In accordance with Rule 3.35 of the Insolvency (England & Wales) Rules 2016 & Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986

AM03

Notice of administrator's proposals

Companies House

WEDNESDAY

A9X1V60X
A17 27/01/2021 #165
COMPANIES HOUSE

1 Company details

Company number	0 3 9 5 8 4 2 3
Company name in full	Redcastle Finance Limited

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

2 Administrator's name

Full forename(s)	Matthew David
Surname	Smith

3 Administrator's address

Building name/number	1 New Street Square
Street	London
Post town	EC4A 3HQ
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Daniel Francis
Surname	Butters

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

5 Administrator's address ❷

Building name/number	1 New Street Square
Street	London
Post town	EC4A 3HQ
County/Region	
Postcode	
Country	

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

AM03
Notice of Administrator's Proposals

6	Statement of proposals
	☑ I attach a copy of the statement of proposals

7	Sign and date
Administrator's Signature	Signature ✕ ✕
Signature date	25 01 2021

AM03
Notice of Administrator's Proposals

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	Joe Barry
Company name	Deloitte LLP
Address	1 New Street Square
	London
Post town	EC4A 3HQ
County/Region	
Postcode	
Country	
DX	
Telephone	+44 20 7936 3000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page
Name and address of insolvency practitioner

✓ What this form is for
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
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)	Daniel James Mark
Surname	Smith

3 Insolvency practitioner's address

Building name/number	1 New Street Square
Street	London
Post town	EC4A 3HQ
County/Region	
Postcode	
Country	

Deloitte.

Appendices
Important notice

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their Proposals for achieving the purpose of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document 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 Companies.

Any estimated outcomes for creditors included in this document 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 document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act 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 these Proposals.

The Joint Administrators act as agents of the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administrations.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

Appendices

Appendix E – No statement of affairs has been submitted

Statement of Affairs

The directors were notified on 7 December 2020 that they are required to make out and deliver a statement of the Company's affairs to us by 29 December 2020 which included an initial ten days extension to the statutory 11 days deadline.

At their request, this deadline has been extended until 29 January 2021.

As per the Companies records, there are no unsecured creditors of the Companies, however, as the Companies are part of a wider VAT group, it is anticipated that a claim will be received from H M Revenue & Customs in due course.

A summary of the Companies financial position based on most recent available information is given on page 9. We expect to receive a fully updated creditor schedule with the statement of affairs and this will be uploaded to the website upon receipt.

Joint Administrators' Proposals

Our Proposals will be deemed approved on 5 February 2021 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured creditors of the Companies:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed as a set fee of £75k for each of the Companies, plus VAT.
2. Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of Deloitte Ireland and mileage (as detailed on page 29) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estates.

Creditors' committees will not be formed unless we are requested to hold decision procedures for the purpose of forming creditors' committees; please refer to page 1 of the Proposals for details of the procedure in this regard.

Please note that if you wish to form a creditors' committee in either of the Companies, you will also be expected to confirm your willingness to serve or be represented on the creditors' committees, including dealing with any business placed before the creditors' committees throughout the period of the administrations should creditors' committees be formed.

Disbursements

Disbursements

These are costs and expenses initially paid by us and for which we will seek reimbursement as and when funds permit.

We estimate that the following disbursements are likely to be incurred in relation to the administrations.

Category 1 disbursements

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

Our estimate of Category 1 disbursements is given *below, all figures are shown excluding VAT.*

£ (net)	Estimated	Incurred as at 8 January 2021	Paid	Unpaid
Redcastle (Holdings) Limited				
Specific Penalty Bond	230.00	230.00	-	230.00
Total	**230.00**	**230.00**	**-**	**230.00**
Redcastle Finance Limited				
Specific Penalty Bond	230.00	230.00	-	230.00
Total	**230.00**	**230.00**	**-**	**230.00**

Category 2 disbursements

These are costs and expenses which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the administration estates.

Our estimate of Category 2 disbursements is given below, all figures are shown exclusive of VAT:

Redcastle (Holdings) Limited

£ (net)	Estimated per Proposals	Incurred as at 8 January 2021	Paid	Unpaid
Deloitte Ireland	14,000	2,795		2,795
Mileage	500	-	-	-
Total disbursements	**14,500**	**2,795**	**-**	**2,795**

Redcastle Finance Limited

£ (net)	Estimated per Proposals	Incurred as at 8 January 2021	Paid	Unpaid
Deloitte Ireland	14,000	2,795		2,795
Mileage	500	-	-	-
Total disbursements	**14,500**	**2,795**	**-**	**2,795**

Deloitte Ireland

These costs relate to the time costs in respect of Deloitte Ireland staff who are assisting the Joint Administrators by undertaking statutory and compliance tasks under the supervision of the Joint Administrators' staff. Their work is being charged on a time costs basis, the charge out rates for which are provided below:

Grade	Rate (£ / hour)
Assistant Manager	340
Associate	180
Analyst	160
Admin	90

The mileage estimate above is a provision for mileage expenses which may be incurred by staff engaged on the case. The duration and nature of lockdown measures in response to the COVID-19 pandemic will impact actual mileage expenses incurred.

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile).

Appendices

Appendix B

Estimate of work to be undertaken

Joint Administrators' Estimate of Work to be undertaken – set fee basis

Details of work that the we anticipate will be undertaken in each of the Companies, and for which a set fee of £75k will be charged in each of the Companies, are provided below:

Statutory Tasks and Administration

- Formulating and implementing an appropriate strategy for each case.
- Case set-up for each case – including data capture and entry.
- Cashiering – one bank account per company with bank reconciliations.
- Statutory reporting – preparation of these proposals and progress reports; CDDA.

Assets

- Ascertaining intercompany debtors' position.
- Dealing with the realisation of the Companies sole asset, being the shareholdings in Redcastle 214.

Creditors

- Responding and filing creditor queries should they arise.
- Logging creditor claims should they be received.
- Declaring distributions to creditors.

Case specific matters

- Tax/Vat – filings as required including dealing with any follow up queries from H M Revenue & Customs.

Statutory Information

	Redcastle (Holdings) Limited	Redcastle Finance Limited
Company number	03958469	03958423
Registered office	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Court	High Court of Justice, the Business and Property Courts of England & Wales	High Court of Justice, the Business and Property Courts of England & Wales
Court reference	CR-2020-004401	CR-2020-004397
Company directors	Richard Leeroy Burchill Richard Dedombal Gillian Anne Hague Sally Marion Wrightman	Richard Leeroy Burchill Gillian Anne Hague Sally Marion Wrightman
Company Secretary	Rebecca Rose Flaherty	Rebecca Rose Flaherty
Directors Shareholdings	None	None

Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to websites set up specifically for each of the Companies. The web address is www.ips-docs.com.

All documents will be retained on the websites which will remain live until two months after the conclusion of the proceedings. Please contact us using any of the contact details given below if you would like to be provided, free of charge, with a hard copy of documents posted, either now or in the future, to the website:

Phone: 0808 178 2848

Email: arcadiacreditors@deloitte.co.uk

Postal address: c/o Deloitte LLP, Four Brindleyplace, Birmingham B1 2HZ

Please note that, other than notice of intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, such as notices of decision procedures or our six monthly reports on progress.

Appendices

Additional information
Case specific matters

Investigations

EU Regulations

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

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies premises at the date of our appointment please contact us as soon as possible.

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Energy and Industrial Strategy. Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 4 as soon as possible.

Additional information

Remuneration and expenses

Creditors' Guide to Administrators' Remuneration

Joint Administrators' Expenses

We anticipate that we will incur the following disbursements during the appointment:

- Statutory Advertising - we are required to give notice by advert in the London Gazette of the following matters: our appointment and proposed distributions to unsecured creditors. We estimate the advertising costs in this regard will be £230.

Expenses - Professional costs - Legal

- We have instructed a number of lawyers to advise on various matters arising in the Companies and across the Group, based on their level of appropriate expertise and experience in dealing with these types of administrations and related matters. These are noted below:

Freshfields Bruckhaus Deringer LLP ("Freshfields")

Costs of application and appointment

- Freshfields were instructed to assist in planning for the administration and to undertake formalities of the administration appointments in relation to the Company and the wider Group, including but not limited to: drafting and preparation of Court documents and notices; Court attendance; and advice on timings and procedural aspects of appointments.
- In respect of this work, Freshfields incurred £24,925 in each of the Administration Companies.
- The Court ordered that these costs be paid as an expense of the administration.
- Freshfields are the main legal advisors for the Administration Companies with work covering general insolvency, employees, pensions, sale of business, properties, stock, contracts and litigation. Their discounted costs incurred for the period 1 December 2020 to 25 December 2020 total c£1.5m (exclusive of VAT and disbursements) across the Administration Companies.

We anticipate that a reasonable proportion of their further fees will largely relate to sale of business matters, however given that any sale of business timing and structure is currently unconfirmed, it is not possible to provide an estimate of further fees at this stage.

Expenses - Professional costs - Legal

Brown Rudnick LLP ("Brown Rudnick")

- Brown Rudnick have been advising the Joint Administrators on appointment matters, director investigations and other matters where Freshfields are conflicted. We anticipate that their fees will largely relate to investigations, however as we are in the early stages of our investigations work, it is not currently possible to provide an estimate of further fees;

Remuneration and **expenses**

Creditors' Guide to Administrators' Remuneration

A Creditors' *Guide to* Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 4 and this will be provided to you at no cost.

Basis of Administrators' remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

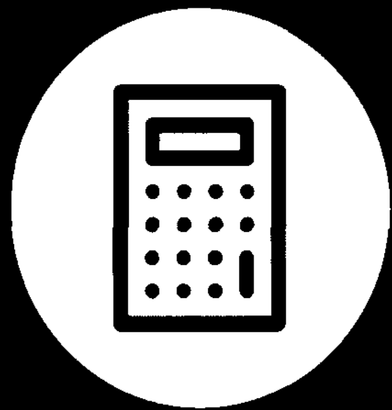
- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters arising in the administration;
- as a set amount; or
- any combination of the above.

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration as a set amount of £75k for each of the Companies with the consent of each secured creditor.

In advance of seeking that approva we have set out in more detail what work we will be required to carry out in our estimate of work required on page 28.

From our initial assessment in relat on to both of these companies, the work to be carried out primarily relates to fulfilment of statutory and compliance obligations and other tasks of an administrative nature. These tasks are a necessary part of the engagement but do not generate any direct benefit for creditors. As such we consider it appropriate to limit our fee to a set or fixed amount in relation to performance of these tasks. Based on previous appointments of this nature and having regard to the likely number and grades of staff required to fulfil these obligations, we intenc to seek approval to draw a fee of £75k for each of the Companies.
Full details of the work anticipated to be performed are provided at Appendix B.

Remuneration and expenses



Post-appointment

Extensions & exit routes

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors.

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later.
- *Compulsory Liquidation ("WUC")* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administrations and to make an order to wind up the Companies.
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file notices to that effect with the Registrar of Companies. The administrations will cease on the date that the notices are registered and the Companies will be wound up.

Please note that if the Companies are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the Proposals are deemed approved ie by 5 February 2021.

- Any creditors' committee appointed in the administration will become a liquidation committee.
- For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request approval from the Court for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress reports.

Post-appointment

Outcome for creditors

Estimated outcome for creditors

Secured creditors

The Companies' records show that, at the date of our appointment, the following security and amounts were outstanding to secured creditors.

Redcastle (Holdings) Ltd has granted the following security in favour of Bank of Scotland Plc ("BOS"):

- a fixed and floating charge dated 18 December 2002.

Redcastle Finance Ltd has granted the following security:

- A fixed charge in favour of AG Pension Trust pursuant to a charge dated 17 December 2019; and
- A fixed charge in favour of Situs pursuant to a charge dated 17 December 2019.

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

Preferential creditors

As the Companies had no employees we do not anticipate any preferential creditor claims.

Prescribed Part

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

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company.

Where the value of the Prescribed Part is so small as to make the costs of distributing it disproportionate, the court may, on our application, disapply it.

As there are no floating charge assets the Prescribed Part provisions will not apply to this case.

Unsecured creditors

As per the Companies records as at 30 November 2020, there are no unsecured creditors of the Companies.

This listing does not capture a number of other unsecured creditor claims which are expected in the administration, a number of intercompany creditors, amounts due under guarantees crystallised by the insolvency of other Group companies and amounts due to HMRC in respect of VAT. The total value of unsecured creditors is expected to be materially higher than the total given above once these other liabilities have been quantified and included.

Post-appointment
Joint Administrators' Proposals

The Joint Administrators' *Proposals*

Our Proposals for the administratiors include:

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

We will seek specific approval from the secured creditors or the creditor or creditors committee should one be formed to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses.

Please refer to Appendix D for further details.

Key messages

Joint Administrators of the Companies

Matthew David Smith
Daniel Francis Butters
Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Daniel James Mark Smith
Deloitte LLP
PO Box 500
2 Hardman Street
Manchester
M60 2AT

Contact details

Email:

Websites:

Tel: 0808 178 2848

Date Proposals delivered to creditors: 25th January 2021

	Commentary
Purpose of the administrations	• The purpose of the administrations is to make a distribution to the secured creditors.
Joint Administrators' strategy	• The Companies will continue to operate in their current form, to the extent possible in light of lockdown measures arising from the COVID-19 pandemic, while purchasers of the businesses are sought.
Approval of the Proposals	• As there is no prospect of any funds being returned to unsecured creditors our Proposals will be deemed approved by creditors unless a decision procedure is requested under Rule 15.18. Please refer to page 20 for further details.
Estimated Timescale	• On current information the duration of the administrations is not likely to exceed 12 months following which it is anticipated that the Companies will move to dissolution as detailed at page 20.
Estimated Costs	• We propose to seek approval to charge our fees on the basis of a fixed fee of £75,000 in respect of each of the Companies. • We anticipate that disbursements of approximately £14,730 per entity will be incurred over the duration of the appointment as detailed on page 29. • There are a number of future third party legal and agents costs which we have been unable to estimate at this time owing to the uncertainty over the timing and structure of any sales. Please refer to page 23 for further details.
Estimated Outcomes	On current information, we anticipate the following outcome for each category of creditor: – Secured creditors – It is unlikely that the secured creditors will be repaid in full. – Preferential creditors – Neither of the companies had any employees thus no preferential claims are anticipated to be made. – Unsecured creditors – It is unlikely that there will be a distribution for unsecured creditors.
Proposals	• Our Proposals for managing the business and affairs of the Companies can be found on page 18.

Background

Background
The Companies / Group

Group background

Arcadia Group Limited ("AGL") and its subsidiaries ("the Group") is a London based group operating as a 'fast fashion' retailer across eight well established brands (Topshop, Topman, Burton, Dorothy Perkins, Evans (since sold), Wallis, Miss Selfridge and Outfit).

The Group has retail operations in the UK, Ireland, the Channel Islands, Isle of Man, the Netherlands and Germany. It also operates through concessions in France.

In addition to retail sales from stores and concessions, a number of the Group's brands sell to retail customers through digital platforms and certain brands also sell to wholesale and franchise customers, both in the UK and internationally.

At the date of our appointment, the Group operated from 459 leased sites in the UK, 14 in Ireland, nine in the Channel Islands, seven in Germany and one in the Netherlands. There are approximately 463 overseas franchise outlets across 27 countries. The majority of the Group's leasehold interests are held in a number of UK property holding subsidiary companies (also subject to insolvency proceedings, see group structure on page 8).

The Group structure is complex. This is largely due to the long history of the Group, parts of which have been trading for over one hundred years, and historical acquisitions of various brands and joint ventures.

The Company is 100% owned by Taveta Investments (no. 2) Limited. The Group has been owned by Taveta Investments Limited (ultimately owned by Lady Cristina Green) since 2002.

Company background

Redcastle (Holdings) Limited and Redcastle Finance Limited are non trading companies that principally hold investments in other Group Companies.

Employees

As at 30 November 2020 neither Redcastle (Holdings) Limited nor Redcastle Finance Limited had any employees.

Background
The Companies / Group

Summarised Group Structure Chart

On 30 November 2020 28 Group companies were placed into administration, as detailed in the summarised Group structure chart on the following page, *which reflects the position as at the date of our* appointment. As noted on pages 13 and 15, partners from Deloitte were appointed over 27 of these companies and partners from KPMG LLP were appointed over one. In addition, four Irish entities entered into Irish liquidation at the same time, over which partners from Deloitte Ireland were appointed as liquidators.

As indicated, the Group structure is complex and we have therefore not included a number of now dormant, inactive Group companies or Group companies not subject to insolvency proceedings on the Group structure chart.

AGL and Top Shop/Top Man Limited ("TSTM OpCo") are the key operating companies within the Group. As noted earlier, the Group is highly interconnected and the majority of Group companies are dependent on AGL for shared services and head office functions.

As at the date of the Joint Administrators' appointment, the directors of Redcastle (Holdings) Limited were:

- Richard Leeroy Burchill
- Richard Dedombal
- Gillian Anne Hague
- Sally Marion Wrightman
- Rebecca Rose Flaherty (Company Secretary)

As at the date of the Joint Administrators' appointment, the directors of Redcastle Finance Limited were:

- Richard Leeroy Burchill
- Gillian Anne Hague
- Sally Marion Wrightman
- Rebecca Rose Flaherty (Company Secretary)

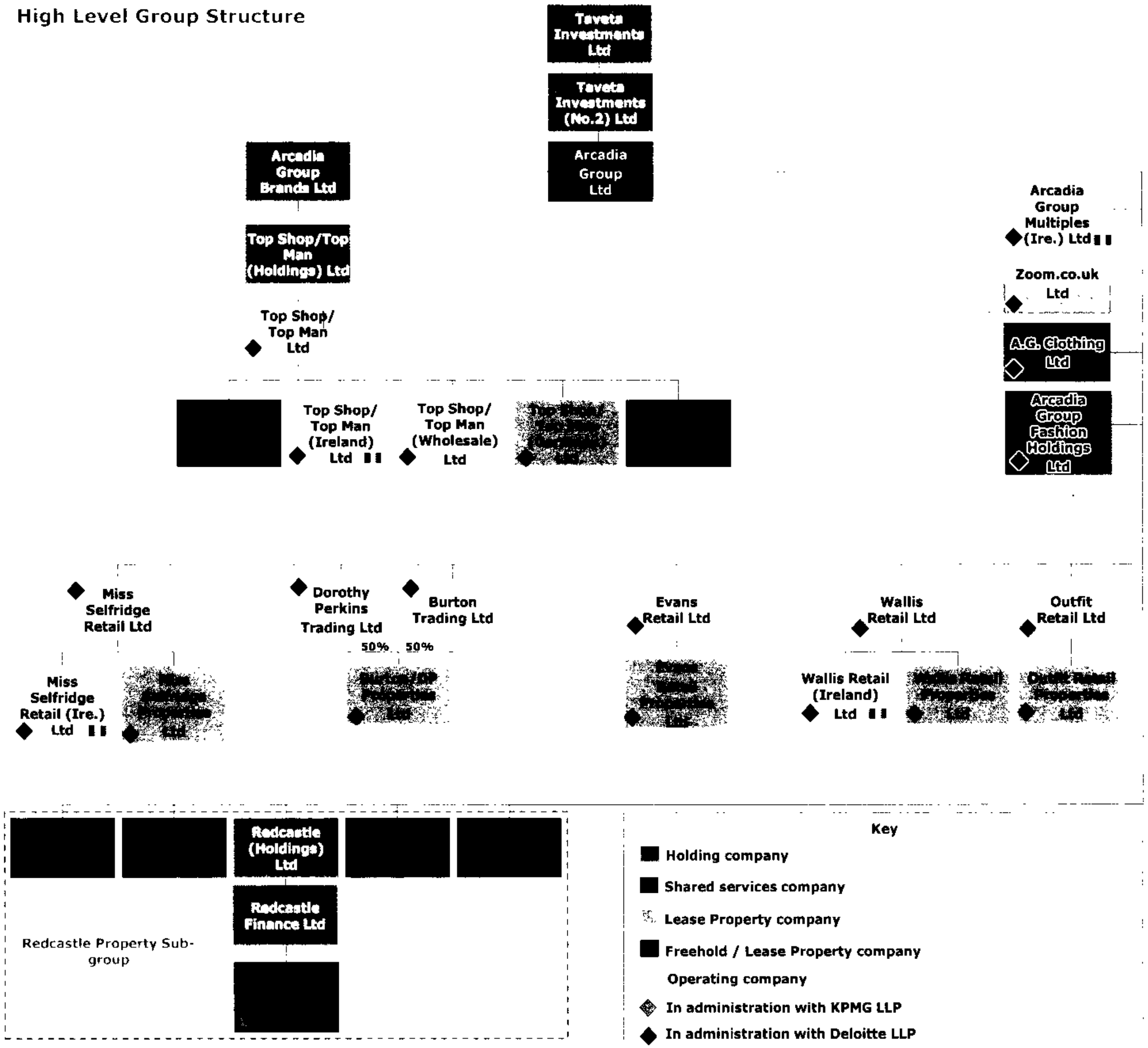
There are no director shareholdings in the Companies.

Background

The Companies / Group

Partners from Deloitte were appointed as administrators over 27 UK companies, partners from KPMG LLP were appointed administrators over Redcastle (214 Oxford Street) Limited and four Irish entities entered Irish liquidation.

High Level Group Structure



Note: All shareholdings are 100% unless stated

Background

Summary financials

Redcastle (Holdings) Limited

Redcastle Finance Limited

Overview of financial information

Redcastle Finance Ltd Summary balance sheet

£	Draft *accounts* as at 31-Aug-19	Audited *accounts* as at 01-Sept-18	Unaudited *accounts* as at 26-Aug-17
Investments	1	1	1
Fixed Assets	**1**	**1**	**1**
Net assets/(liabilities)	**1**	**1**	**1**

Redcastle (Holdings) Ltd Summary balance sheet

£	Draft accounts as at 31-Aug-19	Audited accounts as at 01-Sept-18	Unaudited accounts as at 26-Aug-17
Investments	1	1	1
Fixed Assets	**1**	**1**	**1**
Net assets/(liabilities)	**1**	**1**	**1**

The Companies are holdings companies which do not trade, therefore profit and loss accounts are not prepared for the Companies.

Redcastle Finance Limited ("Redcastle FinCo")

Redcastle FinCo is a holding company and a wholly owned Subsidiary of Redcastle HoldCo. It holds no assets other than an intercompany receivable from Redcastle HoldCo (*which is matched by an* intercompany payable due to Redcastle (214 Oxford Street) Limited ("Redcastle 214") and shares in Redcastle 214 Oxford Street, its wholly owned subsidiary (which is also in administration and partners from KPMG have been appointed as its administrators).

Redcastle (Holdings) Limited ("Redcastle HoldCo")

Redcastle HoldCo is a holding company. It is the parent company of Redcastle FinCo and holds no assets other than an intercompany receivable due from AGL (which is matched by an intercompany payable due to Redcastle FinCo) and the shares in Redcastle FinCo. Redcastle HoldCo is a wholly owned Subsidiary of AGL.

Circumstances giving rise to the appointment of the Joint Administrators

Reasons for failure & financial distress

Along with many other UK retailers, the Group had, even prior to the impact of the COVID-19 pandemic, been faced with highly challenging market conditions on the UK high street, which were well publicised. These included the increasing switch from in-store to online shopping and an aggressive discounting environment as retailers competed for customers.

All of these factors put significant pressure on the Group and led to successive years of like-for-like decline in retail sales, including approximately 11% in the financial year 2018/2019 (the last full financial year prior to the COVID-19 pandemic).

In light of the challenging trading environment, the Group took a number of steps to seek to restructure its financial position. The principal such step was to propose CVAs of certain Group property companies with a view to reducing the Group's overall rent bill of £145 million. The CVAs were approved on 12 June 2019 and included the following companies:

- AGL;
- Burton / Dorothy Perkins Properties Limited;
- Outfit Retail Properties Limited;
- Redcastle Limited;
- TSTM OpCo;
- TSTM Properties Limited; and
- Wallis Retail Properties Limited (together "the CVA Companies").

Consequentially the Group was able to reduce its rental obligations by c£35 million and to exit c40 unprofitable stores earlier than would otherwise have been possible.

The CVAs provided a stable platform from which the Group could seek to implement its business plan and improve its financial performance. This included a change in retail focus for Topshop and Topman towards stock at more competitive prices and in a wider range of sizes, as well as the development of the Group's business on third party wholesale platforms, such as ASOS and Zalando.

Another key step in the Group's attempts to restructure was reaching an agreement with the Pension Schemes, the Pensions Regulator, The Pension Protection Fund and the majority ultimate shareholder on a deal offering appropriate protections for the Pension Schemes in return for reduced deficit repair contributions.

Accordingly, in June 2019 the Group agreed the following with the Pension Schemes:

- The Pension Schemes would be granted security capped in aggregate at £210m over assets owned by certain Group companies (including AGL);
- In return for the grant of security, AGL's deficit repair contributions to the Pension Schemes were reduced from an aggregate of c£50m a year to an aggregate of £25m per annum for three years; and
- The majority ultimate shareholder agreed with the Pensions Regulator to make cash payments totalling £100m into the Pension Schemes.

In 2020, as a result of national lockdown measures arising from the COVID-19 pandemic, the Group was required by the UK Government to close all of its retail outlets in the UK in March 2020 ("the March Lockdown"). In the period since March 2020, there have been various well publicised changes to local lockdown restrictions resulting in reduced consumer confidence, reduced demand for fast fashion, and significantly declining footfall in stores, which have further significantly impacted the financial performance of the Group.

Circumstances giving rise to the appointment of the Joint Administrators (continued)

Steps taken to remedy / turnaround

Following the March Lockdown, the Group took a *number of steps to mitigate* the impact, including (but not limited to):

- Making use of the Government support available, *such as the UK's job retention scheme;*
- Seeking revised terms with the Group's trade suppliers;
- *Seeking to cancel orders for stock where it was* evident that there was no prospect of selling the stock;
- *Agreeing deferral and Time to Pay arrangements* with HM Revenue & Customs ("HMRC") with respect to VAT, duty, PAYE and National Insurance Contributions; and
- Agreeing a deferral of deficit repair contributions relating to the Pension Schemes for the six months from March to August 2020.

These actions assisted in mitigating the impact of lockdowns and preserving the Group's liquidity. However, the impact could not be fully mitigated and the Group's financial position had therefore materially deteriorated by the end of October 2020.

Following the Government lockdown in England announced on 5 November 2020, *the Group identified* a potential near-term cash requirement of c£30m and therefore entered into extensive discussions with its largest creditor, the Pension Schemes, to request further deferral of deficit repair contributions, and also entered into negotiations with a number of possible third party finance providers to provide liquidity into the first quarter of 2021.

An agreement could not be reached with the Pension Schemes with respect to a further deferral of deficit repair contributions. Whilst the Group had progressed discussions with third party finance providers, there was material uncertainty as to whether the terms offered *would be acceptable to the Group and would be* consistent with the security granted to the Group's existing creditors within the required time period.

When decision to appoint was made

Despite these efforts, the directors concluded that the Group's continued trading in the long term was not viable, with a potential cash shortfall forecast in early 2021, and concerns around the ability to sufficiently turn around the Group's trading profitability. The directors' key concern in reaching this conclusion related to no longer having confidence in medium-term trading prospects rather than simply a funding issue.

This conclusion also took into account:

- Continuing COVID-19 related restrictions across the UK;
- Uncertainty over the timing and extent of potential further lockdown measures being necessary, and the impact on subsequent consumer spending;
- The implications of the UK Government's economic forecasts as set out in the Chancellor of the Exchequer's Spending Review on 25 November 2020; and
- Competition from better funded retailers in online sales.

Consequently, the directors held a board meeting on 27 November 2020 and concluded that the Administration Companies did not have a reasonable prospect of avoiding insolvency. They therefore resolved to place *the Company* (and other entities in the Group as shown in the Group structure chart) into administration. These appointments were then effected as soon as was practicable.

Circumstances giving rise to the appointment of the Joint Administrators (continued)

Involvement of Deloitte pre-appointment

The directors of the AGL first approached Deloitte Restructuring Services in September 2018 to advise them in relation to the Group's financial position and options available to them, including the feasibility of CVAs for a number of Group entities.

Following this introduction, there have subsequently been a number of further engagements by AGL to provide, variously, implementation of the CVAs, contingency planning advice, undertake options reviews and separation feasibility work as detailed below:

- 22 May 2019 - Daniel Butters and Ian Wormleighton were appointed as Joint Nominees of the CVA Companies and were subsequently appointed as Joint Supervisors on 12 June 2019;
- 22 May 2019 - Daniel Francis Butters and Ian Colin Wormleighton of Deloitte were appointed as Joint Administrators of Arcadia Group (USA) Limited;
- January 2020 – Deloitte LLP's restructuring team (led by Daniel Butters) was engaged by Taveta Investments Limited, AGL and TSTM Opco to review and identify separation issues which the Group may face due to its legal and operational structure; and
- March 2020 – Deloitte LLP's restructuring team (led by Daniel Butters, Gavin Maher and Matthew Smith) was engaged by Taveta Investments Limited (AGL's ultimate parent company), AGL and TSTM Opco to provide financial restructuring options and contingency planning advice (including updating estimated outcome statements for insolvency scenarios) in light of the Group's liquidity position following the COVID-19 pandemic.

Matthew David Smith, Daniel Francis Butters, Robert Scott Fishman, Daniel James Mark Smith and Gavin Maher of Deloitte were asked to take the pending appointments as Joint Administrators by the directors of the respective entities, as set out on the next page (together "the Administration Companies").

AGL has also previously engaged with other parts of Deloitte to provide the services detailed below:

- August 2016 to February 2017 – Deloitte Tax provided advice on the corporation tax implications of its pension strategy and options in relation to BHS Group Ltd;
- May 2018 – Deloitte Consulting provided advice on improving the shopping experience within the Group's retail operations;
- September 2015 to May 2018 – Deloitte Tax prepared and submitted the Group's research & development tax relief claims and elections;
- June 2016 to May 2019 – Deloitte Pensions Advisory provided multiple phases of work relating to liability management exercises, feasibility, valuations advice and negotiations with the Pension Schemes, The Pensions Regulator and the Pension Protection Fund;
- November 2018 to December 2019 – Deloitte Tax prepared and submitted the Group's international tax returns to the US and Kuwait tax authorities; and
- June 2019 to February 2020 – Deloitte Pensions Advisory was engaged by AGL to provide advice on the valuations of the Pension Schemes for which AGL is the sponsoring employer.

Background
Joint Administrators' appointment

Circumstances giving rise to the appointment of the Joint Administrators (continued)

Involvement of Deloitte pre-appointment (continued)

The following Deloitte partners were appointed as Joint Administrators of the relevant companies as set out below on 30 November 2020.

Matthew David Smith, Daniel Franc s Butters and Robert Scott Fishman as Joint Administrators of:

- AGL

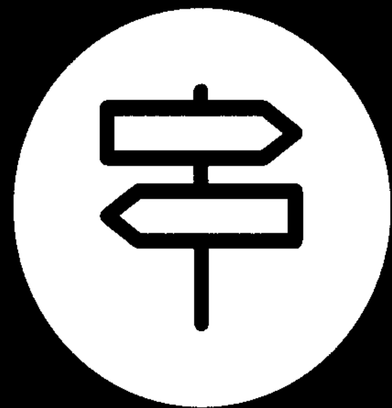
Matthew David Smith, Daniel Francis Butters and Daniel James Mark Smith as Joint Administrators of:

- A.G. Clothing Limited;
- Arcadia Group Fashion Holdings Limited;
- Top Shop / Top Man Properties Limited;
- Miss Selfridge Properties Limited;
- Evans Retail Properties Limited;
- Wallis Retail Properties Limited;
- Outfit Retail Properties Limited;
- Burton / Dorothy Perkins Properties Limited;
- Redcastle (Holdings) Limited;
- Redcastle Finance Limited;
- Redcastle (TCR) Limited;
- Redcastle (TS/TM) Limited;
- Redcastle (Freeholds) Limited;
- Top Shop / Top Man (Germany) Limited;
- Top Shop / Top Man (Trinity) Limited; and
- Redcastle Limited on 30 November 2020.

Matthew David Smith, Daniel Francis Butters and Gavin Maher as Joint Administrators of:

- Zoom.co.uk Limited;
- Arcadia Group Brands Limited;
- Top Shop / Top Man Limited;
- Top Shop / Top Man (Wholesale) Limited;
- Miss Selfridge Retail Limited;
- Dorothy Perkins Trading Limited;
- Burton Trading Limited;
- Evans Retail Limited;
- Wallis Retail Limited; and
- Outfit Retail Limited.

Post-appointment



Post-appointment
Purpose

Appointment of the Joint Administrators

Matthew David Smith, Daniel Francis Butters and Daniel James Mark Smith of Deloitte were appointed Joint Administrators of the Companies by the High Court of Justice, Business and Property Courts of England and Wales, on 30 November 2020, following submission of a court application by the Companies' directors.

Purpose of the administrations

As mentioned previously, the Group is highly interconnected. The majority of Group companies are dependent on AGL for shared services and head office functions, and the Companies, as holding companies are strategically important to the structure of the Group.

The Administration Companies have significant levels of unsecured debt and contingent liabilities which would need to be restructured in order to rescue the business as a going concern. However, having regard to the scale of the Pension Schemes deficit, the overall level of liabilities across the Group and the need for significant operational restructuring of the Group's businesses to reduce their retail footprint and improve their online offerings, there is unlikely to be any interest from third parties in a debt restructuring.

The Companies have no assets other than intercompany receivables, and shareholdings in Redcastle 214, as described on page 17. Having regard to the level of debt secured against these assets, there is limited prospect of funds being realised for the benefit of unsecured creditors.

Accordingly, the purpose of the administrations will be to make a distribution to the secured creditors, and which will be achieved through realisation of the property interests.

Post-appointment

Joint Administrators' strategy

How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their Proposals are approved

Trading across the Administration Companies

Immediately following our appointments, we concluded it would be in the best interests of creditors to continue to trade the Group's operating businesses whilst seeking a sale (or sales) as going concerns. Full details regarding the sale of business and related continuation of trading are provided in the proposal documents of the relevant Administration entities and have not been replicated here.

In parallel to the above, Deloitte Real Estate, who are specialist property advisors within Deloitte, have been working with us to identify the optimal strategy in order to maximise realisations from the property portfolios of the Companies.

Post-appointment

Joint Administrators' strategy

How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their Proposals are approved (continued)

Receipts and Payment accounts

As there have been no receipts or payments in either of the Companies for the period 30 November 2020 to 8 January 2021, no receipts and payments accounts have been provided.

As mentioned previously, AGL operates the treasury, shared services and cash pool functions across the Group (excluding cash for TSTM). These operations have continued during the administrations, with the majority of trading transactions and cash flowing through AGL. A regular reconciliation exercise will be undertaken in conjunction with AGL staff to determine the appropriate allocation of these shared costs to each of the Administration Companies.

At the date of this report, the first post appointment reconciliation exercise remains ongoing and will be concluded in the period after this report. Consequently, the recharge of many of the costs to the operating companies are consequently not reflected. Detailed trading and receipts and payments accounts, including the recharge of AGL's costs, will be provided in our first progress report.

Redcastle Finance Limited ("Redcastle FinCo")

As already indicated Redcastle Finco is a holding company and has no assets other than an intercompany receivable from its parent, Redcastle HoldCo, and the shares in its wholly owned subsidiary, Redcastle 214. It is possible that realisations from Redcastle 214 may deliver a return of value to its shareholder, Redcastle FinCo, at some point in the future.

Redcastle (Holdings) Limited ("Redcastle HoldCo")

As already indicated, Redcastle HoldCo is a holding company and the parent company of Redcastle FinCo. It holds no assets other than an intercompany receivable from its parent, AGL, and the shares in Redcastle FinCo.

The Joint Administrators' Proposals

Our Proposals for the administrations include:

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

We will seek specific approval from the secured creditors or the creditor or creditors committee should one be formed to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses.

Please refer to Appendix D for further details.

Post-appointment

Outcome for creditors

Estimated outcome for creditors

Secured creditors

The Companies' records show that, at the date of our appointment, the following security and amounts were outstanding to secured creditors.

Redcastle (Holdings) Ltd has granted the following security in favour of Bank of Scotland Plc ("BOS"):

- a fixed and floating charge datec 18 December 2002.

Redcastle Finance Ltd has granted the following security:

- A fixed charge in favour of AG Pension Trust pursuant to a charge dated 17 December 2019; and
- A fixed charge in favour of Situs pursuant to a charge dated 17 December 2019.

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

Preferential creditors

As the Companies had no employees we do not anticipate any preferential creditor claims.

Prescribed Part

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

The Prescribed Part is calculated as a % of the net property and is subject to a statutory maximum of £600,000 per company.

Where the value of the Prescribed Part is so small as to make the costs of distributing it disproportionate, the court may, on our application, disapply it.

As there are no floating charge assets the Prescribed Part provisions will not apply to this case.

Unsecured creditors

As per the Companies records as at 30 November 2020, there are no unsecured creditors of the Companies.

This listing does not capture a number of other unsecured creditor claims which are expected in the administration, a number of intercompany creditors, amounts due under guarantees crystallised by the insolvency of other Group companies and amounts due to HMRC in respect of VAT. The total value of unsecured creditors is expected to be materially higher than the total given above once these other liabilities have been quantified and included.

Post-appointment
Extensions & exit routes

Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors.

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- *Dissolution* – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later.
- *Compulsory Liquidation ("WUC")* – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administrations and to make an order to wind up the Companies.
- *Creditors' Voluntary Liquidation ("CVL")* - Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file notices to that effect with the Registrar of Companies. The administrations will cease on the date that the notices are registered and the Companies will be wound up.

Please note that if the Companies are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the Proposals are deemed approved ie by 5 February 2021.

- Any creditors' committee appointed in the administration will become a liquidation committee.
- For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

In this case, we will request approval from the Court for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress reports.

Remuneration and expenses

Remuneration and expenses

Creditors' Guide to Administrators' Remuneration

A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at www.deloitte.com/uk/sip-9-england-and-wales

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 4 and this will be provided to you at no cost.

Basis of Administrators' remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters arising in the administration;
- as a set amount; or
- any combination of the above.

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our remuneration as a set amount of £75k for each of the Companies with the consent of each secured creditor.

In advance of seeking that approval we have set out in more detail what work we will be required to carry out in our estimate of work required on page 28.

From our initial assessment in relation to both of these companies, the work to be carried out primarily relates to fulfilment of statutory and compliance obligations and other tasks of an administrative nature. These tasks are a necessary part of the engagement but do not generate any direct benefit for creditors. As such we consider it appropriate to limit our fee to a set or fixed amount in relation to performance of these tasks. Based on previous appointments of this nature and having regard to the likely number and grades of staff required to fulfil these obligations, we intend to seek approval to draw a fee of £75k for each of the Companies.
Full details of the work anticipated to be performed are provided at Appendix B.

Joint Administrators' Expenses

We anticipate that we will incur the following disbursements during the appointment:

- Statutory Advertising - we are required to give notice by advert in the London Gazette of the following matters: our appointment and proposed distributions to unsecured creditors. *We estimate the advertising* costs in this regard will be £230.

Expenses - Professional costs - Legal

- We have instructed a number of lawyers to advise on various matters arising in the Companies and across the Group, based on their level of appropriate expertise and experience in dealing with these types of administrations and related matters. These are noted below:

<u>Freshfields Bruckhaus Deringer LLP ("Freshfields")</u>

Costs of application and appointment

- Freshfields were instructed to assist in planning for the administration and to undertake formalities of the administration appointments in relation to the Company and the wider Group, including but not limited to: drafting and preparation of Court *documents and notices;* Court attendance; and advice on timings and procedural aspects of appointments.
- In respect of this work, Freshfields incurred £24,925 in each of the Administration Companies.
- The Court ordered that these costs be paid as an expense of the administration.
- Freshfields are the main legal advisors for the Administration Companies with work covering general insolvency, employees, pensions, sale of business, properties, stock, contracts and litigation. Their discounted costs incurred for the period 1 *December 2020 to* 25 December 2020 total c£1.5m (exclusive of VAT and disbursements) across the Administration Companies.

We anticipate that a reasonable proportion of their further fees will largely relate to sale of business matters, however given that any sale of business timing and structure is currently unconfirmed, it is not possible *to provide an estimate* of further fees at this stage.

Expenses - Professional costs - Legal

<u>Brown Rudnick LLP ("Brown Rudnick")</u>

- Brown Rudnick have been advising the Joint Administrators on appointment matters, director investigations and other matters where Freshfields are conflicted. We anticipate that their fees will largely relate to investigations, however as we are in the early stages of our investigations work, it is not currently possible to provide an estimate of further fees;

Additional information

Additional information
Case specific matters

Investigations

EU Regulations

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

Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies premises at the date of our appointment please contact us as soon as possible.

Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an *initial assessment of whether there* are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Energy and Industrial Strategy. Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 4 as soon as possible.

Appendices

Statutory Information

	Redcastle (Holdings) Limited	Redcastle Finance Limited
Company number	03958469	03958423
Registered office	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ	c/o Deloitte LLP Four Brindleyplace Birmingham B1 2HZ
Court	High Court of Justice, the Business and Property Courts of England & Wales	High Court of Justice, the Business and Property Courts of England & Wales
Court reference	CR-2020-004401	CR-2020-004397
Company directors	Richard Leeroy Burchill Richard Dedombal Gillian Anne Hague Sally Marion Wrightman	Richard Leeroy Burchill Gillian Anne Hague Sally Marion Wrightman
Company Secretary	Rebecca Rose Flaherty	Rebecca Rose Flaherty
Directors Shareholdings	None	None

Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to websites set up specifically for each of the Companies. The web address is www.ips-docs.com.

All documents will be retained on the websites which will remain live until two months after the conclusion of the proceedings. Please contact us using any of the contact details given below if you would like to be provided, free of charge, with a hard copy of documents posted, either now or in the future, to the website:

Phone: 0808 178 2848

Email: arcadiacreditors@deloitte.co.uk

Postal address: c/o Deloitte LLP, Four Brindleyplace, Birmingham B1 2HZ
Please note that, other than notice of intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, such as notices of decision procedures or our six monthly reports on progress.

Estimate of work to be undertaken

Joint Administrators' Estimate of Work to be undertaken – set fee basis

Details of work that the we anticipate will be undertaken in each of the Companies, and for which a set fee of £75k will be charged in each of the Companies, are provided below:

Statutory Tasks and Administration

- Formulating and implementing an appropriate strategy for each case.
- Case set-up for each case – including data capture and entry.
- Cashiering – one bank account per company with bank reconciliations.
- Statutory reporting – preparation of these proposals and progress reports; CDDA.

Assets

- Ascertaining intercompany debtors' position.
- Dealing with the realisation of the Companies sole asset, being the shareholdings in Redcastle 214.

Creditors

- Responding and filing creditor queries should they arise.
- Logging creditor claims should they be received.
- Declaring distributions to creditors.

Case specific matters

- Tax/Vat – filings as required including dealing with any follow up queries from H M Revenue & Customs.

Disbursements

Disbursements

These are costs and expenses initially paid by us and for which we will seek reimbursement as and when funds permit.

We estimate that the following disbursements are likely to be incurred in relation to the administrations.

Category 1 disbursements

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

Our estimate of Category 1 disbursements is given below, all figures are shown excluding VAT.

£ (net)	Estimated	Incurred as at 8 January 2021	Paid	Unpaid
Redcastle (Holdings) Limited				
Specific Penalty Bond	230.00	230.00	-	230.00
Total	**230.00**	**230.00**	**-**	**230.00**
Redcastle Finance Limited				
Specific Penalty Bond	230.00	230.00	-	230.00
Total	**230.00**	**230.00**	**-**	**230.00**

Category 2 disbursements

These are costs and expenses which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the administration estates.

Our estimate of Category 2 disbursements is given below, all figures are shown exclusive of VAT:

Redcastle (Holdings) Limited

£ (net)	Estimated per Proposals	Incurred as at 8 January 2021	Paid	Unpaid
Deloitte Ireland	14,000	2,795		2,795
Mileage	500	-	-	-
Total disbursements	**14,500**	**2,795**	**-**	**2,795**

Redcastle Finance Limited

£ (net)	Estimated per Proposals	Incurred as at 8 January 2021	Paid	Unpaid
Deloitte Ireland	14,000	2,795		2,795
Mileage	500	-	-	-
Total disbursements	**14,500**	**2,795**	**-**	**2,795**

Deloitte Ireland

These costs relate to the time costs in respect of Deloitte Ireland staff who are assisting the Joint Administrators by undertaking statutory and compliance tasks under the supervision of the Joint Administrators' staff. Their work is being charged on a time costs basis, the charge out rates for which are provided below:

Grade	Rate (£ / hour)
Assistant Manager	340
Associate	180
Analyst	160
Admin	90

The mileage estimate above is a provision for mileage expenses which may be incurred by staff engaged on the case. The duration and nature of lockdown measures in response to the COVID-19 pandemic will impact actual mileage expenses incurred.

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile).

Joint Administrators' Proposals

Our Proposals will be deemed approved on 5 February 2021 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured creditors of the Companies:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed as a set fee of £75k for each of the Companies, plus VAT.
2. Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of Deloitte Ireland and mileage (as detailed on page 29) be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estates.

Creditors' committees will not be formed unless we are requested to hold decision procedures for the purpose of forming creditors' committees; please refer to page 1 of the Proposals for details of the procedure in this regard.

Please note that if you wish to form a creditors' committee in either of the Companies, you will also be expected to confirm your willingness to serve or be represented on the creditors' committees, including dealing with any business placed before the creditors' committees throughout the period of the administrations should creditors' committees be formed.

Appendices

Appendix E – No statement of affairs has been submitted

Statement of Affairs

The directors were notified on 7 December 2020 that they are required to make out and deliver a statement of the Company's affairs to us by 29 December 2020 which included an initial ten days extension to the statutory 11 days deadline.

At their request, this deadline has been extended until 29 January 2021.

As per the Companies records, there are no unsecured creditors of the Companies, however, as the Companies are part of a wider VAT group, it is anticipated that a claim will be received from H M Revenue & Customs in due course.

A summary of the Companies financial position based on most recent available information is given on page 9. We expect to receive a fully updated creditor schedule with the statement of affairs and this will be uploaded to the website upon receipt.

Appendices
Important notice

Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their Proposals for achieving the purpose of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document 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 Companies.

Any estimated outcomes for creditors included in this document 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 document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act 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 these Proposals.

The Joint Administrators act as agents of the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administrations.

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