

# AM23

## Notice of move from administration to dissolution



Companies House

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

### 1 Company details

Company number 0 9 7 8 7 7 5 1  
Company name in full Karen Millen Holdco 1 Limited

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

### 2 Court details

Court name High Court of Justice Business and Property Court of  
England and Wales  
Court number C R - 5 2 4 3 - 2 0 1 9

### 3 Administrator's name

Full forename(s) Robert James  
Surname Harding

### 4 Administrator's address

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

AM23

Notice of move from administration to dissolution

**5 Administrator's name ①**

Full forename(s)	Richard Michael	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Hawes	


**6 Administrator's address ②**

Building name/number	2 Fitzalan Road Brunel	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	Cardiff	
Post town	CF24 0EB	
County/Region		
Postcode		
Country		

**7 Final progress report**

☒ I have attached a copy of the final progress report

**8 Sign and date**

Administrator's signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div><sup>d</sup>0<sup>d</sup>5</div> <div><sup>m</sup>0<sup>m</sup>8</div> <div><sup>y</sup>2<sup>y</sup>0<sup>y</sup>2<sup>y</sup>2</div>	

# AM23

## Notice of move from administration to dissolution



### 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 **Aaron Banks**

Company name **Teneo Financial Advisory 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**



The Global CEO Advisory Firm

# **Karen Millen Retail Limited (“KMRL”) Karen Millen Holdco 1 Limited (“KMH1”) Karen Millen Group Limited (“KMGL”) (All in Administration) together (“the Companies”)**






Final progress report to creditors pursuant to rules 18.6 and 3.53 of the Insolvency (England & Wales) Rules 2016 (“the Rules”)

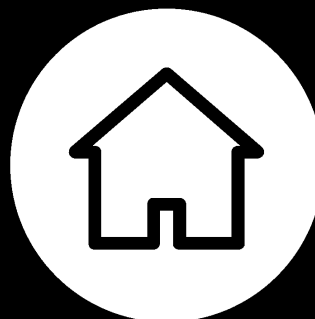
5 August 2022

Robert James Harding and Richard Michael Hawes (“the Joint Administrators”) were appointed Joint Administrators of the Companies on 6 August 2019 by Aurora Fashions Finance Limited (“the Secured Creditor”). 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 Financial Advisory Limited (“Teneo”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

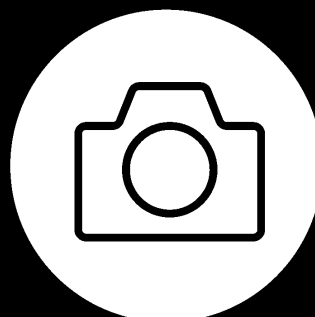
For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

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

Robert James Harding  
Richard Michael Hawes  
Teneo Financial Advisory Limited  
156 Great Charles Street  
Queensway  
Birmingham  
B3 3HN

### Contact details

Email: [Alia.Khan@teneo.com](mailto:Alia.Khan@teneo.com)  
[www.ips-docs.com](http://www.ips-docs.com)  
Tel: 011 3396 0164



Purpose of administrations	<ul style="list-style-type: none"><li>The purpose of the administrations was to achieve a better result for the Companies' creditors as a whole than a liquidation.</li></ul>
Achievement of the Joint Administrators' Proposals	<p>During the administrations, there were asset realisations across the Companies as follows:</p> <ul style="list-style-type: none"><li>Insurance and rates refunds totalling £14 and £55,805 respectively were received into KMRL during the administration.</li><li>Sundry refunds totalling £1,978 were received in respect of legal costs paid by KMH1L prior to our appointment.</li><li>Sundry refunds totalling £606 were received in relation to legal costs paid by KMGL prior to our appointment.</li><li>It should be noted that the administrations of Karen Millen Fashions Limited ("KMFL") and Karen Millen Holdings Limited ("KMHL") have been extended for a further 12 months to enable further assets realisations and to pay a distribution to the unsecured creditors in KMFL. These companies do not form part of this final report and therefore further details on these companies will be provided under separate cover in the respective progress report at <a href="http://www.ips-docs.com">www.ips-docs.com</a>.</li></ul>
Costs	<ul style="list-style-type: none"><li>Our fee basis was fixed on a time costs basis in all Companies. Please see page 13 for further details.</li><li>We have incurred total time costs of £228,466 in KMRL, £79,483 in KMH1 and £101,631 in KMGL.</li><li>We have drawn fees of £205,539, plus VAT in KMFL. Please see page 10 for further details.</li><li>We have not drawn any fees in KMH1, KMGL and KMRL. Please see page 10 for further details.</li><li>No further category 1 third party costs or expenses have been incurred since our last report. Please refer to page 7 for details of the total costs.</li><li>No further category 2 expenses have been incurred since our last report. Please refer to page 17 for further details.</li></ul>
Outcome for Creditors	<ul style="list-style-type: none"><li>Secured Creditor - The Secured Creditor has not been repaid in full.</li><li>Preferential Creditors - No preferential claims were received in the Companies, as there were no employees.</li><li>Secondary Preferential Creditor – These provisions do not apply to the Companies due to the age of the case.</li><li>Unsecured Creditors - Unsecured creditors were not paid a dividend in any of the Companies.</li></ul>
End of the administration periods	<ul style="list-style-type: none"><li>The period of the administration was extended for a total of 12 months to 6 August 2021 and a further 12 months to 6 August 2022 to enable further asset realisations. Please refer to page 10 for further details.</li></ul>



Summary Proposals

Steps taken	5
Costs	7





## Summary of the Joint Administrators' Proposals

### The Joint **Administrators'** Proposals

Our Proposals for the administrations include:

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

Specific approval from the appropriate body was sought to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration. Please refer to page 13 for details.



## Summary Proposals

## Steps Taken

### The Joint Administrators' Proposals

Our Proposals were deemed approved on 21 August 2019 following the expiration of 8 business days from the date of issue of our Proposals in accordance with rule 3.38(4) of the Rules.

#### Extensions to the administrations

The period of the administrations was extended for a total of 12 months to 6 August 2021 by the Secured Creditor to enable further asset realisations.

A further extension for 12 months was obtained from the Court to 6 August 2022 to finalise the remaining lease surrenders and receive final refunds due to the Companies.

#### Steps taken during the administrations

##### Assets Realisations

As detailed in our Proposals, the Companies were all holding companies which had limited assets. A summary of the asset realisations made during the period of the administrations is provided below.

##### KMRL

Insurance and rates refunds totalling £14 and £55,805 respectively were received into KMRL during the administration.

##### KMH1

Sundry refunds totalling £1,978 were received in respect of legal costs paid by KMH1 prior to our appointment.

##### KMGL

Sundry refunds totalling £606 were received into KMGL in relation to legal costs paid prior to our appointment.

##### Cash at Bank

##### KMGL and KMH1

In our Proposals, we estimated that funds held in the pre-appointment bank accounts would be transferred to the relevant administration accounts. Due to various set offs applied, these funds were irrecoverable.

### Leasehold property

#### KMFL & KMRL

KMFL operated from 36 leasehold premises, all of which were vacated in 2019. It was established that most of the lease agreements were held in KMRL.

We instructed Savills and Deloitte Real Estate, who are specialist property advisors within Deloitte, to maximise realisations from the property portfolio. They undertook a review of the leases to determine what if any value they may have and held discussions with landlords regarding handing back or assigning the leases once trading is completed.

On the advice of our agents, we were able to conclude that the leases held no value, and subsequently a total of ten leases were surrendered and one was forfeited.

#### Statutory tasks

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

- Case management actions, including updating the creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of this progress report;
- Preparation for the two administration extension requests;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs ("HMRC") 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.

#### Investigations

No further avenues of recovery were identified as result of our investigations.

#### Distributions to creditors

Funds totalling £2,584 were distributed to the Secured Creditor in the administrations. Please find further details at page 10.



## Summary Proposals Costs

Third party costs incurred during the administrations

### Joint Administrators' – Category 1 Expenses

Category 1 expenses are payments to persons providing the service to which the expense relates and which are neither payment to us, the officeholders, or to an associate of ours. These expenses can be paid out of the estate by us without creditor approval.

No third party expenses have been incurred or paid in respect of any of the Companies during the administrations.

### Disbursements – Category 1

Category 1 disbursements are payments to third parties which are initially met by us and then reimbursed to us out of the estate when funds become available, and for which no approval is required. These are summarised in the table below:

KMRL - Category 1 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Travel	200	-	-	-	-
Telephone	100	-	-	-	-
Postage/Couriers	200	-	-	-	-
Subsistence	200	-	7	4	3
Specific Penalty Bond	230	-	230	230	-
Total expenses	930	-	237	234	3

KMGL - Category 1 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Travel	100	-	-	-	-
Telephone	50	-	-	-	-
Postage/Couriers	50	-	20	20	-
Subsistence	50	-	-	-	-
Specific Penalty Bond	230	-	20	20	-
Total expenses	480	-	40	40	-

KMH1 - Category 1 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Travel	100	-	-	-	-
Accommodation	50	-	-	-	-
Telephone	50	-	-	-	-
Postage/Couriers	50	-	416	73	343
Specific Penalty Bond	230	-	20	20	-
Total expenses	480	-	436	93	343

These costs showing as paid have been settled from the administration estate of KMFL, as agreed by the Secured Creditor on 5 November 2019. Please note that any amounts unpaid have been written off.

### Category 2 Expenses

These are payments:

- to us (as officeholder), for example reimbursement to staff engaged on the case for their mileage costs) or in respect of shared or allocated costs; and also
- to our associates, e.g. to Deloitte LLP where their costs are being charged to the estate following the sale of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited ("Teneo" and "the Transaction") on 29 May 2021.

These expenses require creditor approval in the same manner as our remuneration and as discussed in further detail on page 17.



## Summary Proposals

Karen Millen Retail Limited				
Joint Administrators' final receipts and payments account				
6 February 2022 to 5 August 2022				
	SoA values	Notes	Period	To date
Receipts				
Insurance Refund			-	14
Rates Refund			-	55,805
Bank Interest Gross		1	13	136
Total receipts	-		13	55,955
Payments				
Contribution to Administrators' Fees - KMFL		2	55,955	55,955
Total payments			55,955	55,955
Balance				-
Made up of:				
Balance in hand				-

Karen Millen Group Limited				
Joint Administrators' final receipts and payments account				
6 February 2022 to 5 August 2022				
£	SoA values	Notes	Period	To date
Receipts				
Sundry Refunds			606	606
Bank Interest Gross		1	0	0
Total receipts	-		606	606
Payments				
Secured Creditor Distribution			606	606
Total payments			606	606
Balance				-
Made up of:				
Balance in hand				-

Karen Millen Holdco 1 Limited				
Joint Administrators' final receipts and payments account				
6 February 2022 to 5 August 2022				
£	SoA values	Notes	Period	To date
Receipts				
Sundry Refunds			-	1,978
Bank Interest Gross		1	-	1
Total receipts	-		-	1,979
Payments				
Secured Creditor Distribution			1,979	1,979
Total payments			1,979	1,979
Balance				-
Made up of:				
Balance in hand				-

## Receipts and Payments Accounts

Receipts and payments accounts are provided opposite and below, detailing the transactions in the final period of the administration since our last report on 5 February 2022, and also summarising the transactions for the entire period of the administrations.

### Notes to receipts and payments accounts

1 - All funds were held in interest bearing accounts. The associated corporation tax on interest received has been accounted for to HMRC.

2 - Repayment to KMFL - Our approved remuneration totalling £152,723 (excluding VAT) in respect of KMRL has been drawn from KMFL, with the consent of the Secured Creditor, at a time when KMRL held no funds. Subsequent to sufficient asset realisations being received into KMRL, an element of this balance has been repaid to KMFL, in partial settlement of this cost, from the administration estate of KMRL.

### Rounding note

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

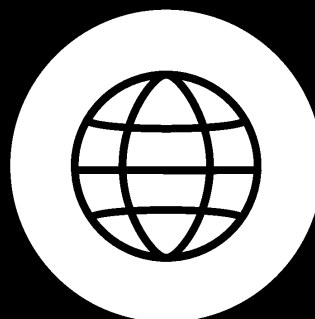
### Statement of affairs note

Statements of affairs were provided for all Companies. Where no figures or descriptions are shown, it is because that entity had no assets or assets had an estimated to realise balance of nil.



## Information for creditors

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Statutory information	11



Information for  
creditors  
Outcome for creditors

Outcome for Creditors  
Secured creditors

As detailed in the Proposals, Aurora Fashions Finance Limited, in its capacity as Secured Creditor, was owed c.£65.5m across the Companies (including KMHL and KMFL, which are not subject to this final report), comprising of:

- Loan principle of c.£41m
- RCF drawdown of c.£15m
- Accrued interest of c.£9.5m

During the period, £2,584 was distributed to the Secured Creditor, as detailed on page 8. No prior distributions were made, bringing total distributions to £2,584.

Further distributions will be made to the Secured Creditor in due course from KMFL and KMHL, details of which will be provided in our future progress reports for those companies, meaning the quantum of the residual shortfall suffered by the Secured Creditor is unknown at this stage.

Preferential creditors

No preferential claims have been received, as there were no employees in any of the Companies.

Secondary Preferential Creditor

There were no preferential claims due to the date of the appointment.

Prescribed Part

The Prescribed Part provisions do not apply to any of the Companies as their net property (which is the balance remaining after settling the costs of the administrations) is less than the prescribed minimum i.e. less than £10,000.

Unsecured creditors

Insufficient funds were realised to enable a dividend to be paid to unsecured creditors in any of the Companies either via the Prescribed Part provisions, as outlined above, or otherwise.

End of the administration

As the Companies had no property for distribution to its creditors, the appropriate Notices will be filed at Companies House to enable the Companies to move from administration to dissolution. The Companies will be deemed to be dissolved three months after the Notices are registered.



## Information for creditors

### Statutory information

Statutory information			
	Karen Millen Retail Limited	Karen Millen Holdco 1 Limited	Karen Millen Group Limited
Company Number	6822157	9787751	7410883
Registered office	156 Great Charles Street Queensway Birmingham B3 3HN	156 Great Charles Street Queensway Birmingham B3 3HN	156 Great Charles Street Queensway Birmingham B3 3HN
Trading names	Karen Millen Retail Limited	Karen Millen Holdco 1 Limited	Karen Millen Group Limited
Previous names	K Retail Propco Limited	N/A	HS 522 LIMITED
Court	High Court of Justice, Business and Property Courts of England and Wales Insolvency and Companies List (Chd)	High Court of Justice, Business and Property Courts of England and Wales Insolvency and Companies List (Chd)	High Court of Justice, Business and Property Courts of England and Wales Insolvency and Companies List (Chd)
Court reference	CR-2019-005249	CR-2019 -005243	CR-2019-005246
Company directors	Beth Janet Butterwick Emily Sarah Tate	Beth Janet Butterwick Neil William Mccausland John Phillip Madden Johann Petur Reyndal Robin Terrell Emily Sarah Tate	Beth Janet Butterwick Neil William Mccausland John Phillip Madden Johann Petur Reyndal Emily Sarah Tate
Company Secretary	Heaton Secretaries Limited	No Secretary	Heaton Secretaries Limited
Shareholders	Karen Millen Holdings Limited	Aurora Fashions Finance Limited	Karen Millen Holdco 1 Limited
Please note that no directors have shareholdings in the Companies.			

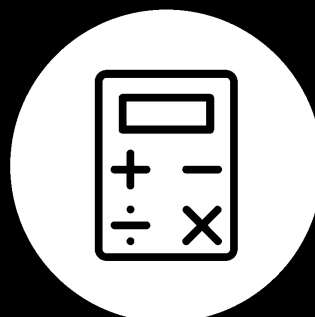




## Remuneration and expenses

Joint Administrators' remuneration

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## Remuneration and expenses

### Joint Administrators' remuneration

#### Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at [www.ips-docs.com](http://www.ips-docs.com).

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

#### Basis of remuneration

The basis of our remuneration in respect of all the Companies was fixed on 5 November 2019 by the Secured Creditor by reference to the time properly given by the Joint Administrators and their staff, plus VAT thereon.

#### Time Costs - Fees drawn

We have drawn the following remuneration during the administrations (all figures are exclusive of VAT):

KMRL – £152,723

KMGL - £31,898

KMH1L – £20,918

Please note that the above remuneration has been drawn from KMFL, with the consent of the Secured Creditor, as there were insufficient funds in any of the Companies from which it could be drawn at the time the fees were drawn. Please refer to the KMFL receipts and payments account in our report for details of remuneration drawn in respect of the Companies.

Further to asset realisations received in KMRL, a payment in partial settlement of the remuneration drawn in respect of KMRL was made to KMRL, as can be seen in our receipts and payments account at page 8.

Please note that we have not drawn the full value of time costs incurred in any of the Companies, and the balances have been written off.

#### Time costs - analysis of actual against Estimates

Please refer to pages 14 to 16 where we have updated the Fees Estimates to provide details of our actual time costs for the period of the report and for the entire period of our appointment.

#### KMRL

Our time costs for the report period are £6,353, made up of 12 hours, at a blended charge out rate of £535 per hour across all grades of staff. Our total time costs to 5 August 2022 are £228,466, made up of 362 hours, at a blended charge out rate of £631 per hour across all grades of staff.

#### KMH1

Our time costs for the report period are £6,404, made up of 12 hours, at a blended charge out rate of £534 per hour across all grades of staff. Our total time costs to 5 August 2022 are £79,483, made up of 155 hours, at a blended charge out rate of £514 per hour across all grades of staff.

#### KMGL

Our time costs for the report period are £11,385, made up of 19 hours, at a blended charge out rate of £605 per hour across all grades of staff. Our total time costs to 5 August 2022 are £101,631, made up of 187 hours, at a blended charge out rate of £544 per hour across all grades of staff.

#### The Companies

Our time costs exceeded our initial estimates in the following categories, due to the administrations continuing for longer than 12 months;

- Additional cashiering tasks have been carried out with regards to bank reconciliations and receipts;
- Further time incurred in relation to property and the sundry refunds received;
- Additional time incurred in preparing and issuing the necessary progress reports;
- Further work carried out in respect of VAT and tax matters.

Although our time costs exceeded our initial estimates, we have not sought an increase in the amount of our fees.



## KMRL - Fees Estimate and Joint Administrators' time costs for the period 6 February 2022 to 5 August 2022

All 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.

Anticipated Time and Costs per Fees Estimate					Actual Time and Costs for Report Period			Actual Time and Costs since Appointment		
Activity		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	6.0	610	3,660	2.5	433	1,068	39.2	477	18,705
	Case supervision	28.8	585	16,854	0.2	380	63	53.3	487	25,941
	Case reviews	7.4	516	3,819	0.3	815	245	1.7	881	1,498
	Case closure matters	6.0	612	3,670	-	-	-	-	-	-
Statutory & compliance	Compliance & IPS diary	5.8	568	3,269	0.4	380	139	4.8	572	2,757
	Insurance	1.2	618	711	-	-	-	0.8	610	458
	General reporting	30.7	554	17,003	7.9	580	4,585	54.1	633	34,278
	Regulatory & other legislation	2.4	568	1,362	-	-	-	-	-	-
Initial actions	Appointment matters	3.5	813	2,845	-	-	-	4.1	360	1,476
	Securing assets	23.0	692	15,905	-	-	-	10.5	638	6,694
	Notifications	29.5	527	15,553	-	-	-	16.1	766	12,330
Investigations	CDDA reporting	7.8	560	4,338	-	-	-	11.8	386	4,541
	Investigations	5.0	625	3,123	-	-	-	2.4	995	2,388
Total of above categories		157.0	587	92,110	11.2	545	6,100	198.7	-	111,065
Taxation	Tax	3.7	509	1,883	-	-	-	10.0	604	6,042
	VAT	25.9	463	11,994	-	-	-	13.7	639	8,776
Asset realisations	Other assets	-	-	-	0.7	380	253	7.2	592	4,261
	Property	80.0	721	57,650	-	-	-	109.5	792	86,719
Trading	Day 1 control of trading	6.5	558	3,630	-	-	-	-	-	-
	Ongoing trading	8.0	526	4,210	-	-	-	-	-	-
	Closure of trade	5.0	460	2,300	-	-	-	-	-	-
Employees	Pensions	0.5	480	240	-	-	-	-	-	-
Correspondence	Creditors	40.0	480	19,200	-	-	-	20.0	523	10,450
	Shareholders	0.1	480	48	-	-	-	-	-	-
Total fees estimate		326.7	592	193,265	11.9	535	6,353	362.3	631	228,466



## KMH1 - Fees Estimate and Joint Administrators' time costs for the period 6 February 2022 to 5 August 2022

All 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.

Anticipated Time and Costs per Fees Estimate					Actual Time and Costs for Report Period			Actual Time and Costs since Appointment		
Activity		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in period	Avg Rate £/h	Time costs incurred in period (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	4.7	610	2,855	1.7	380	633	15.2	416	6,337
	Case supervision	13.7	579	7,916	0.1	380	38	28.4	421	11,954
	Case reviews	2.8	465	1,283	0.3	815	245	2.2	917	2,018
	Case closure matters	5.5	574	3,158	-	-	-	-	-	-
	Compliance & IPS diary	9.6	568	5,448	0.4	380	139	12.9	450	5,778
Statutory & compliance	Insurance	1.2	618	711	-	-	-	0.6	995	597
	General reporting	14.1	558	7,873	8.9	573	5,096	40.9	609	24,887
	Regulatory & other legislation	2.4	568	1,362	-	-	-	-	-	-
	Appointment matters	4.0	841	3,365	-	-	-	1.0	360	360
Initial actions	Securing assets	1.8	719	1,295	-	-	-	-	-	-
	Notifications	7.6	462	3,510	-	-	-	26.8	422	11,299
Investigations	CDDA reporting	9.0	532	4,788	-	-	-	3.3	456	1,481
	Investigations	4.3	582	2,475	-	-	-	2.4	995	2,388
Total of above categories		80.5	572	46,038	11.3	543	6,151	133.6	-	67,099
Taxation	Tax	3.7	509	1,883	-	-	-	5.0	790	3,948
	VAT	6.3	443	2,788	-	-	-	6.0	782	4,663
Asset realisations	Other assets	-	-	-	0.7	380	253	1.3	481	642
	Sale of business	-	-	-	-	-	-	1.0	360	360
Trading	Day 1 control of trading	-	-	-	-	-	-	7.0	360	2,520
	Employees	0.5	480	240	-	-	-	-	-	-
Correspondence	Creditors	2.5	480	1,200	-	-	-	0.7	360	252
	Shareholders	0.1	480	48	-	-	-	-	-	-
Distributions	Secured creditors	1.5	863	1,295	-	-	-	-	-	-
Total fees estimate		95.1	562	53,492	12.0	534	6,404	154.6	514	79,483



## KMGL - Fees Estimate and Joint Administrators' time costs for the period 6 February 2022 to 5 August 2022

All 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.

Anticipated Time and Costs per Fees Estimate					Actual Time and Costs for Report Period			Actual Time and Costs since Appointment		
Activity		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred in	Avg Rate £/h	Time costs incurred in	Hours incurred to	Avg Rate £/h	Total time costs incurred
Administrative activities	Cashiering	4.7	610	2,855	2.3	418	955	14.3	443	6,330
	Case supervision	13.7	579	7,916	0.6	380	215	38.4	445	17,105
	Case reviews	2.8	465	1,283	0.3	815	245	2.2	917	2,018
	Case closure matters	5.5	574	3,158	-	-	-	-	-	-
Statutory & compliance	Compliance & IPS diary	9.6	568	5,448	0.4	380	139	19.6	780	15,246
	Insurance	1.2	618	711	-	-	-	1.1	360	396
	General reporting	14.1	558	7,873	8.9	573	5,096	48.4	581	28,134
	Regulatory & other legislation	2.4	568	1,362	-	-	-	-	-	-
Initial actions	Appointment matters	4.0	841	3,365	-	-	-	5.2	507	2,634
	Securing assets	1.8	719	1,295	-	-	-	-	-	-
	Notifications	7.6	462	3,510	-	-	-	4.6	719	3,307
Investigations	CDDA reporting	9.0	532	4,788	-	-	-	2.8	704	1,936
	Investigations	4.3	582	2,475	-	-	-	-	-	-
Total of above categories		80.5	572	46,038	12.4	536	6,649	136.5	-	77,106
Taxation	Tax	3.7	509	1,883	4.0	836	3,345	37.9	488	18,509
	VAT	6.3	443	2,788	-	-	-	6.3	472	2,955
Asset realisations	Other assets	-	-	-	0.7	380	253	2.1	526	1,095
Employees	Pensions	0.5	480	240	-	-	-	-	-	-
Correspondence	Creditors	2.5	480	1,200	1.8	650	1,138	4.1	485	1,966
	Shareholders	0.1	480	48	-	-	-	-	-	-
Distributions	Secured creditors	1.5	863	1,295	-	-	-	-	-	-
Total fees estimate		95.1	562	53,492	18.8	605	11,385	186.8	544	101,631



Remuneration and expenses  
Detailed information

Category 2 Expenses

Category 2 Expenses - are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. These expenses require creditor approval in the same manner as our remuneration.

Joint Administrators – Category 2 Expenses

As described on page 7, these are payments to us (as officeholder) or to our associates or payments which have an element of shared costs. Specific approval is required before these expenses can be drawn from the administration estate.

Details of our Category 2 expenses and the position with regard thereto are given below, all figures are shown exclusive of VAT.

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

KMRL - Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Mileage	100	-	-	-	-
Total expenses	100	-	-	-	-

KMGL - Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Mileage	50	-	73	-	73
Total expenses	50	-	73	-	73

KMH1 - Category 2 Expenses

£ (net)	Estimated per Proposals	Incurred in report period	Incurred to date	Paid	Unpaid
Mileage	50	-	-	-	-
Total expenses	50	-	-	-	-

Please note that any unpaid balances have been written off.

Prior to the move of the Deloitte UK Restructuring team to Teneo Financial Advisory Limited, ("the Transaction"), work being delivered by other Deloitte service lines (with the exception of Deloitte Call Centre) was charged to the estate to be recovered as part of the Joint Administrators' remuneration (from which an internal recharge would have then been made). We had thus included the anticipated costs for such services being delivered by Deloitte LLP in our fees estimates, as approved by creditors.

Following the Transaction, Deloitte costs were required to be treated as Category 2 disbursements and thus required creditor approval. For avoidance of doubt however, all such costs were paid out of our approved remuneration, i.e. have not been charged as an additional cost.

Deloitte LLP – Services being provided

No such services were provided in respect of the Companies during the administrations.

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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