 200.01                                |
|                           | Administrators' Fees                 | 358,219.00                            | 5,828,729.17                          |
|                           | Administrators' Expenses             | 10,512.49                             | 96,865.87                             |

**JD Classics Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

| Statement of Affairs<br>£                | From 10/09/2022<br>To 09/03/2023<br>£ | From 10/09/2018<br>To 09/03/2023<br>£ |
|--|---------------------------------------|---------------------------------------|
| Irrecoverable VAT                        | 114.00                                | 27,592.14                             |
| Cost Orders Payable                      | NIL                                   | 48,464.83                             |
| Agents/Valuers Fees                      | 7,986.00                              | 63,431.84                             |
| Security                                 | 3,960.00                              | 171,312.23                            |
| Legal Fees                               | 2,015,056.10                          | 13,270,780.67                         |
| Professional Fees                        | 44,094.10                             | 129,943.49                            |
| Repayment of Third Party Funds           | NIL                                   | 556,194.56                            |
| Third Party Funds Paid                   | NIL                                   | 653,629.61                            |
| Sales Commission                         | 34,800.00                             | 2,083,196.46                          |
| Customer Refunds                         | NIL                                   | 20,000.00                             |
| Stationery & Postage                     | NIL                                   | 5,892.42                              |
| Utilities                                | NIL                                   | 1,681.99                              |
| Storage Costs                            | 2,535.14                              | 229,770.00                            |
| Re-Direction of Mail                     | NIL                                   | 980.00                                |
| Statutory Costs                          | NIL                                   | 71.15                                 |
| Rent & Property Expenses Paid            | NIL                                   | 1,069,844.69                          |
| Rates                                    | NIL                                   | 16,737.33                             |
| Other Property Expenses                  | NIL                                   | 5,414.50                              |
| Insurance of Assets                      | NIL                                   | 117,495.82                            |
| Bank Charges                             |                                       |                                       |
| Unassigned                               | 11.54                                 | 1,457.80                              |
| Bank charges refund                      | NIL                                   | (33.44)                               |
| Settlement Payments                      | NIL                                   | 3,131,534.19                          |
| Ransom Payments                          | NIL                                   | 10,000.00                             |
|  | (2,478,263.37)                        | (29,829,010.61)                       |
| <b>PREFERENTIAL CREDITORS</b>            |                                       |                                       |
| Subrogated EP(C)A Claim                  | NIL                                   | 5,001.37                              |
|  | NIL                                   | (5,001.37)                            |
| <b>FLOATING CHARGE CREDITORS</b>         |                                       |                                       |
| (76,006,375.00) Floating Charge Creditor | NIL                                   | 4,810,000.00                          |
|  | NIL                                   | (4,810,000.00)                        |
| <b>UNSECURED CREDITORS</b>               |                                       |                                       |
| (5,372,026.00) Trade & Expense Creditors | NIL                                   | 549,629.33                            |
| (84,795,000.00) Connected Companies      | NIL                                   | NIL                                   |
|  | NIL                                   | (549,629.33)                          |
| <b>(205,451,601.00)</b>                  | <b>1,164,487.54</b>                   | <b>15,000,953.25</b>                  |
| <b>REPRESENTED BY</b>                    |                                       |                                       |
| Vat Receivable                           |                                       | 4,754,796.39                          |
| Bank Current - Floating                  |                                       | 3,257,047.06                          |
| Dividend Account                         |                                       | 396.42                                |
| Bank Current - Floating (Lloyds)         |                                       | 5,025,099.97                          |
| Bank Current - Floating (BOS)            |                                       | 5,025,099.97                          |
| Fixed Ch Vat Receivable                  |                                       | 8,007.77                              |
| Funds held in lawyer account             |                                       | 1,375,000.00                          |
| Vat Payable                              |                                       | (465,358.47)                          |
| Floating VAT Control Account             |                                       | (3,971,128.09)                        |
| Fixed VAT Control Account                |                                       | (8,007.77)                            |
|  |                                       | <b>15,000,953.25</b>                  |

**Notes:**

- 1) Funds are held in interest bearing current accounts
- 2) "Funds held in lawyer account" represent amounts which have been transferred to QE's client account as security for costs in connection with the current ongoing litigation



# A3 Appendix 3 – Schedule of expenses

## A3.1 Schedule of expenses

Schedule of expenses for the period from 10 September 2022 to 9 March 2023

| Category                            | Incurred in a prior period but not previously disclosed (£) | Incurred in the period (£) |
|-------------------------------------|---|----------------------------|
| Agent's fees                        | -   | 7,986.00                   |
| Bank charges                        | -   | 11.54                      |
| Irrecoverable VAT                   | -   | 114.00                     |
| Joint Administrators' disbursements | -   | 10,415.54                  |
| Legal fees and disbursements        | -   | 2,393,116.17               |
| Professional fees                   | -   | 57,840.78                  |
| Repairs & Maintenance               | 300.00  | -                          |
| Sales Commission                    | -   | 34,800.00                  |
| Security                            | -   | 3,900.00                   |
| Storage costs                       | -   | 2,535.14                   |
| <b>Total</b>                        | <b>300.00</b>   | <b>2,510,719.17</b>        |

## A3.2 Requests for further information and right to challenge our remuneration and expenses

### Creditors' requests for further information

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.

### Creditors' right to challenge our remuneration and expenses

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 Harry Ashworth at Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW.

# A4 Appendix 4 – Charging policy

## *Joint Administrators' charging 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 and investigations by 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.

## *Hourly rates*

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 (£/hour) for: Restructuring**

| <b>Grade</b>       | <b>From 28 March 2022</b> | <b>From 10 September 2018 to 27 March 2022</b> |
|--------------------|---------------------------|--|
| Managing Director  | 765                       | 675  |
| Senior Director    | 710                       | 635  |
| Director           | 665                       | 595  |
| Associate Director | 585                       | 535  |
| Senior Associate   | 495                       | 455  |
| Associate          | 370                       | 335  |
| Analyst            | 265                       | 225  |
| Support            | 195                       | 165  |

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

A copy of "Administration: A Guide for Creditors on Insolvency Practitioner Fees" from 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 contact [INS\\_JDCL@alvarezandmarsal.com](mailto:INS_JDCL@alvarezandmarsal.com) or write to us at JD Classics Limited (in administration), Suite 3 Regency House, 91 Western Road, Brighton, BN1 2NW.

## *Policy for the recovery of disbursements*

Where funds permit the office holders will seek to recover disbursements falling into both category 1 and category 2 expenses from the estate. For the avoidance of doubt, such disbursements are defined within SIP 9 as payments which are first met by the office holder,

and then reimbursed to the office holder from the estate. These are divided in SIP 9 as follows:

- *Disbursements within category 1 expenses:* These are payments which do not have any element of shared costs and are made to persons who are not an associate of the office holder. 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.
- *Disbursements within category 2 expenses:* These are payments to associates or which have an element of shared costs. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Disbursements within category 2 expenses charged by A&M 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 the authority to pay disbursements falling within category 1 expenses without the need for any prior approval from the creditors of the Company.

Disbursements falling within category 2 expenses are to be approved in the same manner as our remuneration.

*Disbursements falling within category 1 expenses:*

| <b>Nature of disbursement</b> | <b>Amounts incurred in the period (£)</b> | <b>Amounts paid in the period (£)</b> |
|-------------------------------|---|---------------------------------------|
| eDiscovery software user fee  | 10,280.84                                 | -                                     |
| Courier                       | 134.70                                    | -                                     |
| <b>Total</b>                  | <b>10,415.54</b>                          | <b>-</b>                              |

*Disbursements falling within category 2 expenses:*

No disbursements falling within category 2 expenses have been incurred or paid during the period.

*Our time cost summary in accordance with SIP 9*

Please refer to the tables below for a detailed breakdown and narrative of our time costs to 9 March 2023 in accordance with SIP 9.

**JD Classics Limited in administration**

**Time costs for the period 10 September 2022 to 9 March 2023**

| <b>Classification of work function</b>                          | <b>Total hours</b> | <b>Total time cost (£)</b> | <b>Average hourly rate (£)</b> |
|---|--------------------|----------------------------|--------------------------------|
| Engagement control  | 11.6               | 6,302.00                   | 543                            |
| Reports, decision making and remuneration                       | 64.0               | 29,432.00                  | 460                            |
| Correspondence and statutory filing                             | 74.8               | 46,534.50                  | 622                            |
| Investigations  | 628.5              | 338,903.30                 | 539                            |
| Asset realisations  | 5.8                | 3,483.00                   | 601                            |
| Costs of realisation  | 5.3                | 3,118.50                   | 588                            |
| Tax   | 19.2               | 10,659.50                  | 555                            |
| Cashiering  | 39.3               | 18,518.50                  | 471                            |
| Claims and distributions  | 1.2                | 639.00                     | 533                            |
| Exit routes and closure   | 2.0                | 1,530.00                   | 765                            |
| <b>Total</b>  | <b>851.7</b>       | <b>459,120.30</b>          | <b>539</b>                     |
| Brought forward time (10 September 2018 to 9 September 2022)*   | 16,453.8           | 7,339,407.50               | 446                            |
| <b>Carried forward time (10 September 2018 to 9 March 2023)</b> | <b>17,305.5</b>    | <b>7,798,527.80</b>        | <b>451</b>                     |

\*We note that the time costs and total hours reported in our last progress report dated 7 October 2022 were understated by £3,607.50 (12.5 hours) due to delayed time reporting. This time relates to Investigations. The correct brought forward hour and time cost figures as at 9 September 2022 are 16,453.8 and £7,339,407.50 respectively.

# SIP 9 narrative for the period from 10 September 2022 to 9 March 2023

| Type of work                            | Narrative description of work   | Why was/is this work necessary?   | What, if any, financial benefit will the work provide to creditors? |
|---|---|---|---|
| Engagement control                      | <ul style="list-style-type: none"> <li>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>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>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 comply with statute and ensure the administration is run efficiently and effectively | No financial benefit  |
| Reports, decision making & remuneration | <ul style="list-style-type: none"> <li>Preparing statutory receipts and payments accounts</li> <li>Drafting and publishing progress reports</li> <li>Ensuring compliance with all statutory obligations within the relevant timescales</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 revised fees estimate</li> <li>Seeking approval of the revised fees estimate from the secured and preferential creditors</li> </ul>   | To comply with statute and ensure the administration is run efficiently and effectively | No financial benefit  |
| Correspondence & statutory filing       | <ul style="list-style-type: none"> <li>Uploading information to the Portal</li> <li>Complying with ongoing statutory filing requirements</li> <li>Providing statutory notifications of ongoing matters to the Registrar of Companies, creditors and other stakeholders</li> <li>Providing written and oral updates to representatives of the Secured Lenders regarding the progress of the administration and case strategy</li> </ul>  | To comply with statute as well as ensuring the creditors are informed of progress       | No financial benefit  |

SIP 9 narrative for the period from 10 September 2022 to 9 March 2023

| Type of work         | Narrative description of work   | Why was/is this work necessary?  | What, if any, financial benefit will the work provide to creditors?                                |
|----------------------|---|--|--|
|                      | <ul style="list-style-type: none"> <li>Dealing with creditor queries and ongoing case correspondence</li> </ul>   |  |  |
| Investigations       | <ul style="list-style-type: none"> <li>Managing and reviewing the Company books and records database in the context of ongoing legal matters</li> <li>Liaising with legal advisers in relation to ongoing legal disputes and related correspondence</li> <li>Progression of settlement negotiations in respect of certain legal disputes</li> <li>Progression of various litigation matters including attendance at hearings</li> <li>Reviewing pre-appointment transactions</li> </ul> | To comply with statute as well as pursue potential realisations for the estate   | Successful legal claims may have the potential to generate material net realisations for creditors |
| Asset realisations   | <ul style="list-style-type: none"> <li>Liaising with third parties in relation to the Company's motor vehicle inventory held.</li> </ul>  | To ensure that all of the Company's assets are realised and that the costs and expenses of the administration can be met, with any surplus going to the benefit of the Company's creditors | Asset realisations will generate value for the creditors   |
| Costs of realisation | <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 understand the costs associated with realising assets for the benefit of the estate   | Mitigation of costs can increase the return to creditors   |
| Tax                  | <ul style="list-style-type: none"> <li>Analysing VAT related transactions</li> <li>Dealing with post appointment tax compliance</li> <li>Preparing, reviewing and submitting quarterly VAT returns</li> </ul>   | To comply with statutory filing deadlines  | Mitigation of tax expenses can increase the returns for creditors                                  |
| Cashiering           | <ul style="list-style-type: none"> <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>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 maintain a proper treasury and accounts function for the administration estate  | No financial benefit   |

**SIP 9 narrative for the period from 10 September 2022 to 9 March 2023**

| <b>Type of work</b>     | <b>Narrative description of work</b>   | <b>Why was/is this work necessary?</b>  | <b>What, if any, financial benefit will the work provide to creditors?</b>    |
|-------------------------|--|---|---|
| Claims & distributions  | <ul style="list-style-type: none"> <li>▪ Dealing with creditor claims</li> <li>▪ Reviewing the unpaid Prescribed Part distributions</li> </ul> | To comply with statute, ensuring claims made against the Company are kept up-to-date and to distribute funds in the estate to the Secured Lenders | Ensure claims are accurate and funds are distributed to the correct creditors |
| Exit routes and closure | <ul style="list-style-type: none"> <li>▪ Considering the strategy for the extension/conclusion of the administration</li> </ul>                | To comply with statute  | No financial benefit  |

# A5 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   |
| Company                        | JD Classics Limited in administration                                     |
| Court                          | High Court of Justice, Business and Property Courts of England and Wales  |
| JDCHL                          | JD Classics Holdings Limited  |
| Joint Administrators/we/our/us | Richard Fleming, Mark Firmin and Richard Beard                            |
| Pinsents                       | Pinsent Masons LLP  |
| Secured Lenders                | Lloyds Bank plc and HPS Investment Partners LLC                           |
| SIPs                           | Statements of insolvency practice   |
| SIP 9                          | Payments to insolvency office holders and their associates from an estate |
| QE                             | Quinn Emanuel Urquhart & Sullivan LLP                                     |



# Appendix 6 – Notice: About this progress report

This progress report has been prepared by Richard Fleming, Mark Firmin and Richard Beard, the Joint Administrators of JD Classics Limited in administration. ('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 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 or any other company in the same group.

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, Mark Firmin and Richard Beard 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.