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

AM10

Notice of administrator's progress report

Companies House

TUESDAY

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A15 29/06/2021 #380

COMPANIES HOUSE

1 Company details

Company number	0 8 4 5 8 3 3 8
Company name in full	TS Wholesale Realisations Limited (Formerly Top Shop/Top Man (Wholesale) 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	60 St Martin's Lane
Street	London
Post town	WC2N 4JS
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Daniel Francis
Surname	Butters

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

5 Administrator's address ❷

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

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

AM10
Notice of administrator's progress report

6 Period of progress report

From date	d 3 d 0	m 1 m 1	y 2 y 0 y 2 y 0
To date	d 2 d 9	m 0 m 5	y 2 y 0 y 2 y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X	X
Signature date	d 2 d 8	m 0 m 6	y 2 y 0 y 2 y 1

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Notice of administrator's progress report

Presenter information

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

Contact name: Narinder Aheer

Company name: Teneo Restructuring Ltd

Address: 156 Great Charles Street
Queensway

Post town: Birmingham

County/Region:

Postcode: B 3 3 H N

Country:

DX:

Telephone: +44 121 619 0120

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

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)	Gavin
Surname	Maher

3 Insolvency practitioner's address

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

Teneo®

The Global CEO Advisory Firm

Registered Office:
c/o Teneo Restructuring,
156 Great Charles Street
Queensway
Birmingham
B3 3HN

Top Shop/Top Man Limited ("TSTM Opco")
TS Propco Realisations Limited formerly known as Top Shop / Top Man Properties Limited ("TSTM Properties")
TS (Trinity) Realisations Limited formerly known as Top Shop/Top Man (Trinity) Limited ("TSTM Trinity")
TS Wholesale Realisations Limited formerly known as Top Shop/Top Man (Wholesale) Limited ("TSTM Wholesale")
TS (Germany) Realisations Limited formerly known as Top Shop/Top Man (Germany) Limited ("TSTM Germany")
(all in administration)
(together "the Companies" or "TSTM Group")

Progress report to creditors for the period 30 November 2020 to 29 May 2021 pursuant to rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

29 June 2021

Matthew David Smith, Daniel Francis Butters and Gavin Maher were appointed as Joint Administrators of Top Shop/Top Man Limited and TS Wholesale Realisations Limited formerly known as Top Shop/Top Man (Wholesale) Limited on 30 November 2020 by the High Court of Justice.

Matthew David Smith, Daniel Francis Butters and Daniel James Mark Smith were appointed as Joint Administrators of TS (Germany) Realisations Limited formerly known as Top Shop/Top Man (Germany) Limited, TS Propco Realisations Limited formerly known as Top Shop/Top Man Properties Limited and TS (Trinity) Realisations Limited formerly known as Top Shop/Top Man (Trinity) Limited on 30 November 2020 by the High Court of Justice.

The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Teneo Restructuring Limited ("Teneo") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

.For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

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

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Key messages

Key messages

Joint Administrators of the Companies

Matthew David Smith

Daniel Francis Butters

Gavin Maher

Daniel James Mark Smith

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B3 3HN

Contact details

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	Commentary
Purpose of administrations	• The purpose of the administrations is to achieve a better result for the Companies' creditors as a whole than liquidations.
Important notice re Joint Administrators' contact details	• On 29 May 2021 the UK Restructuring Practice of Deloitte LLP was sold to Teneo Restructuring Limited (the "**Transaction**"). The majority of live insolvency appointments, including these administration appointments were transferred to Teneo Restructuring Limited ("Teneo") with their respective officeholders and case teams, as part of the Transaction. Please also note that our new Teneo contact details are provided on the left hand column of this page.
Progress of administrations	**TSTM Opco** • Trading continued until 4 February 2021 when the brand and other associated assets were sold to ASOS plc ("ASOS"). Sale proceeds (including certain other brands and assets owned by other Group companies) were for a total headline value of £295m, of which £197m has been received by TSTM Opco. Further detail is provided from page 7. • Once trading ceased, all stock located in the owned stores and external businesses was repatriated back to the distribution centre, in order for it to be collected by ASOS, as agreed in the asset purchase agreement ("APA"). All stock was collected by ASOS by 30 April, and the distribution centre was subsequently vacated and sold. • Debtors to the value of £21m (franchise and wholesale debtors) have been collected to date. **TSTM Wholesale** • Included within the sale of business to ASOS noted above, the wholesale channel formed part of the sale, with £58m of the consideration received by TSTM Wholesale. • Wholesale book debts totalling £7m have been collected (received into TSTM Opco, to be transferred). **TSTM Properties** • All UK and Channel Island leasehold properties have been vacated (including Top Shop's flagship store, located at 214 Oxford Street London). • The sale process for the freehold Norwich store (the only freehold site owned by TSTM Properties) is ongoing, with 10 interested parties in the process at present. **TSTM Trinity** • The Daventry distribution centre was sold on 30 April 2021 for £83m. **TSTM Germany** • No assets have been realised and no assets are expected. Some trading sales have been received into TSTM Opco. • All leases in Germany have been surrendered.
Costs	• We intend to fix the basis of our remuneration in the Companies as set out in our proposals and the remuneration section of this report from page 35 . • We have incurred total disbursements of £111k in the report period across the Companies. Please see page 41 for further details where an analysis of disbursements in each company is presented. • Third party costs and expenses of £3m have been incurred in the report period. Please see page 18 for further details.

Key messages

	Commentary
Outstanding matters	**TSTM Opco** • Reconciliation of the trading account and settlement of intra-Group trading costs. • Finalisation of book debt collections. • Collection of the c.£7m deferred consideration in line with the terms of the APA. **TSTM Trinity and TSTM Wholesale** • Finalisation of book debt collections and inter company balances. **TSTM Properties** • Continuing to liaise with landlords in order to facilitate lease surrenders or disclaimers in a subsequent liquidation. • Finalisation of rent payments of approximately £4m to landlords as an expense of the Administration. • Completion of the sale process with a purchaser of the Norwich freehold store. **TSTM Germany** • There are no outstanding matters relating to asset realisations in the administration. **Each of the Companies** • Where relevant in each company, finalise distributions to the secured creditors and move to liquidation to complete distributions to preferential and unsecured creditors where applicable. • Undertake shareholder distributions in TSTM Wholesale and TSTM Trinity, subject to sufficient funds being available after settling all unsecured creditors' claims plus statutory interest. • Complete VAT and Corporation tax matters. • Statutory closing procedures for the Companies.
Dividend prospects	**Secured creditors** • **TSTM Opco** - Based on current expectations we anticipate that the secured creditor, Arcadia Group Limited ("AGL"), will be repaid in full. • **TSTM Properties** - Based on current expectations we anticipate that the first secured creditor, AGL, will be repaid in full. The second secured creditor in TSTM Properties, Aldsworth Equity Limited ("Aldsworth"), is unlikely to be repaid in full. • **TSTM Trinity** - The secured creditor, Aldsworth, has been repaid in full. • **TSTM Wholesale and TSTM Germany** have no known secured creditors. **Preferential creditors** • There will be sufficient realisations to enable payment in full of preferential claims in TSTM Opco, representing the claims of TSTM Opco's former employees (largely in respect of outstanding holiday pay). There are no employees of the other Companies, therefore we do not anticipate receiving any preferential claims in these Companies.

Key messages

	Commentary
Dividend Prospects (continued)	**Unsecured creditors** • It is likely that there will be a small dividend for unsecured creditors of TSTM Opco and TSTM Properties. The timing and quantum of these will depend on final asset recoveries, including distributions receivable from other Group companies, as well as the level of creditor claims received. • We currently anticipate that unsecured creditors of TSTM Trinity and TSTM Wholesale will be paid in full, together with statutory interest. This will principally be dependent on the level of unsecured claims that is ultimately received in each of these companies. • There are no realistic prospects of a dividend for unsecured creditors of TSTM Germany. Please see page 30 for further information. **Shareholder** • We currently expect that we may be able to pay shareholder distributions from TSTM Wholesale and TSTM Trinity, subject to sufficient funds being available after settling unsecured creditors' claims plus statutory interest.
Extension to administration period	• We do not intend to request an extension to the period of the administrations. Please see page 32 for further details.

Progress of the administrations

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Progress of the administrations

Summary

Work done during the report period

Introduction

AGL and its associated companies ("the Group") operated the Topshop, Topman, Dorothy Perkins, Burton, Wallis, Evans, Miss Selfridge and Outfit brands, along with associated centralised functions (many of which were undertaken by AGL). The Group operated from over 400 stores, plus concessions, across the eight brands and employed c.13,000 employees

The Group also operated digital sales operations that were supported by three distribution centres and the Companies operated through all of these channels, supported by a distribution centre owned by TSTM Trinity.

The Companies traded from approximately 200 stores and had 3,900 employees. The Companies' leases and freehold property, out of which the TopShop and TopMan brands' retail operations traded were held in TSTM Properties and also in some wider group companies. As such the brands operated on an informal basis whereby the property owning entity paid rent to the landlords and the brand owning entity funded this rent payment through its trading.

As noted in the Joint Administrators' Proposals, we concluded that 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 a going concern.

Sale of business

The Group's brands were marketed for sale (as a whole, as sub-groups or as individual brands) through a wide-reaching sale of business ("SOB") process.

Parties were invited to explore interest in acquiring the business and assets of all or a selection of the Arcadia brands.

- Preparation phase

The Joint Administrators prepared a list of potential buyers to be approached based on discussions with the senior management team, sector knowledge and sector analysis. The list comprised parties with ability and experience in transacting in accelerated

Whilst the Joint Administrators prepared the list of potential buyers to approach as part of the SOB process, it was recognised that the high profile nature of the process would likely also attract a number of inbound expressions of interest.

The Joint Administrators worked with the senior management team to prepare marketing materials which comprised:

- a speaking brief to be used when making initial contact with, or receiving expressions of interest from, potential purchasers;
- a teaser document which provided an overview of all the Group's brands, key investment highlights and a summary of the Group's central operations;
- a process letter providing details on the requirements for submitting an indicative offer and the underlying basis of each proposal; and
- a Phase 1 Virtual Data Room ("VDR") which gave further information (separated into folders for each brand as well as a consolidated Group folder).

The marketing materials were designed to provide interested parties with flexibility and optionality in terms of the scope of their interest and sufficient information upon which to make an informed investment decision and submit an indicative offer by 18 December 2020 (which was later extended to 21 December 2021).

- Phase One

Immediately following the appointment announcement the Joint Administrators started receiving inbound expressions of interest and commenced reaching out to the agreed list of buyers using the speaking brief.

Parties that confirmed interest in the opportunity were requested to sign a non disclosure agreement ("NDA") ahead of receiving the teaser document, process letter and access to the appropriate Phase One VDR folder (depending on the brand(s) of interest to them).

No interested parties were provided with direct access to the senior management team during Phase One, however the Joint Administrators facilitated Q&A and received c.700 questions from potential bidders. Given this high volume of requests and available Management bandwidth, responses were focussed on appropriate high priority questions.

Progress of the administrations
Summary

Work done during the report period (continued)

- Phase One (continued)

During Phase One, the opportunity was discussed with a total of 97 parties:

- 61 of these parties expressed an interest in the opportunity and signed the NDA; of which
- 60 subsequently received the teaser, Phase One VDR access and process letter (38 strategic potential acquirers and 22 financial parties); and
- 36 parties declined the opportunity.

- Phase One indicative offers

Following the indicative offer deadline on 21 December 2020 it became apparent that there was limited interest in a transaction for the Group's businesses as a whole and most bidders were interested in individual brands (or a subset of brands) within the Group. Based on the number of interested parties for each brand (or subset), as well as the various sizes and scales of the brands, the Joint Administrators categorised the bidders that submitted offers as follows:

- Parties interested in the TopShop and TopMan brands, which had received the most interest and appeared likely to generate premium value; and
- Parties interested in brands other than TopShop and TopMan only.

The Companies covered in this report only had rights to the TopShop and TopMan brands and accordingly we do not comment further on the sale process for the other brands in this report.

At the date for indicative offers of 21 December 2020:

- 11 indicative offers from bidders for the Topshop and Topman brands were received, with the scope of their interest covering between just these two and up to six of the Group's brand portfolio.

The bids received from bidders were evaluated by the Joint Administrators based on:

- Headline value for assets within the scope of the offer;
- Additional returns to creditors that could be generated from assets excluded from the scope of the offer (such as freehold property, stock, etc);
- Any benefit from a reduction in total creditor claims due to liabilities being included in the scope of the offer (such as stores, employees, future commitments, etc); and
- Deliverability of the offer (based on access to funding, due diligence requirements, timeline to completion etc).

- Phase Two

Following the evaluation of the Phase One offers, seven parties were invited to participate in Phase Two of this part of the sale process.

On 12 January 2021 one of the parties that had been excluded from Phase Two submitted a revised offer and, after review and evaluation by the Joint Administrators, was added to Phase Two.

Parties invited to participate in Phase Two were provided with the following;

- A process letter providing details on the requirements for submitting final offers on 18 January 2021;
- An introduction to the Joint Administrators ' legal advisors who provided draft legal contract documentation comprising Transitional Services and Asset Purchase Agreements ("TSA" and "APA");
- Virtual management presentations with the senior management teams covering recent performance and growth strategy (the presentations were adjusted for each bidder based on the scope of their interest);
- Calls with various workstream leads within the administration team (recent trading and administration strategy, stock and retention of title ("ROT"), employees and transfer of undertakings protection of employment ("TUPE"), TSA etc);
- Site visits to the Daventry distribution centres if requested; and
- Access to the Phase 2 VDR which contained comprehensive information on the Group and the brands.

Progress of the administrations
Summary

Work done during the report period (continued)

- Phase Two (continued)

In addition to the standard information provided to all bidders in Phase Two, the Joint Administrators' team which deals with accelerated sales facilitated bidder due diligence and responded to c.1,500 questions, arranging access to management for follow up calls where appropriate.

All of the parties engaged in the Phase Two process, with the exception of one party which did not respond to the process letter or numerous follow ups from the Administrators' team.

By the final offer deadline of 18 January 2021, six final offers had been received from the bidders.

The Joint Administrators performed a comprehensive review and evaluation of the offers received, which resulted in the granting of a period of exclusivity to ASOS on 24 January 2021 based on its final offer for the Topshop, Topman, Miss Selfridge and HiiT brands (the last of these a sub-brand of Burton). Following further negotiations, the final offer from ASOS which was ultimately agreed comprised;

- £295m headline consideration for the brands, goodwill and stock on hand, made up of;
  - £265m in cash on completion;
  - £23m deferred consideration subject to delivery of acquired stock (and the final quantum thereof), which has now been delivered and collected (note the final value of saleable stock was slightly lower than initially estimated, resulting in a reduction in final consideration of just over £1m); and
  - £7m of contingent consideration subject to the quantum of certain post completion claims.
- A commitment to acquire c.£30m of additional stock which had been committed to by the Joint Administrators to enable the brands to continue to trade.

Following the conclusion of their remaining due diligence and negotiation of the legal agreements, the sale transaction to ASOS was exchanged on 1 February 2021 and completed on 4 February 2021.

This was a complex transaction to deliver, and involved considerable post-completion activity to deliver up stock and transition activities to ASOS, but the consideration achieved was materially higher than either we or management had expected to achieve during the contingency planning work ahead of our appointment.

A table showing the apportionment of the sale proceeds between the brand owning companies is set out below. This shows the individual values received to date by TSTM Opco of £197m and TSTM Wholesale of £58m. The deferred consideration of £7m is due to TSTM Opco, six months from the completion date, unless certain potential claims against the purchaser crystallise.

ASOS sale agreement apportionment by legal entity

£m	Intangibles	Stock	Total
Receipts to date:			
Arcadia Group Limited	9.5	-	9.5
Topshop/Topman Limited	173.4	24.0	197.4
Topshop/Topman (Wholesale) Limited	57.7	0.7	58.4
Burton Trading Limited	2.3	1.0	3.3
Miss Selfridge Retail Limited	14.9	2.9	17.8
Total Receipts	**257.8**	**28.6**	**286.4**
Outstanding receipts/agreed credits			
Deferred contingent consideration			7.2
Administrator agreed credit against stock			1.4
Total sale agreement value			**295.0**

Progress of the administrations
Summary

Work done during the report period (continued)

Trading - Overview

On our appointment not all of the Companies' trading channels were operating. These channels were retail stores, the digital platform and wholesale, franchise and external business ("EB") sales. The Joint Administrators continued to trade each of the brands from all of the channels that were operated pre appointment, where possible. The impact of the COVID-19 pandemic meant that most of the retail stores were closed on our appointment until restrictions eased later in the year as detailed opposite.

Historically, the Group's merchant service providers paid cash into bank accounts in the name of TSTM Opco in respect of TopShop and Topman brand sales, and AGL bank accounts in respect of all other brand sales.

This arrangement has continued during the administration period for ease of operations.

- Retail Channel

On our appointment most retail stores were closed as a result of Government restrictions. The Joint Administrators traded all retail stores, where possible, in the initial period prior to Christmas. When the vast majority of stores were open, trading was strong. Whilst the businesses and brands were being marketed for sale it was considered beneficial to keep as many sites open as possible so as to maximise the number of potential interested parties.

Where stores were identified as marginal in terms of profitability, efforts were made by the lease holding entities' Joint Administrators, on behalf of the brands, to seek rent reductions where possible. A number of rent reductions were achieved which enhanced the trading performance and outcome by reducing potential trading losses at some of the more marginal sites.

National restrictions arising from the COVID-19 pandemic resulted in trading of the retail stores being restricted as follows:

On 20 December 2020 Tier 4 restrictions came into force across areas in South and East England and a national lockdown in Wales commenced.

On 26 December 2020, Tier 4 restrictions came into force in mainland Scotland and Northern Ireland entered into a national lockdown.

These restrictions affected 145 of the Group's stores and resulted in them having to immediately close and being unable to trade for an indeterminate period of time.

On 26 December 2020, additional areas in England moved into Tier 4 restrictions, with a national lockdown subsequently announced on 4 January 2021.

On 4 January 2021 a national lockdown in Scotland was also announced. This resulted in all of the Group's remaining stores having to close and being unable to trade for an indeterminate period of time, except for a small number of outlets on the Isle of Man and Channel Islands.

Each store was considered for possible permanent closure by the Joint Administrators as it entered into lockdown, with a view to reducing the on-going occupational costs which were accruing despite the stores not trading, whilst also protecting leases that would potentially be required for the sales process.

Upon entering into lockdown, the Joint Administrators wrote to each landlord of the stores requesting cost free occupation whilst the stores could not open. This stated that if these terms were not agreed to, each store would be at risk of immediate closure. The letters were sent to landlords between 20 December 2020 and 5 January 2021, depending on the date the store entered into lockdown.

The Joint Administrators negotiated a number of rent free agreements with landlords. Stores where agreements could not be made and were not deemed as likely to be desirable for the sales process (based on Management's 'go-forward' plan and initial feedback from interested parties) were flagged for possible closure. The relevant stores incurring the highest daily occupational costs were prioritised for closure.

Progress of the administrations

Summary

Work done during the report period (continued)

- Retail Channel (continued)

On 24 January 2021, the Joint Administrators entered into an exclusivity deal with ASOS for the Topshop, Topman and Miss Selfridge brands, plus HiiT (a sub-brand owned by Burton).

The offer from ASOS did not include any of the 94 Topshop, Topman or Miss Selfridge stores or the 16 external business outlets, and hence all of the stores operated by TSTM Opco were identified for immediate closure.

Plans for the closures were implemented once the sale to ASOS exchanged on 1 February 2021. As each store was closed, the Joint Administrators took actions to remove stock in stores and exit the leasehold premises.

- Digital Channel

The Group continued to operate its digital platforms throughout the trading period, fulfilling orders for all its brands through its Distribution centres.

In order to be able to trade from the various digital platforms it was necessary to come to a number of agreements with key digital partners, from both an infrastructure and marketing perspective. This required negotiations in respect of arrears that were due and go forward terms of business.

There was a period of approximately two weeks at the outset of the administration where the brands' digital trading was impacted to some degree whilst all key supplier terms were being agreed to facilitate as 'business as usual' trading as possible.

- Wholesale / Franchise / EB channels

All wholesale, franchise and EB partners were written to immediately upon our appointment to agree terms of business that were appropriate given the administrations.

Terms were quickly agreed with all key partners such that there was minimal trading disruption and existing orders could continue to be fulfilled. Accordingly, we were able to ensure that there was minimal withholding of pre appointment debts that were due, and new orders were placed by customers thus helping to preserve the value of the businesses.

Stock and suppliers

The Joint Administrators identified that further stock would be required to be brought into the business for the following reasons:

1. To facilitate continued trading during the administration period. This was particularly acute to preserve the integrity of the digital business by having new product designs to continue to attract customers, which was considered to be the most valuable channel for many of the brands;
2. To ensure there was a regularised working capital position and continuity of the supply chain, for any purchaser, without which the brand sales would either suffer price reductions or not be capable of completion due to a lack of incoming stock to cover future sales; and
3. To fulfil existing wholesale, franchise and EB orders and maintain these crucial relationships, to minimise potential counterclaims and preserve brand value.

On appointment it was identified that (at a Group level) there was c.£37m of stock at cost from c.150 suppliers in transit. Releasing this stock was deemed a key requirement to fulfil existing wholesale orders and anticipated Digital trading, and to unlock the wider supply chain for new orders.

As a requirement to release this stock, the freight forwarding agents demanded that suppliers provide a release letter. Consequently, negotiations were entered into with all relevant suppliers to provide this release, and where required a goodwill payment was negotiated to facilitate acquisition of the stock. As a result of these efforts, approximately 95% of stock in transit was released to the relevant operating companies. Once this stock was agreed to be released, new orders were able to be placed and shipped across the Group. These totalled c£28m, of which the TSTM brand element was £17m.

All relevant brand stock held in the distribution centres and retail stores (including EBs) at the time of sale formed part of the brand sale agreements and consideration received.

Progress of the administrations
Summary

Work done during the report period (continued)

Stock and suppliers (continued)

Following completion the Joint Administrators, supported by Hilco Capital ("Hilco"), undertook a repatriation exercise for the stock held in retail stores and EBs. Over an eight week period stock was returned from c.400 stores to the various distribution centres. The respective business purchasers (ASOS in the case of Topshop and Topman) could then either sell this through in their TSA period or deliver it to their respective warehouses.

In addition, as part of the sale agreement ASOS agreed that any costs incurred for future stock orders (freight, duty, transport, cost of stock, etc) placed following the commencement of the administration, and for which the stock had not yet arrived by completion of the sale, would be recharged in full to ASOS.

This required extensive Joint Administrator involvement, post completion of the transaction, including extended negotiations with suppliers, freight forwarders and hauliers to release stock in transit and to agree ongoing shipments of new stock orders and arrangements with the brand buyers.

- Retention of Title ("ROT") stock

Since appointment, a number of suppliers have submitted ROT claims asserting that they retain title over goods held by the brands. Each of these claims has been reviewed on an individual basis and adjudicated by the Joint Administrators' teams. Where a valid claim has been identified the goods have been made available for collection, or a settlement negotiated with the supplier. All claims submitted have now been dealt with except for one (for a total claim value £256k). Payments of £178k have been made for TSTM stock to suppliers who have made ROT claims.

Trading costs

The Joint Administrators have incurred a wide range of costs to facilitate trading, including purchase of stock (including duty), logistics, rental costs and employee costs. The Joint Administrators made use of the Furlough scheme where possible to mitigate employment costs.

Following the sales of the brands, the Joint Administrators have been winding down the operations of the various operating companies by exiting service agreements, reducing the number of employees and exiting properties. As at 1 June, the Group employed 34 employees (down from c.13,000 at the date of appointment, of which c.3,900 were employed by TSTM Opco and the rest by AGL).

As noted previously, AGL operated a number of treasury, shared service and cash pool functions across the Group. This has continued during the administration period, and AGL has paid approximately £58m in costs on behalf of TSTM Opco during the Administration trading period. To date TSTM Opco has repaid £11m of employees' costs and £5m of import VAT and customs duty. These items are shown in the trading account on page 24. The Joint Administrators are in the process of reconciling the final position and any remaining costs, currently estimated at £42m will be recharged from AGL to TSTM Opco in the next reporting period.

The trading account for TSTM Opco included at page 24 shows a trading surplus of £47m but after adjustments with AGL and the final repayment of intercompany loans it is expected that TSTM Opco will make a trading profit of approximately £8m. As mentioned earlier it was considered extremely important to continue to trade the Group's businesses to ensure the highest level of interest from prospective purchasers and to preserve value of the brands.

This is a very positive result when the impact on trading as a result of the national lockdowns is considered and the cost of ransom payments made to facilitate trading are taken into account. Furthermore continued trading preserved the value of recoverable debtors, reduced preferential claims from employees and mitigated landlords' unsecured claims by the payment of rent.

Progress of the administrations

Summary

Work done during the report period (continued)

Intercompany loans

As at the date of appointment, the Group had a significant cash balance in TSTM Opco with limited accessible funds elsewhere. In order to allow the different Group companies to immediately meet any trading liabilities, TSTM Opco made a number of loans (totalling £15m) to companies within the Group. As at 29 May 2021, £12m of these loans have been repaid with the remaining £3m to be settled in the next couple of months. The companies who were party to the loans are shown in TSTM Opco's trading account on page 24. Had these loans not been made, TSTM Opco would have had to fund all of the central costs of AGL itself which would have materially increased its trading costs.

TSTM Opco

- Trade Debtors

The Companies' statements of affairs stated debtors of £23m in TSTM Opco and £7m in TSTM Wholesale.

In the period we have collected £21m in TSTM Opco and £7m in TSTM Wholesale (this sum currently sits in TSTM Opco's bank account but will be transferred to TSTM Wholesale in due course). This represents 100% of the value in TSTM Wholesale and 95% of the value in TSTM Opco, both very positive outcomes in an insolvency situation.

The remaining balances due from wholesale customers of TSTM Opco, estimated at £851k, are due from three customers and negotiations continue to reach settlements. However, £700k of this amount relates to debit notes received and it is possible that further recoveries may not be made.

The majority of the outstanding balance of £370k for external business customers of TSTM Opco is owed by Debenhams PLC as an expense of its administration, but this debt is disputed by its administrators and a counterclaim has been made.

- Other debtors

Other debtors relate to intercompany balances. Although the position has not been finalised, we currently estimate that TSTM Opco will receive further recoveries from inter-company distributions in the future. Although we stated in our proposals that TSTM Properties might receive an intercompany dividend we do not now consider this to be likely.

- Cash at Bank

TSTM Opco had a balance at bank of £45m at the date of our appointment. These funds have been transferred to the administration bank account as shown in the receipts and payments account on page 23.

- Compromised creditor fund

A fund of £4m was set aside in the prior CVA of TSTM Opco, under the control of Joint Supervisors, to be utilised for the benefit of creditors who were compromised in the CVA. However, as set out under the terms of the CVA, upon the failure of the CVA due to the appointment of the Joint Administrators, these funds have been transferred to the administration estate for the benefit of all creditors.

- Shareholder distributions from subsidiaries

TSTM Opco is currently expected to receive further recoveries from its investments in TSTM Trinity and TSTM Wholesale, both of which are projected to have an equity surplus after paying all of their creditor claims. This will depend upon the final outcome of those administrations, including the level of creditor claims against each entity.

TSTM Opco is also due distributions from the members' voluntary liquidation of Acleves Limited. The value of this is not likely to be material.

Progress of the administrations

Summary

Work done during the report period (continued)

TSTM Trinity

- Daventry distribution centre

TSTM Trinity owned a distribution centre in Daventry. We instructed Lambert Smith Hampton Ltd ("LSH") and Global Mutual, property valuation agents, to provide independent valuation advice. We also sought a valuation of the internal fixtures, fittings and other assets contained within the property from Hilco. Following a competitive tender process, we appointed DTRE, specialist industrial property agents, to advise on the marketing strategy of the property.

During the sale of business process for the wider Group companies, the Daventry property was extensively exposed to the market. We subsequently received inbound offers for a standalone acquisition of the property from a number of parties which had participated in that wider process.

The property was subject to certain contractual rights in favour of Prologis UK Limited ("Prologis"), the original developer/owner of the property, which effectively allowed that party a pre-emptive right to beat any price which could be obtained from the market. Consequently, we approached Prologis with an indication of the value we expected to obtain from the market, based on the inbound expressions of interest and the valuation and marketing advice which we had received, including a marketing process with competitive bids received from certain strategic purchasers across two rounds of bidding.

Prologis subsequently exercised its pre-emption right and acquired the property and related fixtures and fittings for a sale price of £83m. Service charge paid during the period totalled £173k. This amount includes arrears which were required to be paid in order to facilitate the sale.

TSTM Wholesale

TSTM Wholesale's principal asset related to its contracts with certain wholesale customers. As part of the sale of business process, these contracts were sold for a total goodwill value of £58m. Stock of £723k has also been realised as part of the sale of business. A full narrative is provided in the sale of business section on page 7.

The Joint Administrators have collected a debt of £7m into the TSTM Opco bank account. This was standard practice before the Joint Administrators' appointment. The proper ownership of this debt needs to be determined. The Joint Administrators are in the process of collecting any remaining outstanding debtors.

TSTM Properties

- Freehold Property – Norwich retail store

We have instructed agents to deal with the sale of a freehold retail store in Norwich.

GCW was appointed to market the property and a full marketing campaign was undertaken. Ten parties inspected the property and five formal offers were received on 14 April 2021. Discussions are ongoing with the bidders and no sale has been completed as yet.

Progress of the administrations

Summary

Work done during the report period (continued)

TSTM Properties (continued)

Leasehold property

- Valuation of Leasehold Estate

Upon appointment, Pantera Property (in conjunction with Hilco Valuation Services) were appointed to undertake a rapid desktop evaluation of the leasehold estate to ascertain whether there was any potential premium value in the portfolio. Their conclusion was that the portfolio was significantly overrented and there was limited, if any, occupational demand for retail space in the market in current circumstances.

Given very substantial arrears across the portfolio (arising from the non-payment of rent from the start of the COVID-19 lockdown in March 2020), Pantera concluded that there was no meaningful prospect of generating any premium value from the estate. A separate detailed rental valuation report in respect of the flagship store at 214 Oxford Street was prepared by P-THREE, real estate advisors specialising in this sort of property asset. This report confirmed that no premium value was achievable in respect of the individual Top Shop/Top Man leases within that property.

- Rent agreements

A consequence of the appointment of the Joint Administrators on 30 November 2020 was that the concessionary rents which formed part of the terms of TSTM Properties' CVA approved in 2018 fell away. Rent levels therefore reverted to the contractual rents that had been payable prior to the CVA being approved. Upon appointment, the Joint Administrators immediately wrote to and engaged with landlords to seek to agree a continuation of the reduced CVA rents in place prior to appointment.

As mentioned on page 10 the announcement of national lockdowns resulted in the closure of all non-essential retail in those locations. As a result the efforts to agree reduced rents with landlords were impacted.

- Property Closure Programme

Our property team worked closely with the sale of business team to ensure that store closures were effected swiftly upon the sale of business.

By 5 March 2021, all stock had been removed from UK and Channel Island retail sites and landlords had been written to notifying them that the relevant company in Administration had ceased beneficial occupation (and how they could be provided with keys for access/surrender) so as to prevent any further occupation costs arising in the estates.

Landlords of the Republic of Ireland sites were notified early in 2021 that beneficial occupation of these properties ceased on 31 December 2020. Due to strict COVID-19 restrictions, it was not possible to clear stock in these properties until the restrictions lifted in June 2021. All sites have now been cleared. The Joint Administrators are in regular communication with the Republic of Ireland Liquidators to support their store closure programme.

We have since been working with landlords to formally exit the leases. TSTM's flagship store, 214 Oxford Street London, was vacated by TSTM Properties on 15 February 2021, and keys have been returned to the landlord, Redcastle (214 Oxford Street) Limited (in Administration). A surrender has been agreed with KPMG LLP (now Interpath) in their capacity as Administrators of Redcastle (214 Oxford Street) Limited which should be concluded shortly.

Progress of the administrations

Summary

Work done during the report period (continued)

TSTM Properties (continued)

Leasehold property (continued)

Rent payments

Rent, service charge and insurance has been payable as an expense of the Administration from 1 December 2020 to the date on which each individual store closed. The total Administration rent, service charge and insurance liability covering the trading period from1 December 2020 to each individual property vacation date is £13m.

All landlords have been sent several emails explaining the process for submitting rent invoices to ensure timely payment is made for Administration rent. Telephone calls have also been made to property agents reminding them of the process to submit Administration invoices.

In the period rent, service charge and insurance invoices totalling £6m have been paid as an expense of the Administration of TSTM Opco. Rent and service charge has been paid in full for the Administration period in respect of Top Shop's flagship store, 214 Oxford Street London.

Property debtors

Two of the properties within TSTM Properties have leases in place to third party subtenants outside of the Group. The sum of the tenants' annual rent is £2m (excl VAT), £1.8m of this relates to the sub lease of part of the TSTM store at 214 Oxford Street, London. Outstanding rental income continues to be chased.

£18k of subtenant receipts (excl. VAT) has been received during the period into TSTM Properties' pre appointment bank account.

Remaining work

We are continuing to request rent and service charge invoices for property-related costs which we expect to pay to landlords as an expense of the Administration.

We are continuing to return sets of keys and attempt to negotiate surrenders in respect of a number of properties. However, many landlords have not yet engaged with us to progress these matters.

We have continued to deal with landlord queries throughout the administration. It is expected queries will continue from landlords, especially where they are holding keys for health and safety and marketing purposes, and the lease is still held by the relevant company in administration.

Compromised creditor fund

A fund of £1m was set aside in the prior CVA of TSTM Properties, under the control of Joint Supervisors, to be utilised for the benefit of creditors who were compromised in the CVA. However, as set out under the terms of the CVA, upon the failure of the CVA due to the appointment of the Joint Administrators, these funds have been transferred to the administration estate for the benefit of all creditors.

TSTM Germany

There are no known assets of TSTM Germany. However, its continued operation via administration was required to benefit the trading of the wider TSTM Group. TSTM Germany held the leases for the TSTM stores in Germany and time has been spent in dealing with the surrender of these leases following a limited period of trading from the German stores.

TSTM Netherlands

TSTM Netherlands is not in an insolvency process currently. TSTM Netherlands held the lease for the TSTM Amsterdam store and had funds held in trust for it at the date of appointment.

We have facilitated some payments from the trust monies to enable the solvent liquidation of TSTM Netherlands to reduce costs from a local insolvency procedure, break the lease and process VAT reclaims due to the company. This will ultimately lead to the repayment of certain inter-company balances due to TSTM Opco from the residual trust funds.

Progress of the administrations

Summary

Work done during the report period (continued)

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential reports to the Insolvency Service on 26 February 2021 for TSTM Opco, TSTM Wholesale and TSTM Germany. For TSTM Propco and TSTM Trinity these reports were submitted on 27 February 2021.

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Companies..

Having completed this review, no further avenues of recovery have been identified .

If you have any information that you feel should be brought to our attention, please contact us in writing using the contact details on the cover page.

Statutory tasks

During the period, we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management actions, including updating the creditor portal for the cases, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the Proposals;
- Appointment notifications, including notifying the relevant parties of the appointment;
- Confidential reports to the Insolvency Service on the directors' conduct;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Progress of the administrations
Summary

Third party costs incurred during the report period

Third party costs incurred during the report period are set out below.

Professional costs - Legal

Freshfields Bruckhaus Deringer LLP ("Freshfields")

- Freshfields are the principal legal advisors for the Companies and the Joint Administrators. Their workstreams to date include but are not limited to procedural appointment preparation and formalities, general insolvency advice and advice on matters including employees (in TSTM Opco), pensions (in TSTM Opco), sale of business, transitional service agreements, properties, stock, contracts and litigation.
- Freshfields' discounted costs incurred for the report period total £1.5m (exclusive of VAT) across the Companies as detailed below:
  - TSTM Opco: £1.4m, of which £1.3m has been billed;
  - TSTM Properties: £28.1k, of which £26.6k has been billed;
  - TSTM Germany: £37.7k, of which £36.8k has been billed;
  - TSTM Trinity: £28.7k, of which £18.7k has been billed; and
  - TSTM Wholesale: £4.5k, which has not been billed.
- No costs have been paid in the report period and the unbilled discounted WIP is subject to review before billing.
- At the date of our Proposals costs incurred to 25 December 2020 were £94.7k across the Companies. Future costs were dependent on the sale of business structure and timing. The above costs will be reviewed and analysed in detail before payment is approved or made.

Costs of application and appointment:

- Freshfields were instructed to assist in planning for the administrations and to undertake formalities of the administration appointments in relation to the Companies 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 fees plus £3,425 in disbursements in each of the Administration Companies.
- The Court ordered that these costs be paid as an expense of the administration and these costs have been paid in respect of each of the Companies.

Brown Rudnick LLP ("Brown Rudnick")

- Brown Rudnick have been instructed to specifically provide advice to the Joint Administrators on appointment matters, director investigations and other matters where Freshfields would otherwise be conflicted.
- Brown Rudnick have incurred costs of £286 during the report period in relation to TSTM Opco, which has been billed and paid.

Burness Paull LLP ("Burness")

- Burness were instructed to advise in relation to all Scottish matters, such as trading and Scottish properties.
- During the report period Burness incurred £3,723 (exclusive of VAT) in relation to the Companies (c.£745 in each of the Companies).
- These costs have been billed but not yet paid.

Allen & Overy LLP ("A&O")

- A&O were instructed to advise on banking and debt matters such as secured claims.
- A&O's costs incurred for the report period total £32.3k (exclusive of VAT), as detailed below:
  - TSTM Opco: £21.1k; and
  - TSTM Trinity: £11.2k, relating to the sale of the Daventry DC held by TSTM Trinity.
- These costs have been billed and paid.

Progress of the administrations
Summary

Third party costs incurred during the report period (continued)

Professional costs - Legal (continued)

DLA Piper UK LLP ("DLA")

- DLA were instructed to advise on properties where Lloyds Bank plc ("Lloyds") is the secured creditor.
- Their work includes security reviews, completion of freehold property sales, correspondence with landlords and other related matters.
- DLA's costs incurred for the report period (exclusive of VAT and disbursements) are detailed as follows:
  - TSTM Properties: £122.9k;
  - TSTM Germany: £13.7k.; and
  - TSTM Trinity: £636.5k.
- None of these costs have been billed or paid in the period.
- In addition, during the report period, €5.4k has been incurred and billed in the period in TSTM Germany relating to German lease matters and £0.2k has been incurred, billed and paid from TSTM Opco. TSTM Opco has also settled the TSTM Germany bill from TSTM Germany's trading receipts.

Appleby (Isle of Man) LLC ("Appleby IOM")

- Appleby IOM were instructed to advise on local jurisdictional matters such as recognition of the administrations in Isle of Man, ongoing trading, properties and employment.
- Appleby IOM have billed £30k plus £900 disbursements (exclusive of VAT) across TSTM Opco and TSTM Properties, and which costs have been apportioned equally across the relevant estates (£3.4k exclusive of VAT, per company).
- This is in line with expectations (see page 32 of our Proposals).

Appleby (Jersey) LLP ("Appleby J")

- Appleby J were instructed to advise on local jurisdictional matters relating to sale of business.
- Appleby J's costs incurred in the period were £1.8k in each of TSTM Opco and TSTM Properties. Theses costs have been paid.

Bird & Bird LLP ("Bird & Bird")

- Bird & Bird were instructed to provide advice relating to brand and employee matters in France.
- They have billed €0.5k, which has been paid.

Sipara Limited ("Sipara")

- Sipara were instructed to assist with the sale process in relation to legal matters in Topshop/Topman's intellectual property.
- During the report period Sipara incurred costs of £101.4k (exclusive of VAT) in relation to each of these brands (£20.3k in TSTM Opco).
- All of these costs have been billed and £100.4k has been paid (£20.1k in TSTM Opco). The unpaid balance will be paid in the next report period.

Progress of the administration
Summary

Third party costs incurred during the report period (continued)

Professional costs - Agents

Lambert Smith Hampton Limited ("LSH")

- LSH were instructed to provide a valuation of freehold properties in TSTM Properties and TSTM Trinity.
- LSH have billed £2.5k in TSTM Properties and £5k in TSTM Trinity (exclusive of VAT and disbursements), which have been paid. This is in line with expectations (see page 32 of our Proposals).

DTRE LLP ("DTRE")

- DTRE were instructed as agents for the sale of the DC in Daventry held in TSTM Trinity.
- They have billed £181k, which has been paid. This is in line with expectations (see page 32 of our Proposals).

Hilco Capital Limited ("Hilco Capital")

- Hilco Capital were instructed to assist with store and outlet closures including managing closures on site, and transport and storage for stock.
- Their costs incurred in the period total £1.2m across the group of which c.£604k relates to TSTM Opco.
- These costs have been billed and will be paid in the next report period.

Progress of the administration

Summary

Third party costs incurred during the report period (continued)

Professional costs - Agents

P-Three

- P-Three were instructed to provide a valuation of the leases relating to 214 Oxford Street, London, held in TSTM Properties.
- Their fees for this work were £10k (exclusive of VAT), which have been billed and paid.

GL Hearn

- GL Hearn, the Group's existing advisors, were instructed to act in relation to business rates and appeals against rating assessments.
- GL Hearn have incurred £14,357 (exclusive of VAT) in the report period in relation to TSTM Properties.
- These costs have not been billed or paid in the period.

Academy Surveys Limited ("Academy")

- Academy have provided an Energy Performance Certificate ("EPC") for a freehold property in Norwich held by TSTM Properties, for a fixed cost of £1.2k plus VAT.
- These costs have not yet been billed or paid.

Global Mutual Properties Ltd ("Global Mutual")

- Global Mutual were instructed to provide valuation advice in relation to the Daventry DC held by TSTM Trinity.
- They have billed £25k plus VAT, which has been paid.

Hilco Profit Recovery Limited ("Hilco PRL")

- Hilco PRL were instructed to provide a review of historical utilities and business rates payments to identify any potential rebates that may be due to the Group.
- A total of £2,351 has been incurred by Hilco PRL in the report period relating to TSTM Properties, of which £1,469 (exclusive of VAT) has been billed and paid.

Pantera Properties ("Pantera")

- Pantera were instructed to undertake an evaluation of the Group's leasehold property portfolio.
- A total of £6,736 has been billed by and paid to Pantera relating to the Companies as follows:
    - TSTM Properties: £6,694; and
    - TSTM Trinity: £41

Whilst we have provided details of agents instructed to date, given that our negotiations regarding disposal of the property portfolios are ongoing, it is likely that further agents will be instructed as required. We will provide further details in our next report to creditors.

We are regularly in correspondence with professional advisors regarding anticipated costs. All professional costs are reviewed by us and analysed in detail before payment is approved or made.

Progress of the administrations

Pre-administration costs

Pre administration costs

We included the following statement of pre administration costs in our Proposals:

Joint Administrators ' costs

In the following paragraphs we have provided an explanation of the work carried out by us and by Freshfields and Burness in the period prior to the administrations and which was carried out with the intention of helping to achieve the objective of the administrations, i.e. to achieve a better result for the Companies' creditors as a whole than liquidations:

- Planning for the administrations and administration strategies;
- Gathering company information in preparation for trading on day one;
- Planning and arranging staffing;
- Identifying key suppliers;
- Gathering information in preparation for immediate post appointment statutory notifications;
- Liaison with the Pension Trust, secured creditors and key stakeholders;
- Consultation with the Bank of Scotland Plc and HSBC Bank Plc as secured creditors; and
- Preparation for, and facilitation of continuation of shared services in AGL.

In relation to this work, our costs in TSTM Opco are £329,361 plus VAT, which remain unpaid.

Legal costs

Burness

Burness were instructed to assist with planning for the administrations, in relation to Scottish property and trading matters. In respect of this work, Burness incurred £16,250 plus VAT of time costs which will be split equally across the operating and property companies in the Group.

This will be £855 plus VAT for each of the Companies in this report. In respect of TSTM Germany these costs will be met by TSTM Opco from trading receipts of TSTM Germany.

Freshfields

Freshfields were instructed to advise on operational matters in order to facilitate continuity of trading post appointment including but not limited to:

- Employment matters such as furloughed staff and HR1 forms: TSTM Opco only;
- Retention of title ("ROT");
- Review of letters of credit / financing arrangements;
- Ransom suppliers;

In respect of this work, Freshfields incurred £189,546 plus VAT of time costs (discounted) across the Group of which £40,585 is applicable to TSTM Opco.

Approval and payment of unpaid pre-administration costs

Joint Administrators ' costs – TSTM Opco

We have not yet sought approval for these costs and anticipate seeking approval from the unsecured creditors in the period after this report.

Burness's costs

We have not yet sought approval for the pre-administration costs of £855 per company and anticipate seeking approval from the unsecured creditors in the period after this report.

Freshfields' costs – TSTM Opco

We have not yet sought approval for the £40,585 pre-administration costs and anticipate seeking approval from the unsecured creditors in the period after this report.

Progress of the administrations

Receipts and payments

TSTM Opco

Top Shop/Top Man Limited
Joint Administrators' Receipts and Payments Account
30 November 2020 to 29 May 2021

£	Notes	SoA	To date
Fixed Charge Receipts			
ASOS Sale of Business - Intangibles	1	-	173,400,000
Total Fixed Charge Receipts			**173,400,000**
Fixed Charge Payments			
Distribution to Fixed Charge Holder			(173,400,000)
Total Fixed Charge Payments			**(173,400,000)**
Floating Charge Receipts			
Net Trading Surplus		-	46,942,860
Sale of Business - Intangibles - Other		-	4
Other Debtors & Transfer from CVA	2	4,573,000	3,581,951
Tangible Assets		572,000	-
Trade Debtors		22,684,000	26,089,378
Prepayments & Accrued Income		3,003,000	-
Amounts Due from Group Undertakings		563,000	-
Cash at Bank at Appointment		53,577,000	44,841,148
Cash in Transit at Appointment		-	569,777
Rent Received on Behalf of Propcos		-	21,600
Stock Receipts on Behalf of ASOS/Boohoo		-	1,850,906
Cash Received on Behalf of TSTM Netherlands	8	-	1,195,942
Sales Proceeds Received on Behalf of Group Entities	3	-	85,986,666
Total Receipts		**84,972,000**	**211,080,233**
Floating Charge Payments			
Transfer of Business Sale Proceeds	3		(85,986,666)
Costs Paid on Behalf of TSTM Netherlands	8		(886,469)
Agents/Valuers Fees			(21,000)
Legal Fees			(13,962)
Bank Charges			(4,282)
Distribution to Floating Charge Holder	4		(10,600,000)
Total Payments			**(97,512,379)**
Balance			**113,567,854**
Made up of:			
Floating Charge Interest Bearing Bank Account	5		123,196,477
Bank Account Held on Behalf of TSTM Netherlands			1,195,942
VAT Receivable / (Payable)	6		(8,280,086)
Trade Creditors	7		(2,544,480)
Balance in hand			**113,567,854**

A receipts and payments account together with a separate trading account is provided opposite and on the next page, detailing the transactions during the report period from our appointment on 30 November 2020 to 29 May 2021.

Notes to receipts and payments account

1 Sale of Business – Intangibles and stock

These amounts realised are from the sale of trade and assets to ASOS.com. See narrative on page 6.

2 Other Debtors and Transfer from CVA

Other debtors includes the receivable related to the compromised creditor fund. This has been received in full.

3 Sales Proceeds Received on Behalf of Group Entities

The total consideration from ASOS was received by TSTM Opco. This receipt was subsequently passed on to the relevant group entity entitled to it.

4 Distribution to Floating Charge Holder

AGL holds a floating charge over the assets of TSTM Opco with a total value of £327m. Following the receipt of consideration from ASOS £184m has been distributed to AGL from fixed and floating charge realisations.

5 Interest Bearing Bank Account

All amounts are held in an interest generating bank account. The associated corporation tax on interest received has been/will be accounted for to HM Revenue & Customs.

6 VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been / will be accounted for to HM Revenue & Customs in due course.

7 Accruals

Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

8 TSTM Netherlands

Details of the operation of TSTM Netherlands are provided on page 16.

Progress of the administrations

Receipts and payments (continued)

TSTM Opco

Top Shop/Top Man Limited - In Administration
Joint Administrators' Trading Account
30 November 2020 to 29 May 2021

£	Notes	SoA	To date
Receipts			
Sales			61,951,952
Other Receipts (to be Allocated, Inc. VAT)	1		231,935
ASOS Sale of Business - Stock		26,374,000	23,993,380
Bulk Stock Sale to ASOS			12,924,067
Bank Interest			34,834
Rent			164,890
Intercompany Funding:	4		
Evans Retail Limited			1,500,000
Dorothy Perkins Trading Limited			7,000,000
Miss Selfridge Retail Limited			1,500,000
Burton Trading Limited			2,000,000
Total Receipts			**111,301,058**
Payments			
MSP Fees			(507,402)
Merchandise/Stock Purchases			(21,104,584)
Closing Stock Concessions - COS			(652,899)
Other External Business - Costs			(6,223)
Freight Forwarders - COS			(1,758,653)
International Payrolls			(6,507)
Consumable Stores			(29,513)
Indirect Labour			(109,910)
Rents	2		(6,312,640)
Heat & Light			(78,379)
Telephone			(6,825)
Carriage			(339,745)
Insurance			(218,022)
Bank Charges			(3,568)
Hire of Equipment			(2,541)
Property Repairs & Maintenance			(57,378)
Retail Support Costs			(1,528)
Advertising			(275,292)
Stationery			(82,817)
Service Charge			(1,316,884)
Other Property Costs			(45,823)
Own Site Digital brand costs			(239,922)
Central Costs			(94,588)
Warehouse Services			(136,015)
Contribution to AGL for Customs VAT/Duty	3		(4,714,088)
Contribution to AGL for Wages and Salaries			(11,256,452)
Intercompany Funding:	4		
Dorothy Perkins Trading Limited			(7,000,000)
Wallis Retail Limited			(3,000,000)
Burton Trading Limited			(2,000,000)
Evans Retail Limited			(1,500,000)
Miss Selfridge Retail Limited			(1,500,000)
Total Payments			**(64,358,198)**
Trading Surplus/(Deficit)			**46,942,860**

Notes to trading account

The trading account shown in the column opposite has been prepared on a cash basis.

The trading period ceased on 4 February 2021. However, other group entities such as AGL have received and paid monies on TSTM Opco's behalf. A reconciliation process to allocate these receipts and payments across the group remains ongoing as noted on page 12.

We anticipate that on completion of this reconciliation process, and once outstanding sales receipts have been collected, trading costs settled, and intercompany loans repaid that there will be a trading profit of c.£8m.

1 Merchant service provider ("MSP") & Other receipts

Receipts from MSPs and other parties which are yet to be allocated are shown gross of VAT.

2 Rents

At the date of this report all premises have been exited. There remains a substantial liability for rent during the trading period due to delays in receiving invoices.

3 Customs VAT/Duty

All payments shown are net of VAT and import duty incurred. A process is ongoing to determine how much of this amount paid is recoverable.

4 Intercompany funding

As explained on page 11 loans were made to group companies to fund their operations. £15m was lent and £12m has been repaid. The balance of £3m is expected shortly. Some of these transactions were previously recorded in the receipts and payments account included in our Proposals.

Rounding note – both accounts

In preparing both the receipts and payments account and the trading account figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the administrations

Receipts and payments (continued)

Top Shop/Top Man Properties Limited

Top Shop/Top Man Properties Limited
Joint Administrators' Receipts and Payments Account
30 November 2020 to 29 May 2021

£	Notes	SoA	To date
Fixed Charge Receipts			
Freehold Property	1	5,000,000	-
Floating Charge Receipts			
Transfer from CVA	2	1,329,000	1,332,317
Bank Interest Gross	3	-	60
Total Receipts		**6,329,000**	**1,332,377**
Payments			
			-
Total Payments			-
Balance			**1,332,377**
Made up of:			
Interest Bearing Bank Account	3		1,332,377
Balance in hand			**1,332,377**

A receipts and payments account is provided opposite detailing the transactions during the report period.

Notes to receipts and payments account

1 Freehold property

A marketing process is ongoing to realise the freehold property. See page 14.

Rental income has been received within AGL on behalf of TSTM Properties. These receipts will be transferred upon completion of the group-wide reconciliation process.

2 Transfer from CVA

This amount was received from monies held in escrow (compromised creditor fund) following the CVA in 2019. See page 16.

3 Interest Bearing Bank Account

All amounts are held in an interest generating bank account. The associated corporation tax on interest received has been/will be accounted for to HM Revenue & Customs.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the administrations

Receipts and payments (continued)

Top Shop/Top Man (Wholesale) Limited

Top Shop/Top Man (Wholesale) Limited
Joint Administrators' Receipts and Payments Account
30 November 2020 to 29 May 2021

£	Notes	SoA	To date
Receipts			
ASOS Sale of Business			
Intangibles	1	-	57,700,000
Stock	1	-	723,333
Trade Debtors		6,616,000	-
Other Debtors		20,000	-
Amounts Due from Group Undertakings		336,000	-
Bank Interest Gross	2	-	1,809
Total Receipts		**6,972,000**	**58,425,142**
Payments			
			-
Total Payments			-
Balance			**58,425,142**
Made up of:			
Interest Bearing Bank Account	2		58,425,142
Balance in hand			**58,425,142**

A receipts and payments account is provided opposite detailing the transactions during the report period.

Notes to receipts and payments account

1 Sale of Business – Intangibles & Stock

This amount realised is from the sale of trade and assets to ASOS.com. See narrative on page 7.

2 Interest Bearing Bank Account

All amounts are held in an interest generating bank account. The associated corporation tax on interest received has been/will be accounted for to HM Revenue & Customs.

3 Trade Debtors

A balance of £6.578m has been recovered and is held within TSTM Opco as that company's bank account was used for the collection of debtors. TSTM Wholesale did not operate its own bank account.

4 Group debtors

Amounts due from group companies and the value of those debts are not yet finalised. TSTM Wholesale is owed £84m by TSTM Opco.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the administrations

Receipts and payments (continued)

Top Shop/Top Man (Trinity) Limited

Top Shop/Top Man (Trinity) Limited
Joint Administrators' Receipts and Payments Account
30 November 2020 to 29 May 2021

£	Notes	SoA	To date
Fixed Charge Receipts			
Freehold Property (Daventry)		50,000,000	82,862,999
Total Fixed Charge Receipts		**50,000,000**	**82,862,999**
Fixed Charge Payments			
Service Charge			(173,355)
Distribution to Secured Creditor	1		(50,000,000)
Total Fixed Charge Payments			**(50,173,355)**
Floating Charge Receipts			
Fixtures and Fittings		8,000,000	-
Bank Interest Gross	2	-	405
Sale of Business:			
Contracts		-	1
IT		-	1
Goodwill		-	1
Sales Proceeds Received for TSTM and AGL		-	7
Total Floating Charge Receipts		**8,000,000**	**415**
Floating Charge Payments			
Transfer of Sale Proceeds to TSTM and AGL			(7)
Total Floating Charge Payments			**(7)**
Balance			**32,690,052**
Made up of:			
Interest Bearing Bank Account	2		49,262,652
VAT Payable	3		(16,572,600)
Balance in hand			**32,690,052**

A receipts and payments account is provided opposite detailing the transactions during the report period.

Notes to receipts and payments account

1 Distribution to Secured Creditor

A distribution of £50m to the secured creditor of the Daventry distribution centre was made in May 2021. This represents payment in full of the secured creditor's claim.

2 Interest Bearing Bank Account

All amounts are held in an interest generating bank account. The associated corporation tax on interest received has been/will be accounted for to HM Revenue & Customs.

3 VAT

All sums shown opposite are shown net of VAT, which is recoverable and has been / will be accounted for to HM Revenue & Customs in due course. VAT due on the sale of the freehold property will be accounted for to HMRC.

4 Fixtures & Fittings

The value of the fixtures and fittings is included in the sale price of £83m.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Progress of the administrations

Receipts and payments (continued)

Top Shop/Top Man (Germany) Limited

Top Shop/Top Man (Germany) Limited
Joint Administrators' Receipts and Payments Account
30 November 2020 to 29 May 2021

£	Notes	SoA	To date
Receipts			
Total Receipts		-	-
Payments			
Total Payments			-
Balance			-

A receipts and payments account is provided opposite detailing the transactions during the report period. There have been no receipts or payments made in the period and we are not aware of any realisable assets owned by Top Shop/Top Man (Germany) Limited.

Information for creditors

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Information for creditors

Outcome

Outcome for creditors

Secured creditors

The Company's records show that, at the date of our apppointment, the secured creditors of each of the companies were as shown below:

TSTM Opco

AGL

- A fixed and floating charge in favour of AGL pursuant to a charge dated 5 December 2012.
- The amount outstanding as at 30 November 2020 was £327m. A distribution of £184m has been made to AGL in the period. We expect that AGL will be repaid in full.

TSTM Properties

AGL

- A fixed and floating charge in favour of AGL pursuant to a charge dated 5 December 2012.
- The amount outstanding as at 30 November 2020 was £327m. No distribution has been made to AGL in TSTM Properties. It is unlikely that a distribution will be made.

Aldsworth

- A fixed and floating charge in favour of Aldsworth, pursuant to a charge dated 19 August 2019.
- The amount outstanding as at 30 November 2020 was £11m. Please note that our proposals incorrectly stated that Aldsworth was owed £50m under this charge. Aldsworth is unlikely to be repaid in full.

TSTM Trinity

Aldsworth

- A fixed and floating charge in favour of Aldsworth pursuant to a charge dated 22 March 2019 in relation to a £50 million term facility.
- The amount outstanding as at 30 November 2020 was £50m. Distributions of £50m have been made to Aldsworth in the period, settling their claim in full.

TSTM Wholesale and TSTM Germany

- There are no known secured creditors of TSTM Wholesale or TSTM Germany.

Preferential creditors

Preferential claims consist of amounts owed to employees for arrears of wages/salaries, holiday pay, and pension contributions.

In TSTM Opco, the directors' statement of affairs show preferential claims of £1.4m primarily in relation to holiday pay. Work is ongoing to reconcile the final balance. We can confirm that the preferential creditors will be repaid in full.

As there were no employees in the other companies, we do not anticipate any preferential claims to be received.

Prescribed Part

TSTM Opco

As detailed in the Proposals, we anticipate that there will be a prescribed part fund available for distribution to unsecured creditors. This will be the maximum statutory amount of £600k but dividend prospects from this fund are less then 1p in the £ for unsecured creditors.

We also expect that there will be a general distribution to unsecured creditors and if this is achieved then the Prescribed Part provisions will not apply as all the funds available to the unsecured creditors will be distributed at the same time.

TSTM Properties

As detailed in the Proposals, we anticipate that there will be a prescribed part fund available for distribution to unsecured creditors. The value of this is dependent upon the net property available after the costs of the administration.

TSTM Trinity, TSTM Wholesale & TSTM Germany

As there are no floating charge realisations expected in the remaining cases, the Prescribed Part provisions will not apply.

Information for creditors

Outcome

Unsecured creditors

The following table shows the number of unsecured creditors per company and their estimated non-preferential claims per the directors' statement of affairs:

Company	Number of claims	Statement of Affairs Claim Value (£'000)	Claims Received (£'000)
TSTM Opco	815	62,170	34,080
TSTM Properties	21	762	7,035
TSTM Wholesale	0	-	-
TSTM Germany	1	7	-
TSTM Trinity	1	1,051	-

This listing does not capture a number of other unsecured creditor claims which are expected in the administration, including any shortfalls to specific secured creditors, 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.

Based on currently available information, we expect the following outcomes for unsecured creditors:

TSTM Opco and TSTM Properties

We currently anticipate there will be sufficient realisations to enable a distribution to unsecured creditors. The timing and quantum of any distribution is dependent on the final values of assets realised and creditors' claims admitted for dividend.

TSTM Wholesale and TSTM Trinity

We currently anticipate there will be sufficient realisations to enable unsecured creditors to be paid in full together with statutory interest. Please note that this outcome is subject to change and the final rate of dividend paid may be lower.

We also expect these companies to make a distribution to their shareholder. The rate per share of this dividend is not yet known.

TSTM Germany

It is unlikely there will be sufficient realisations to enable a distribution to unsecured creditors.

Claims process

As stated on the previous page, with the exception of TSTM Germany, we anticipate that a dividend is likely to made to unsecured creditors. Please note that the rate of any such dividend is likely to be very low in TSTM Opco and TSTM Properties

We nonetheless invite creditors of the entities other than TSTM Germany, to claim, following the guidance in the paragraphs below.

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed, according to the Companies' books and records, is £1,000 or less. Instead, we will notify you if funds become available for dividend purposes and provide you with details of the amount at which your claim has been admitted. If you disagree with that amount, you will be provided with an opportunity to notify us of the correct amount.

Please note that should you wish to vote in a decision procedure, you will then need to submit a proof of claim to us.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us either directly via the case websites at www.ips-docs.com or by downloading and completing a proof of debt form from the case website and which should be sent to the address on page 3. Alternatively, a hard copy proof of debt form will be provided free of charge on request.

In TSTM Germany, as there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain.

Information for creditors

Outcome

Extensions to the administrations

We do not intend to request an extension to the period of the administrations and expect to be able to move the relevant companies to creditors' voluntary liquidation by the first anniversary of the administrations.

Exit

TSTM Opco, TSTM Properties, TSTM Trinity & TSTM Wholesale

As detailed in our Proposals, we consider that a move to creditors' voluntary liquidation to enable distributions to be paid to unsecured creditors to be the most appropriate exit route from administration.

TSTM Germany

It is anticipated that TSTM Germany will exit administration and move to dissolution as there are no funds to distribute to unsecured creditors.

Information for creditors

Statutory information

Statutory information

	Top Shop/Top Man Limited	TS Propco Realisations Limited	TS (Germany) Realisations Limited	TS (Trinity) Realisations Limited	TS (Wholesale) Realisations Limited
Previous Name	-	Top Shop/Top Man Properties Limited	Top Shop/Top Man (Germany) Limited	Top Shop/Top Man (Trinity) Limited	Top Shop/Top Man (Wholesale) Limited
Company number	02317752	04464942	09999186	10013441	08458338
Registered office	c/o Teneo 156 Great Charles Street Queensway Birmingham B3 3HN	c/o Teneo 156 Great Charles Street Queensway Birmingham B3 3HN	c/o Teneo 156 Great Charles Street Queensway Birmingham B3 3HN	c/o Teneo 156 Great Charles Street Queensway Birmingham B3 3HN	c/o Teneo 156 Great Charles Street Queensway Birmingham B3 3HN
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	High Court of Justice, the Business and Property Courts of England & Wales	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-2020-00405	CR-2020-004404	CR-2020-004403	CR-2020-004408	CR-2020-004406
Company directors	Peter John Roland Bloxham Andrew Maxwell Coppel Siobhan Forey Ian Grabiner Sir Philip Nigel Ross Green Gillian Anne Hague Jon Richens *Paul Price	Richard Burchill Ian Grabiner Stephen Boyce	Richard Burchill Ian Grabiner Stephen Boyce	Richard Burchill Ian Grabiner Stephen Boyce	Ian Grabiner Gillian Hague *Paul Price
Director Shareholding	None	None	None	None	None
Company Secretary	Michelle Gammon	Rebecca Flaherty	Rebecca Flaherty	Rebecca Flaherty	Michelle Gammon

** Paul Price was showing as a active director in our proposals however he resigned from the respective company on 13 December 2019*

Remuneration and expenses

Joint Administrators' remuneration 35

Remuneration and expenses

Joint Administrators' remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.ips-docs.com.

Should you require a paper copy, please send your request in writing to us at the address on page 3 and this will be provided to you at no cost.

Basis of remuneration - TSTM Opco, TSTM Properties, TSTM Wholesale, TSTM Trinity

We will be holding a decision procedure to fix the basis of our remuneration in each of these companies on a time costs basis during the next period.

The decision procedure will be conducted by correspondence. Please refer to the website to view the Notice of Decision Procedure and for further details and guidance including voting forms if required.

Basis of remuneration – TSTM Germany

We will be holding a decision procedure to fix the basis of our remuneration as a set amount of £75,000 plus VAT. The payment of this remuneration is subject to assets becoming available, which is not certain at this time.

Fees drawn to date

No fees have been drawn to date in any of the companies as we do not yet have fee basis approval.

Time costs - analysis of actual against estimate - TSTM Opco, TSTM Properties, TSTM Wholesale, TSTM Trinity

Please refer to pages 37 to 40 where we have updated the Fees Estimates to provide details of our actual time costs for the period of the report and which are also summarised here:

	Time Costs Incurred (£)	Average Rate (£/h)	Hours incurred
TSTM Opco	8,874,385	647	13,717.4
TSTM Properties	778,631	660	1,179.1
TSTM Wholesale	61,912	698	88.7
TSTM Trinity	518,895	949	546.8
Total	**10,233,823**	**2,954**	**14,985.2**

TSTM Wholesale - Time costs within estimate

Our time costs to 29 May 2021 are broadly in line with expectations and we do not anticipate that we will seek to draw a fee greater than £200,889 as provided in our Fee Estimate.

TSTM Opco, TSTM Properties, TSTM Trinity – Time costs have exceeded our original estimates

Our actual time costs are higher than we anticipated for the reasons set out below:

TSTM Opco, TSTM Properties, TSTM Trinity

- Higher costs than expected were incurred while carrying out the Director Conduct Reporting due to a high number of transactions on the bank statements to be reviewed.

TSTM Opco

- Lengthy and complex negotiations with suppliers to enable trading to continue for more senior input than initially provided for.
- Additional staff members were required to assist on Day 1 to attend all trading sites.
- Costs in relation to monitoring trading have exceed our initial estimates, due to higher than expected trading activity and the need to manage and pay suppliers, in order to continue with operations of the business.
- Additional cashiering tasks have been carried out with relation to returning funds to the Purchaser and processing the licences to occupy.

TSTM Trinity

- Lengthy and complex negotiations in relation to the sale of the Daventry distribution centre ultimately realising a very substantial surplus compared to the director's statement of affairs and our agents' valuations.

TSTM Properties

- Lengthy and complex negotiations with landlords to enable trading to continue required more senior input than initially provided for.

Remuneration and expenses

Joint Administrators' remuneration

TSTM Opco, TSTM Properties, TSTM Trinity – Time costs have exceeded original estimates (cont.)

- Extra support has been provided to employees of TSTM Opco who were made redundant. This work has to be carried out by specialists from our Employment Rights Act Team.
- Higher volume than anticipated of creditor queries.
- Increased number of queries received from overseas suppliers not familiar with UK insolvency procedures.

As noted, we have not yet taken steps to fix the basis of our remuneration. Consequently, our request to fix the basis of our remuneration (which we intend to issue in the next report period) will be by reference to the revised Fee Estimates on pages 37 to 40 which show that our estimates are now expected to be as summarised below:

£'	Initial Fees estimate	Revised Fees estimate
TSTM Opco	4,862,662	10,266,640
TSTM Properties	518,755	1,477,197
TSTM Trinity	500,267	716,562
Total	**5,881,684**	**12,460,399**

TSTM Opco - Fees Estimate and Joint Administrators' time costs for the period of the report and for the entire period of the appointment All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Initial Anticipated Time and Costs per Fees			Updated Anticipated Time and Costs per Fees			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	102.0	630	64,260	1,714.2	385	659,576	1,603.8	301	482,216
	Case supervision	92.1	744	68,523	427.3	837	357,649	319.3	824	263,181
	Case reviews	8.4	512	4,302	8.4	512	4,302	0.7	205	144
	Case closure matters	8.5	554	4,705	8.5	554	4,705	-	-	-
Statutory & compliance	Compliance & IPS diary	38.4	585	22,464	38.4	585	22,464	13.5	623	8,403
	Insurance	18.4	638	11,736	38.6	647	24,973	22.4	801	17,973
	General reporting	53.5	579	30,980	53.5	579	30,980	33.5	703	23,537
	Regulatory & other legislation	18.0	800	14,400	27.1	800	21,680	24.9	800	19,912
	Court applications	10.5	788	8,278	10.5	788	8,278	-	-	-
Initial actions	Appointment matters	2.0	980	1,911	2.0	980	1,911	1.9	999	1,898
	Securing assets	52.5	495	25,988	67.2	569	38,205	64.7	547	35,374
	Notifications	3.7	662	2,450	3.7	662	2,450	3.7	645	2,387
Investigations	CDDA reporting	18.0	548	9,860	27.0	531	14,330	23.3	465	10,835
	Investigations	25.3	621	15,697	557.2	596	331,958	537.3	530	284,935
Total of above categories		**451.2**	**633**	**285,553**	**2,983.5**	**511**	**1,523,460**	**2,648.9**	**434**	**1,150,794**
Taxation	Tax	58.9	933	54,968	277.4	937	260,019	196.3	635	124,601
	VAT	47.1	749	35,233	93.1	754	70,188	42.8	791	33,858
Asset realisations	Third party assets	-	-	-	162.5	687	111,698	101.8	497	50,556
	Book debts	79.0	678	53,570	79.0	678	53,570	28.8	817	23,527
	Chattel assets	-	-	-	15.0	652	9,784	7.0	800	5,611
	Other assets	68.0	885	60,180	315.5	786	247,899	285.2	813	231,768
	Property	-	-	-	152.2	758	115,326	98.4	710	69,879
	Retention of title	36.0	729	26,250	69.3	702	48,670	40.3	1,020	41,062
	Sale of business	1,573.0	725	1,139,735	2,615.0	752	1,966,959	2,494.5	773	1,928,989
Trading	Day 1 control of trading	58.4	766	44,758	462.2	699	323,166	461.3	696	321,154
	Ongoing trading	1,904.0	753	1,434,170	5,065.8	665	3,367,781	4,949.6	664	3,288,044
	Monitoring trading	793.9	763	605,748	791.0	762	602,645	645.7	866	559,166
	Closure of trade	371.6	694	258,056	312.0	686	214,185	218.7	745	162,822
Employees	Consultation	63.4	965	61,178	63.4	965	61,178	61.0	937	57,160
	Correspondence	450.0	630	283,500	1,250.4	604	754,650	1,163.4	563	655,417
	Employment tribunals	66.0	565	37,260	66.0	565	37,260	21.8	524	11,396
	Pensions	45.5	591	26,910	45.5	591	26,910	8.7	580	5,075
Correspondence	Creditors	342.0	495	169,296	366.0	495	181,176	237.6	633	150,438
	Shareholders	0.1	495	50	1.6	950	1,520	1.1	1,070	1,177
	Customers	-	-	-	10.0	495	4,950	3.0	95	285
	Press & media queries	12.6	890	11,214	12.6	890	11,214	0.4	1,070	428
Distributions	Secured creditors	2.8	823	2,304	2.8	823	2,304	1.1	1,070	1,177
	Preferential creditors	213.0	493	105,100	213.0	493	105,100	-	-	-
	Unsecured creditors	284.0	590	167,630	284.0	581	165,030	-	-	-
Total fees estimate		**6,920.5**	**703**	**4,862,662**	**15,708.8**	**654**	**10,266,640**	**13,717.4**	**647**	**8,874,385**

TSTM Propco - Fees Estimate and Joint Administrators' time costs for the period of the report and for the entire period of the appointment All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Original Fees Estimate Anticipated Time and Costs per Fees			Revised Fee Estimate Anticipated Time and Costs per Fees			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	30.0	630	18,900	30.0	630	18,900	3.3	301	993
	Case supervision	29.1	599	17,442	70.7	740	52,301	21.6	409	8,843
	Case reviews	8.4	512	4,302	8.4	512	4,302	1.1	205	226
	Case closure matters	8.5	554	4,705	8.5	554	4,705	-	-	-
Statutory & compliance	Compliance & IPS diary	24.0	585	14,040	24.0	585	14,040	4.9	547	2,679
	Insurance	11.5	638	7,335	11.5	638	7,335	2.4	800	1,920
	General reporting	53.5	579	30,980	53.5	579	30,980	23.6	622	14,670
	Regulatory & other legislation	2.4	585	1,404	2.4	585	1,404	0.1	800	80
	Court applications	21.0	788	16,555	21.0	788	16,555	-	-	-
Initial actions	Appointment matters	3.0	845	2,535	1.5	890	1,335	1.1	991	1,090
	Notifications	4.5	676	3,006	4.1	663	2,686	3.9	644	2,513
Investigations	CDDA reporting	18.0	548	9,860	18.0	548	9,860	7.2	473	3,407
	Investigations	8.5	601	5,105	8.5	601	5,105	0.3	458	138
Total of above categories		**222.4**	**612**	**136,169**	**262.1**	**647**	**169,508**	**69.5**	**526**	**36,556**
Taxation	Tax	23.7	670	15,889	53.9	587	31,664	8.9	1,152	10,249
	VAT	29.5	680	20,066	50.7	644	32,640	1.1	800	880
Asset realisations	Property	225.0	749	168,625	676.4	724	489,816	507.3	755	382,925
Trading	Ongoing trading	175.0	591	103,350	1,012.3	665	672,772	588.7	588	346,208
	Monitoring trading	37.0	611	22,590	46.1	692	31,918	-	-	-
	Closure of trade	23.0	597	13,720	27.2	663	18,025	-	-	-
Correspondence	Creditors	19.7	495	9,727	19.7	495	9,727	3.6	503	1,813
	Shareholders	0.1	495	50	0.1	495	50	-	-	-
	Press & media queries	12.6	890	11,214	12.6	890	11,214	-	-	-
Distributions	Secured creditors	1.5	890	1,335	1.5	890	1,335	-	-	-
	Unsecured creditors	38.7	415	16,021	38.7	415	16,021	-	-	-
Total fees estimate		**808.1**	**642**	**518,755**	**2,201.2**	**674**	**1,484,687**	**1,179.1**	**660**	**778,631**

TSTM Trinity - Fees Estimate and Joint Administrators' time costs for the period of the report and for the entire period of the appointment All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Original Fees Estimate Anticipated Time and Costs per Fees			Revised Fees Estimate Anticipated Time and Costs per Fees			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	24.4	630	15,372	19.4	630	12,222	4.1	307	1,260
	Case supervision	35.2	578	20,336	48.0	637	30,576	38.2	608	23,223
	Case reviews	8.4	512	4,302	8.4	512	4,302	0.6	205	123
	Case closure matters	10.5	600	6,305	10.5	600	6,305	-	-	-
Statutory & compliance	Compliance & IPS diary	20.8	585	12,168	20.8	585	12,168	5.0	534	2,642
	Insurance	11.5	638	7,335	11.0	618	6,800	3.4	800	2,720
	General reporting	53.5	579	30,980	52.0	565	29,375	19.1	612	11,656
	Regulatory & other legislation	2.4	585	1,404	2.4	585	1,404	-	-	-
	Court applications	10.5	788	8,278	8.5	722	6,138	-	-	-
Initial actions	Appointment matters	0.1	800	80	0.1	800	80	0.1	800	80
	Notifications	15.5	717	11,115	5.3	637	3,345	3.9	644	2,513
Investigations	CDDA reporting	36.0	548	19,720	35.0	533	18,650	4.3	621	2,638
	Investigations	17.0	601	10,210	17.0	601	10,210	0.3	500	150
Total of above categories		**245.8**	**601**	**147,605**	**238.4**	**594**	**141,575**	**78.9**	**596**	**47,004**
Taxation	Tax	40.2	595	23,899	83.5	965	80,606	49.6	1,383	68,647
	VAT	33.8	695	23,506	62.4	872	54,431	28.5	1,177	33,496
Asset realisations	Property	297.0	895	265,955	441.5	917	404,883	389.4	948	369,267
Correspondence	Creditors	22.0	661	14,550	22.0	661	14,550	0.5	962	481
	Shareholders	0.5	495	248	0.5	495	248	-	-	-
Distributions	Secured creditors	14.4	718	10,338	13.0	680	8,840	-	-	-
	Unsecured creditors	18.6	762	14,167	16.0	714	11,430	-	-	-
Total fees estimate		**672.3**	**744**	**500,267**	**877.3**	**817**	**716,562**	**546.8**	**949**	**518,895**

TSTM Wholesale Fees Estimate and Joint Administrators' time costs for the period of the report and for the entire period of the appointment All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Activity		Anticipated Time and Costs per Fees			Actual Time and Costs for Report Period		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)
Administrative activities	Cashiering	15.6	630	9,828	2.2	310	683
	Case supervision	29.1	599	17,442	5.8	470	2,726
	Case reviews	8.4	512	4,302	0.6	205	123
	Case closure matters	8.5	554	4,705	-	-	-
Statutory & compliance	Compliance & IPS diary	9.6	585	5,616	4.8	532	2,529
	Insurance	11.5	638	7,335	1.0	800	800
	General reporting	37.3	621	23,180	19.0	608	11,553
	Regulatory & other legislation	2.4	585	1,404	-	-	-
	Court applications	5.3	788	4,139	-	-	-
Initial actions	Appointment matters	0.1	800	80	0.1	800	80
	Notifications	7.7	700	5,391	4.1	644	2,639
Investigations	CDDA reporting	18.0	548	9,860	9.6	448	4,298
	Investigations	8.5	601	5,105	0.3	458	138
Total of above categories		**162.0**	**607**	**98,387**	**47.5**	**539**	**25,568**
Taxation	Tax	22.7	679	15,372	-	-	-
	VAT	24.5	735	17,993	0.4	800	320
Asset realisations	Book debts	13.0	773	10,055	1.0	1,025	1,025
	Other assets	15.0	751	11,260	2.3	1,025	2,358
Trading	Day 1 control of trading	0.1	800	80	0.1	800	80
	Ongoing trading	27.0	674	18,200	25.3	837	21,128
	Monitoring trading	12.0	758	9,090	4.5	800	3,600
	Closure of trade	9.0	687	6,180	-	-	-
Correspondence Distributions	Shareholders	0.1	495	50	-	-	-
	Unsecured creditors	23.5	602	14,112	-	-	-
Total fees estimate		**309.0**	**650**	**200,889**	**88.7**	**698**	**61,912**

Remuneration and expenses

Detailed information

Category 1 Disbursements

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

Joint Administrators' Disbursements

Details of all disbursements are given below and from which it can be seen that we have not recovered our disbursements in full.

Category 1 disbursements - TSTM Opco

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Travel	300	323	323	323
Subsistence	1,200	1,288	1,288	1,288
Printing & Copying	3,000	35,000	22,655	22,655
Specific Penalty Bond	230	230	230	230
Total	**4,730**	**36,841**	**24,496**	**24,266**

Category 1 disbursements - TSTM Properties

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Travel	100	-	-	-
Subsistence	1,000	-	-	-
Printing & Copying	1,000	-	-	-
Specific Penalty Bond	230	230	230	230
Total	**2,330**	**230**	**230**	**230**

Category 1 disbursements - TSTM Wholesale

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Travel	100	-	-	-
Subsistence	1,000	-	-	-
Printing & Copying	1,000	-	-	-
Specific Penalty Bond	230	230	230	230
Total	**2,330**	**230**	**230**	**230**

Category 1 disbursements - TSTM Trinity

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Travel	100	-	-	-
Subsistence	1,000	-	-	-
Printing & Copying	1,000	-	-	-
Specific Penalty Bond	230	230	230	230
Total	**2,330**	**230**	**230**	**230**

Category 1 disbursements - TSTM Germany

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Travel	100	-	-	-
Subsistence	1,000	-	-	-
Printing & Copying	1,000	-	-	-
Specific Penalty Bond	230	230	30	30
Total	**2,330**	**230**	**30**	**30**

Remuneration and expenses

Detailed information

Category 2 Disbursements

These are costs and expenses initially paid by us and 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.

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate, we will seek approval for these cost in the next report period.

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

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

As indicated in our proposals, we engaged the services of Deloitte Ireland to assist with undertaking work in connection with preparation of appointment notifications and related matters. The costs of Deloitte Ireland in this regard have been reported as disbursements as they were then (i.e. prior to 29 May 2021 when the UK Restructuring Practice of Deloitte LLP was sold to Teneo) an internal service delivery team. We will therefore seek approval from creditors before making payment to Deloitte Ireland in relation to these costs (which are no longer on going) and this will be done as part of the decision procedure as discussed on page 35.

Deloitte Ireland's work is being charged on a time costs basis, the charge out rates for which are provided below:

Deloitte Ireland Charge our Rates

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

Deloitte call services disbursements incurred relate to an in-house special services team engaged to facilitate handling of stakeholder communications on cases such as this where high call volumes are anticipated. Their work is being charged on a time costs basis.

Category 2 disbursements - Top Shop / Top Man Limited

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Mileage	750	-	-	-
Deloitte call centre services	177,000	94,150	58,875	58,875
Total	**177,750**	**94,150**	**58,875**	**58,875**

Category 2 disbursements - TSTM Properties

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Mileage	750	-	-	-
Deloitte Ireland	48,000	9,482	9,482	9,482
Total	**48,000**	**9,482**	**9,482**	**9,482**

Category 2 disbursements - TSTM Wholesale

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Mileage	500	-	-	-
Deloitte Ireland	12,000	2,380	2,380	2,380
Total	**12,000**	**2,380**	**2,380**	**2,380**

Category 2 disbursements - TSTM Trinity

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Mileage	500	-	-	-
Deloitte Ireland	29,000	5,742	5,742	5,742
Total	**29,000**	**5,742**	**5,742**	**5,742**

Category 2 disbursements - TSTM Germany

£ (net)	Estimated	Revised Estimate	Incurred as at 29 May 2021	Unpaid
Mileage	500	-	-	-
Deloitte Ireland	21,000	9,142	9,142	9,142
Total	**21,000**	**9,142**	**9,142**	**9,142**

Remuneration and expenses

Detailed information

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

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Teneo Restructuring Limited is registered in England & Wales with registered number 13192958 and its registered office at 5th Floor, 6 More London Place London, SE1 2DA, United Kingdom