

WU07

Notice of progress report in a winding-up by the court



Companies House

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1 Company details

Company number 0 5 4 4 8 4 2 1

Company name in full Debenhams Plc

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

2 Liquidator's name

Full forename(s) Alastair

Surname Beveridge

3 Liquidator's address

Building name/number AlixPartners, 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

4 Liquidator's name ①

Full forename(s) Clare

Surname Kennedy

① **Other liquidator**
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number AlixPartners, 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

② **Other liquidator**
Use this section to tell us about
another liquidator.

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Period of progress report

From date	^d 2	^d 7	^m 0	^m 1	^y 2	^y 0	^y 2	^y 3	
To date	^d 2	^d 6	^m 0	^m 1	^y 2	^y 0	^y 2	^y 4	


7

Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8

Sign and date

Liquidator's signature	Signature X 	X							
Signature date	^d 2	^d 6	^m 0	^m 3	^y 2	^y 0	^y 2	^y 4	

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Presenter information

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

Contact name	Paul Butterfield
Company name	AlixPartners LLP UK
Address	8th Floor, Ship Canal House
98 King Street	
Post town	Manchester
County/Region	
Postcode	M 2 4 W U
Country	United Kingdom
DX	
Telephone	0161 838 4500



Checklist

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Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Liquidators' Progress Report for the period 27 January 2023 to 26 January 2024

Debenhams Plc
In Liquidation

26 March 2024

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1. Why this report has been prepared

- 1.1 As you will be aware, Alastair Beveridge and Clare Kennedy (the **Liquidators**) of AlixPartners UK LLP (**AlixPartners**) were appointed on 27 January 2022 following a winding up order made on 25 January 2021.
- 1.2 In accordance with UK insolvency legislation, liquidators are required to provide a progress report covering the period of 12 months commencing on the date of appointment and every subsequent period of 12 months. This report covers the period 27 January 2023 to 26 January 2024 (the **Period**) and should be read in conjunction with the Liquidators' Progress Report dated 13 March 2023 (the **Previous Report**).
- 1.3 This report has been prepared in accordance with rule 18.8 of the Insolvency (England and Wales) Rules 2016 (the **Rules**).
- 1.4 The purpose of this report is to provide statutory and financial information about the Company, an update on the progress of the liquidation of the Company (the **Liquidation**) during the Period, details regarding the Liquidators' fees and the expected outcome for each class of creditor.
- 1.5 Details of the Liquidators' fees and expenses incurred are provided at Appendices C to E.
- 1.6 More information relating to the Liquidation process, Liquidators' fees and creditors' rights can be found on AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>).
- 1.7 If you require a paper copy of this report or have any queries in relation to its contents, or the Liquidation generally, please contact Paul Butterfield on 0161 838 4500 or by email at creditorreports@alixpartners.com.

2. Summary of information for creditors

Outcome for creditors

Description	Estimated debt £	Likely level of return £
Secured creditor	Nil	Nil
Unsecured creditors:		
Revolving Credit Facility (RCF)	323,569,681	Nil
5.25% Unsecured Notes due 2021 (the Notes)	202,473,972	Nil
Intercompany creditors	636,514,939	Nil
Other unsecured creditors	110,504,891	Nil

Notes:

- 2.1 The estimated debts have been taken from the directors' Statement of Affairs (**SofA**) prepared during the preceding administration of the Company (the **Administration**).

Secured creditor

- 2.2 GLAS Trust Corporation Limited acted as security agent on behalf of the Company's secured lenders. On 11 February 2019, the Company entered into the Bridge Facility Agreement (**BFA**) which provided a £40.0 million secured loan to fund the short term working capital requirements of the Debenhams group. The Company subsequently entered into the New Money Facilities Agreement (**NMFA**) on 29 March 2019 which refinanced the BFA and provided an initial secured loan of £101.3 million.
- 2.3 The Company entered into administration on 9 April 2019. As at that date, the Company's secured debt was comprised of the funds drawn under the NMFA, which totalled £101.8 million including interest and charges.
- 2.4 On the same date, a sale of the Company's business and assets was completed to Celine UK Newco 1 Limited in a pre-packaged sale. The consideration paid by the purchaser of the Company's assets under the pre-packaged sale was £101.8 million and this was applied as a discharge of the debt owed under the NMFA. As a result, it is the Liquidators' understanding that there are no remaining secured creditors of the Company.

Preferential creditors

- 2.5 The Company did not have any employees and there are no known preferential creditors.

Unsecured creditors

- 2.6 The SofA details unsecured creditors totalling approximately £1.3 billion, which includes £323.6 million in respect of the RCF and £202.5 million in respect of the Notes.
- 2.7 Where there is a floating charge which was created on or after 15 September 2003, the Liquidators are required to create a fund from the Company's net property for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 2.8 Whilst the Company granted a floating charge on 29 March 2019, as the secured creditor's debt was fully discharged in the Administration, the Unsecured Creditors' Fund provisions do not apply in the Liquidation. Instead, any surplus estate funds after accounting for Liquidation costs would become available to the Company's unsecured creditors. However, as there are no available assets in the estate, no funds will become available for distribution in the Liquidation. Additionally, there were insufficient realisations in the previous Administration to enable a dividend to be paid to the unsecured creditors.

3. Progress of the Liquidation

- 3.1 Attached at Appendix B are the Liquidators' Receipts and Payments Accounts for the Period, together with Cumulative Accounts for the period since appointment. These accounts are prepared on a cash basis, therefore details of expenses incurred but not yet paid are excluded from the accounts and are summarised at Appendix D.
- 3.2 In addition to their primary role of realising any available assets of the Company and distributing them to creditors in accordance with their statutory priorities, the Liquidators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Liquidators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to give users of this report information to allow them to understand how the Liquidators' fees and expenses as set out in Appendices C and D have been incurred.

Liquidation funding

- 3.3 There were no assets in the estate on the appointment of the Liquidators, subject to any being identified during the course of the Liquidators' statutory investigation into the circumstances of the Company's failure. In the absence of sufficient assets in the estate, in order to discharge Liquidation costs, the Liquidators entered into a funding agreement with certain of the Company's financial creditors on 28 January 2022 (the **Funding Agreement**). Details of the terms of the Funding Agreement and the funds provided to date are provided at Appendix C.

Investigation into the Company's affairs

- 3.4 The Liquidators have a statutory duty to conduct investigations into the conduct of the directors and transactions entered into prior to the Company's insolvency, as required by Statement of Insolvency Practice 2 (**SIP2**) – Investigations by Office Holders in Administrations and Insolvent Liquidations. As noted in the Previous Report, the Liquidators also became aware of concerns of certain of the Company's creditors and/or contributories as to the conduct of other parties in relation to the Company.
- 3.5 In conjunction with their legal advisor, Ashurst LLP, the Liquidators completed an investigation into and assessment of the issues pertaining to the Company's failure in order to determine whether there were any actionable matters which may result in recoveries into the Liquidation estate. Based on the outcome of this assessment, there were no actions identified that would have resulted in recovering funds for the benefit of the Company's creditors.

Insolvency Services Account

- 3.6 During the Period, funds of £984 were received into the Insolvency Services Account in respect of small claims awarded to the Company by the Northern Ireland Courts and Tribunal Service. These were used to contribute to the priority costs of the Official Receiver's fees.

Case administration (including statutory reporting)

- 3.7 In addition to their duties relating to realising and distributing the assets of the Company, the Liquidators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986, including preparing annual reports to creditors advising of the progress of the Liquidation. The Liquidators are also responsible for liaising with HM Revenue & Customs (**HMRC**) to determine the final position in respect of corporation tax, VAT and other taxes that may be owed by or to the Company, and for filing tax returns for the duration of the Liquidation.
- 3.8 In order to ensure the matters of the Liquidation are being progressed sufficiently, the Liquidators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Liquidators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 3.9 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to, for example, protracted realisation of assets, meaning additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors (claims and outcome)

- 3.10 Details of the outcome for creditors are provided in section 2.

Outstanding matters

- 3.11 Following completion of their investigation into the Company's affairs, the Liquidators are attending to the procedural steps to close the Liquidation, which include settling outstanding costs, preparing and circulating their final account to creditors, closing the bank account, filing tax returns for the duration of the Liquidation and dealing with the associated correspondence with HMRC. These activities are materially complete and it is anticipated that the Liquidation will be completed shortly.

4. What happens next

Creditors' rights

- 4.1 Within 21 days of the receipt of this report, a secured creditor (should any remain), or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Liquidators provide further information about their fees or expenses which have been itemised in this progress report.
- 4.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Liquidators' fees is inappropriate, or that the fees or the expenses incurred by the Liquidators as set out in this progress report are excessive.

Next report

- 4.3 The Liquidators are required to provide a progress report within two months of the end of the next year of the Liquidation; however, as noted in section 3, the Liquidators are attending to the procedural steps to close the Liquidation and their final account will be circulated to creditors before then.

Yours faithfully



Alastair Beveridge
Liquidator

Encs

Appendix A. Statutory information

Company information

Company name	Debenhams Plc
Registered number	05448421
Registered office	Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WU
Former registered office	c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD

Liquidators' information

Name	Address	IP number	Name of authorising body
Alastair Paul Beveridge	AlixPartners, 6 New Street Square, London, EC4A 3BF	8991	Insolvency Practitioners Association
Clare Laura Kennedy	AlixPartners, 6 New Street Square, London, EC4A 3BF	20590	Insolvency Practitioners Association

Other relevant information

As confirmed in the Liquidators' Certificate of Appointment issued on behalf of the Secretary of State, any act required or authorised to be done by the Liquidators may be done by either one or both of them. Any reference to the Liquidators should be read as the Joint Liquidators.

Appendix B. Receipts and Payments Accounts for the period 27 January 2023 to 26 January 2024 and Cumulative Accounts for the period since appointment

Debenhams client account

Statement of Affairs £	Period £	Cumulative £
Receipts		
- Liquidation Costs funding	-	300,000
- Litigation Costs funding	-	713,231
- Bank interest	4,014	6,201
	4,014	1,019,432
Payments		
Liquidators' fees:		
General	48,029	215,308
Litigation	-	155,158
Legal fees:		
General	59,924	155,735
Litigation	7,070	445,805
Legal expenses	-	859
Stationery and postage	-	2,887
Statutory advertising	-	104
Bank charges	9	34
	(115,032)	(975,890)
Total balance	(111,018)	43,542
Represented by		
Interest bearing client account		26,155
VAT receivable		17,387
		43,542

Notes:

The above is subject to small rounding differences.

In accordance with Regulation 6(5) of the Insolvency Regulations 1994, as the Liquidation funding was provided for a specific purpose under the Funding Agreement dated 28 January 2022 and is not an asset of the estate, it is being held in an account which is separate to the Insolvency Services Account.

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Account should follow those used in any prior SofA or estimated outcome statement. The SofA was provided by the directors at the commencement of the preceding Administration and provided estimated to realise values for the Company's assets which were subsequently realised under a pre-packaged sale. As the above receipts relate to funds received by the Liquidators to meet the costs of the Liquidation pursuant to the Funding Agreement, no comparisons to the SofA by category can be made.

Insolvency Services Account

	Period £	Cumulative £
Receipts		
Petitioner's deposit	-	1,600
NI Courts and Tribunals awards	984	984
	984	2,584
Payments		
Official Receiver's general fee	-	6,000
Official Receiver's administration fee	-	5,000
Insolvency Services Account fees	88	176
	(88)	(11,176)
Total balance	896	(8,592)
Represented by		
Insolvency Services Account		(8,592)
		(8,592)

Notes:

Pursuant to the Insolvency Regulations 1994, the OR and insolvency practitioners are required to pay into the Insolvency Services Account (**ISA**) the estate monies received by them in the course of their administration of all bankruptcies and compulsory liquidations.

The above reflects the position of the ISA as at the end of the Period. With the exception of ISA fees (which are applied on a quarterly basis) and the Tribunals awards, all transactions were incurred during the OR's appointment and prior to the Liquidators' appointment.

Appendix C. Liquidators' fees

A copy of the R3 creditors' guide on Insolvency Practitioners fees in liquidations can be downloaded from AlixPartners' creditor portal

(<https://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Liquidators and they will forward a copy to you.

As detailed in section 3, the Liquidators entered into the Funding Agreement on 28 January 2022. Under the terms of the Funding Agreement, an initial £300,000 was provided to meet general Liquidation costs, which includes the costs in attending to the Liquidators' various duties, including the completion of their statutory investigation into the Company's affairs and settling the associated legal fees and expenses. The Funding Agreement also provides funds to meet the costs associated with the Application (as defined in the Previous Report) and a total of £713,231 has been provided to date.

It should be noted that the funds provided under the Funding Agreement do not form part of the Liquidation estate. As the Liquidators' fees are being met entirely under the Funding Agreement, the Liquidators were not required to seek a resolution of the Company's creditors as to the basis of their fees or provide an estimate of their fees and expenses.

Liquidators' fees totalling £370,466 have been drawn to date under the Funding Agreement. The Liquidators' future time costs incurred through to the completion of the Liquidation will also be met under the Funding Agreement.

Liquidators' details of time spent to date

The Liquidators' time costs for the Period are £70,439. This represents 123 hours at an average rate of £571 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Case administration (including statutory reporting)	87.2	455	39,638	130,386
Investigations	8.9	836	7,441	180,362
Creditors (claims and distribution)	0.6	435	261	261
Litigation	26.6	868.4	23,099	182,012
Total	123.3	571	70,439	493,021

NB: Cumulative time is the total from the date of the Liquidators' appointment to the end date of the Period.

Principal areas of activity during the Period are discussed in further detail below.

- Administration and planning – time has been incurred implementing and monitoring the case strategy, complying with statutory duties and performing general administrative work, including attending to periodic duties such as the completion of case reviews and checklists. Case related treasury and support time is also recorded here. Finally, time has been incurred in preparing annual reports to creditors and dealing with general correspondence from Company stakeholders.
- Investigations – as detailed in section 3, time has been incurred in completing the Liquidators' statutory investigations into the Company's affairs as prescribed by SIP2, as well as handling the specific concerns raised by certain Company stakeholders. The Liquidators have also incurred time maintaining a close liaison with Ashurst LLP to ensure the investigative work progressed sufficiently and its scope remained focused on any potential recovery actions.
- Litigation – time has been incurred finalising matters relating to the Application.
- Creditors – time has been incurred dealing with general creditor correspondence.

Should any matters arise, such as any realisable assets, further time will be incurred dealing with such matters. Similarly, if the Liquidators encounter any protracted matters, further time will be incurred to finalise the same. If applicable, the Liquidators will advise creditors in future communications.

Appendix D. Expenses of the Liquidation

In accordance with Statement of Insolvency Practice 9, expenses are any payments from the estate which are neither a liquidator's fees nor a distribution to a creditor or member. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses are payments to persons providing a service who are not an associate of the liquidator. Category 1 expenses may include external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Liquidators and their staff.

Category 1 expenses incurred by third parties

An analysis of the costs paid to third parties to date together with those incurred but not paid as at the end of the Period is provided below.

	Paid in the Period £	Paid in the previous period £	Incurred but not paid £	Total cost incurred to date £
Legal fees	66,994	534,546	94,731	696,271
Legal expenses	Nil	859	5,760	6,619
Total	66,994	535,405	100,491	702,890

Category 1 expenses incurred by the Liquidators

An analysis of the incidental expenses incurred by the Liquidators to date is provided below.

	Total cost £
Statutory advertising	104
Stationery and postage	2,887
Total	2,991

Category 2 expenses

Category 2 expenses are payments to the associates of a liquidator (or which have an element of shared cost) and in this case would consist of business mileage for staff travel charged at the rate of 45 pence per mile. Any such expenses are payable under the Funding Agreement; however, none have been incurred to date.

Appendix E. Additional information in relation to the Liquidators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors; and
- professional advisors.

Staff allocation and the use of sub-contractors

The Liquidators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of one or more members of staff at each of the grades detailed in the charge-out rate schedule overleaf. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case.

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Liquidators have not utilised the services of any sub-contractors in this case.

Professional advisors

On this assignment the Liquidators have used the professional advisor listed below. The Liquidators have also indicated the basis of their fee arrangement with the advisor, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Ashurst LLP (legal advice)	Hourly rates and expenses

The Liquidators' choice was based on their perception of the professional advisor's experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with the advisor.

Charge-out rates

A schedule of AlixPartners' hourly charge-out rates for this assignment effective from 1 January 2024 is detailed below, together with the rates charged prior to that date. Time is charged by the Liquidators and case staff in units of six minutes.

Description	Rates from 1 January 2024 £	Rates pre 1 January 2024 £
Partner and Managing Director	950-1,170	920-1,135
Partner	885	875
Director	755-845	740-830
Senior Vice President	550-690	535-670
Vice President	440-545	415-515
Consultant	155-415	145-390
Treasury and support	215-420	205-405