

TO ALL KNOWN CREDITORS AND MEMBERS

1 April 2022

Ref: LKB/DH/MW/ES/D10.1

Please contact Emma Savage
Emma.savage@parthenon.ey.com

Dear Sirs

L.K. Bennett Limited (in Administration) (“the Company”)

High Court of Justice, Business and Property Courts of England and Wales (Insolvency & Companies List) – Number 1534 of 2019

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the administration. This report covers the period from **7 September 2021 to 6 March 2022** (“the Period”) and should be read in conjunction with the Joint Administrators’ Statement of Proposals dated 2 May 2019 (“the Proposals”) and our previous reports dated 7 October 2019, 2 April 2020, 2 October 2020, 30 March 2021 and 1 October 2021 (“the Previous Reports”).

Statutory information about the Company, the administration and the office holders is given at Appendix 1.

Summary of progress since the Previous Reports

Extension of administration

On 1 March 2022 the administration was extended for a period of 12 months by order of the court under paragraph 76 of Schedule B1 to the Insolvency Act 1986. The administration is due to end on 6 March 2023.

The request for the extension of the administration was made primarily to allow time for finalising trading matters, concluding ongoing property matters, submitting final tax returns, and to making further distributions to the Company’s creditors. Additional reasons for requesting an extension of the administration can be found in the “Remaining work” section of this report or the “Notice of the extension of the Administration to Creditors to 2023” on the website ey.com/en_uk/ey-lk-bennett-administration.

Trading

Concession sales

We continue to liaise with a small number of the Company’s former concession partners and LK Bennett Fashion Limited (formerly Byland UK Limited) in respect of sales made during the Administration Trading Period, to ascertain whether any further cash realisations are due to the Company.

During the Period £8,120 was received from one of the Company’s former concession partners.

Cash sales

During the Period we received funds from G4S Cash Solutions UK Limited, relating to cash in transit from two retail stores. VAT was accounted for on these sales and the net income totalled £29,980. No further asset realisations are expected in this regard.

Trading outcome

We estimate the Company generated a trading surplus of c.£831,000 during the Administration Trading Period. However, this is subject to final reconciliations which will be undertaken once discussions with concession partners have concluded and the final trading liabilities have been paid.

Property

With the assistance of the Company's lawyers, DLA Piper UK LLP ("DLA"), we are pursuing the recovery of sums due to the Company from the landlord of a leasehold property and a sub-tenant at another leased property.

Due to the commercial sensitivity of these claims, we are unable to disclose further information and will update creditors on the outcome of these claims in a future report.

International subsidiaries

The liquidation of LK Bennett Paris SARL is still progressing. The Company has lodged a claim of €2.6m with the judicial liquidator, which has been accepted. The judicial liquidator has not been able to specify quantum or a timeframe for the distribution due to an ongoing litigation. We will provide an update in our next report.

Litigation claims

As previously reported the Company is a claimant in financial litigation proceedings, the details of which remain confidential. The Company was party to the claim prior to the appointment of administrators, and we have allowed the incumbent lawyers to continue as before on a contingent fee basis. It remains too early to evaluate the quantum or likelihood of any realisations in this regard, and we will provide a further update in our next report.

Rates refunds

The Joint administrators instructed Altus Group (UK) Ltd ("Altus") to assist with the collection of pre-appointment business rates that had been prepaid by the Company and rateable value reductions. Total refunds received in the Period are £41,257, resulting in cumulative realisations of £287,970 to date. Altus have been paid fees of £5,576 during the period and £26,244 cumulatively. No further asset realisations or costs are expected in this regard.

Bank interest

Bank interest totalling £103 has been received in the Period from cash held in interest bearing bank accounts, resulting in a total of £18,464 of interest received during the administration to date.

Tax affairs

International VAT

As previously reported, international tax was payable on certain sales in the Administration Trading Period. Colleagues within EY's Indirect Tax team are assisting the Joint Administrators with finalising these tax matters and obtaining the necessary tax clearances.

Republic of Ireland VAT

VAT due on sales during the Administration Trading Period in relation to the Company's Republic of Ireland branches is estimated to be €110,939. Colleagues within EY's Republic of Ireland Indirect Tax team are submitting the VAT return on our behalf and will seek the necessary tax clearances once the liability is settled. Costs are estimated to be in the region of €3,000 to €5,000.

Corporation tax

The Joint Administrators were required to submit a corporation tax return relating to the Company's Republic of Ireland branches. Colleagues within EY's ROI Indirect Tax team drafted the necessary computations and a return to the period ending 11 April 2019 was submitted in the Period and there was no tax liability to pay.

Costs associated with the preparation of the tax return and computations was €15,000 and this was paid in the Period.

Receipts and payments account

A summary of our receipts and payments for the period from 7 September 2021 to 6 March 2022 is attached at Appendix 2. This does not reflect estimated future realisations or costs.

Joint administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Our remuneration was fixed on a time-cost basis at an estimate of £3,201,109 (exclusive of VAT), approved by the secured creditor and preferential creditors on 14 June 2019 and 20 June 2019 respectively.

During the Period, we have incurred time costs of £219,071, bringing cumulative total time costs incurred to £4,799,499 as at 6 March 2022. We have drawn no remuneration in the Period but cumulatively during the administration, remuneration of £2,622,947 has been drawn.

An analysis of the time spent, and a comparison with the fee estimate dated 1 May 2019 (“the Fee Estimate”) is attached as Appendix 4 to this report. Further details on the description of the work done during the Period can also be found at Appendix 4.

As at 6 March 2022, we have exceeded the Fee Estimate by c.£1.59m. This is largely a result of:

- additional time incurred relating to property matters as a result of finalising the LTO issued to the Purchaser, ensuring potential rates rebates identified were paid to the Company and pursuing the recovery of funds from a landlord and sub-tenant;
- additional time spent dealing with trading and in particular concession store sales reconciliations to ensure all monies owed to the Company were received;
- additional time dealing with the Company’s international subsidiaries resulting in additional realisations (e.g. USA, Netherlands and Spain);
- additional accounting and administration time incurred for ongoing general treasury and administrative tasks; and
- VAT and corporation taxation matters as a result of requiring the support of internal VAT and corporation tax specialists for specific issues relating to the Company’s UK and International VAT registration, VAT returns and corporation tax returns.

As a result of the additional work undertaken, realisations within the Administration have exceeded the levels expected at the time we made our original fee estimate by c.£3m.

We anticipate that our total time costs will exceed the Fee Estimate by at least c.£1.8m and we intend to seek the approval of the secured creditors and preferential creditors for an increase in the Administrator’s remuneration. Additional details on time spent in respect of further activities which have exceeded the Fee Estimate are provided at Appendix 4.

In any instance, we will not draw remuneration in excess of the Fee Estimate without prior approval, in accordance with Rule 18.30 of the Insolvency (England and Wales) Rules 2016.

Joint administrators’ statement of expenses incurred

During the Period, we have incurred administration expenses (GBP) totalling £35,928 (exclusive of VAT). A breakdown of expenses incurred in the Period and to date can be found at Appendix 3 of this report.

Certain expenses have exceeded the initial estimate dated 1 May 2019, reasons for which can be found at Appendix 3.

Distributions to creditors

Secured creditors

Wells Fargo Capital Finance (UK) Limited (“Wells Fargo”), the Company’s principal secured lender, had total indebtedness at 7 March 2019 of approximately £9.27m, secured by fixed and floating charges over the Company’s assets. Since appointment, charges and interest have continued to accrue and other adjustments have been added in the account.

A total of c.£7.8m (at GBP equivalent) has been distributed to Wells Fargo during the administration to date in respect of their secured claim against the Company, inclusive of amounts also distributed directly from pre-appointment bank accounts. A total of c.\$1.8m has also been paid to Wells Fargo from the US subsidiary which has reduced Wells Fargo’s secured claim against the Company under its cross-collateralised facilities between the US and the UK. Furthermore, the Joint Administrators also understand from discussions with Wells Fargo that it has utilised part of the £1m cash collateral previously provided by Cavendish Holdco Limited (formerly L.K. Bennett London Limited), the Company’s parent (“CHL”), in order to reduce its exposure. As a result, Wells Fargo’s secured debt has been repaid in full.

As Wells Fargo utilised of part of the cash collateral and under the general principles of subrogation, CHL benefits from the security granted by the Company in favour of Wells Fargo in respect of approximately c.£274,000, this being the estimated amount applied from the cash collateral to reduce Wells Fargo’s exposure.

Preferential creditors

As previously reported a dividend of 100p in the pound was declared on 7 December 2020 in respect of the claims of preferential creditors and paid to the preferential creditors on 10 December 2020 in discharge of their claims in full.

Non-preferential unsecured creditors

As communicated in the Proposals and the Previous Reports, the Company’s books and records indicate that non-preferential claims could total approximately £33.71m. We have received claims from non-preferential unsecured creditors of the Company totalling £35.0m to date, which are still subject to adjudication. Creditors that have not yet submitted claims are invited to do so by completing the proof of debt form at Appendix 5 and emailing it to lkbcreditors@uk.ey.com.

We continue to estimate that there will be insufficient funds to enable a distribution to the unsecured creditors other than by virtue of the Prescribed Part. The Joint Administrators estimate the value of the Prescribed Part to be £600,000 before the costs of dealing with the Prescribed Part.

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003.

Remaining work

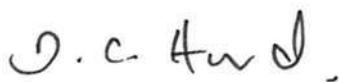
We continue to deal with the administration in line with the objectives stated in the Proposals. Future tasks will include, but are not limited to, the following:

- Finalising the administration trading account, including calculating and paying remaining administration trading liabilities and reconciling concession sales;
- To monitor the viability and progress of the Company's claim in financial litigation proceedings;
- Continue to pursue the recovery of funds due to the Company from certain landlords/sub-tenants, proceeding with legal action where applicable;
- To submit final VAT returns in the UK and overseas and settle any liabilities due to local tax authorities and/or procure receipts of any VAT reclaims;
- Submit UK corporation tax returns for the remainder of the administration;
- To monitor the progress of the insolvencies of the Company's overseas subsidiaries;
- Dealing with statutory reporting and compliance obligations, including reporting to creditors;
- Making further distributions to the secured creditor(s) if required;
- Agreeing unsecured creditor claims and distributing amounts due to unsecured creditors (by virtue of the Prescribed Part);
- To settle all administration costs including legal, professional and the Joint Administrators' fees;
- Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the administration.

Next report

We will report to you again at the conclusion of the administration or in six months' time, whichever is the sooner.

Yours faithfully
for the Company



D C Hurd
Joint Administrator

Enc: Appendix 1 – Statutory and company information
Appendix 2 – Joint Administrators' receipts and payments account for the Period
Appendix 3 – Summary of Joint Administrators' expenses incurred
Appendix 4 – Summary of Joint Administrators' time costs
Appendix 5 – Creditors proof of debt form

D C Hurd and C A Lewis are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. R H Kelly is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Company are being managed by the Joint Administrators, D C Hurd, C A Lewis and R H Kelly, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure



and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

L.K. Bennett Limited (in Administration) ('the Company')

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice, Business and Property Courts of England and Wales (Insolvency Companies List)
Court reference:	1534 of 2019
Registered name of the company:	L.K. Bennett Limited
Registered office address of the company:	c/o Ernst & Young LLP, No. 1 Colmore Square, Birmingham, B4 6HQ
Registered number:	02699136
Country of incorporation (for a company incorporated outside the United Kingdom):	n/a
Date of appointment of the Joint Administrators:	7 March 2019
Details of administration extension(s):	Administration extended with secured and preferential creditor approval to 6 March 2021 Administration extended by order of the court to 6 March 2022 Administration extended by order of the court to 6 March 2023
Details of any changes of administrator:	None
Full names of the administrators:	Daniel Christopher Hurd, Robert Hunter Kelly, Craig Anthony Lewis
Office holder number(s):	20030, 8582 and 9356
Administrators' address(es):	Daniel Christopher Hurd, Ernst & Young LLP, No. 1 Colmore Square, Birmingham, B4 6HQ Robert Hunter Kelly, Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR Craig Anthony Lewis, Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Telephone number:	0121 262 4520
Name of alternative person to contact with enquiries about the case:	Emma Savage

Appendix 2

L.K. Bennett Limited (in Administration) ('the Company')

Joint Administrators' summary of Receipts and Payments from 7 September 2021 to 6 March 2022 and cumulative to date

Joint Administrators' Summary of Receipts & Payments		7 September 2021 - 6 March 2022			7 September 2019 - 6 March 2022		
Per the Estimated Statement of Financial Position	£	GBP	EURO	USD	GBP	EURO	USD
RECEIPTS							
FIXED CHARGE ASSETS							
		85.56	-	-	6,074.83	-	-
915,984.00		-	-	-	-	-	-
		-	-	-	2,096.67	376,060.87	339,178.80
		-	-	-	509,891.28	131,954.87	-
		-	-	-	1.00	-	-
1,474,903.00		-	-	-	1.00	-	-
		-	-	-	1,474,991.00	-	-
		-	-	-	181,076.31	-	-
		85.56	-	-	2,174,132.07	508,015.74	339,178.80
FLOATING CHARGE ASSETS							
825,000.00		-	-	-	825,000.00	-	-
7,508,000.00		-	-	-	7,508,948.00	-	-
		-	-	-	1.00	-	-
		-	-	-	1.00	-	-
		-	-	-	1.00	-	-
		-	-	-	1.00	-	-
		-	-	-	1.00	-	-
		-	-	-	1.00	-	-
		-	-	-	1.00	-	-
		-	-	-	152,538.12	-	-
		-	-	-	25,165.68	-	-
		(50,688.00)	-	-	41,929.17	-	-
		41,257.48	-	-	287,970.59	-	-
		(90,093.14)	-	-	69,065.75	-	-
987,753.00		-	-	-	-	-	-
		90,093.14	-	-	134,513.72	438,141.90	22,022.90
		-	-	-	953,071.10	-	-
		17.83	-	-	12,388.79	-	-
100,000.00		-	-	-	-	-	-
		-	-	-	-	-	33,253.00
		-	-	-	-	302,425.18	-
		-	-	-	-	144,000.00	-
		-	-	-	26,000.00	-	-
		38,099.86	-	-	601,543.73	277,594.08	-
		28,887.17	-	-	10,638,142.65	1,162,161.16	55,275.90
Per the Estimated Statement of Financial Position							
		7 September 2021 - 6 March 2022			7 September 2019 - 6 March 2022		
£	PAYMENTS	GBP	EURO	USD	GBP	EURO	USD
FIXED CHARGE PAYMENTS							
		-	-	-	1,010,188.11	407,360.44	395,201.19
		-	-	-	375.14	-	-
		-	-	-	375.00	-	-
		0.00	-	-	(1,010,938.25)	(407,360.44)	(395,201.19)
FLOATING CHARGE PAYMENTS							
		-	-	-	2,622,947.00	-	-
		-	-	-	60,997.42	-	-
		-	-	-	2,125.00	-	-
		-	-	-	46,710.31	11,248.02	-
		12,068.23	-	-	17,333.92	-	-
		(350.00)	-	-	666,937.88	48,651.50	-
		-	-	-	6,173,528.00	-	16,605.00
		-	-	-	213,801.06	-	-
		-	-	-	87.48	-	-
		1,000.86	-	-	7,065.59	-	-
		21,575.92	-	-	70,298.85	-	-
		-	-	-	214,757.50	-	-
		-	-	-	647.36	-	-
		-	-	-	11,244.67	-	-
		2.35	-	-	2,577.19	867.77	620.85
		-	-	-	87,942.12	406,525.97	-
		369.81	-	-	2,974.36	-	-
		1,232.00	-	-	2,464.00	-	-
		(35,899.17)	-	-	(10,204,439.72)	(467,293.26)	(17,225.85)
		-	-	-	(35,703.52)	-	-
NET RECEIPTS AND PAYMENTS							
		(7,128.44)	0.00	0.00	1,561,193.23	795,523.20	(17,972.34)
REPRESENTED BY							
		18,734.02	(15,000.55)	-	2,062,747.04	233,161.93	-
		(6,061.31)	(4,798.60)	-	70,591.53	(110,939.32)	-
		-	-	-	(219.07)	-	-
		-	-	-	-	-	-
		-	-	-	-	81,304.19	2,097.79
		12,672.71	(19,799.15)	-	2,133,119.50	203,526.80	2,097.79
GBP equivalent							
		-	-	-	2,133,119.50	168,251.93	1,585.62
Total GBP Equivalent:							
		-	-	-	<u>2,302,957.05</u>	-	-

Appendix 2 (continued)

L.K. Bennett Limited (in Administration) ('the Company')

Joint Administrators' summary of Receipts and Payments from 7 September 2021 to 6 March 2022 and cumulative to date

ANALYSIS OF TRADING RECEIPTS & PAYMENTS	7 September 2021 - 6 March 2022			7 September 2019 - 6 March 2022		
RECEIPTS	GBP	EURO	USD	GBP	EURO	USD
POST APPOINTMENT SALES						
Sales - Bardays	-	-	-	2,963,032.78	-	-
Sales - Paypal	-	-	-	226,910.33	-	-
Sales - AMEX	-	-	-	203,439.34	-	-
Sales - Cash	29,980.24	-	-	104,000.55	-	-
Sales - Concessions	8,119.62	-	-	486,035.35	-	-
Sales - Ireland	-	-	-	-	462,363.22	-
	38,099.86	-	-	3,983,418.35	462,363.22	-
COST OF SALES						
Consumables	-	-	-	9,942.22	-	-
Concession fees	-	-	-	11,062.99	-	-
Logistics	-	-	-	390,960.42	-	-
Administration Funding Agreement - Fees & Interest	-	-	-	26,472.00	-	-
Merchant & Acquirer Costs	-	-	-	122,827.05	-	-
Stock release fees	-	-	-	24,952.54	-	-
ROT	-	-	-	29,745.00	-	-
Ransom Payments	-	-	-	182,609.10	-	-
	-	-	-	(798,571.32)	-	-
TRADING OVERHEADS						
Gross Wages	-	-	-	1,085,468.05	146,416.31	-
Employers NIC	-	-	-	91,734.07	-	-
Employee benefits	-	-	-	2,723.69	-	-
Employee contributions	-	-	-	1,123.20	-	-
Contractors	-	-	-	134,902.40	-	-
Electricity	-	-	-	27,054.45	-	-
Sundry trading overheads	-	-	-	3,515.98	11,280.55	-
Telephone	-	-	-	65,333.33	-	-
Rates	-	-	-	175,572.96	-	-
Property Service Charges	-	-	-	42,160.70	-	-
Rent	-	-	-	-	-	-
Trading period	-	-	-	632,837.31	21,556.24	-
Net paid/received on behalf of subtenants	-	-	-	68,737.54	-	-
Insurance	-	-	-	50,124.80	-	-
Website Costs	-	-	-	36,100.04	-	-
IT	-	-	-	109,043.54	-	-
Employee Expenses	-	-	-	-	-	-
Pre Appointment Expenses	-	-	-	1,666.05	-	-
Post Appointment Expenses	-	-	-	8,119.81	5,516.04	-
Pension Contributions	-	-	-	18,728.34	-	-
Photoshoots & Advertising	-	-	-	5,609.34	-	-
Property Maintenance Costs	-	-	-	24,994.10	-	-
	-	-	-	(2,583,303.30)	(184,769.14)	-
NET TRADING RECEIPTS/(PAYMENTS)	38,099.86	-	-	601,543.73	277,594.08	-
GBP equivalent				601,543.73	229,482.01	-
GBP TRADING SURPLUS/(DEFICIT)				831,025.74		

Notes

1. Receipts and payments are stated net of VAT.
2. "Purchaser Licence fees" relate to rent being held in order to discharge rent on behalf of the Purchaser and will eventually net to zero. Whilst matters relating to the LTO have been finalised, the Joint Administrators still retain certain funds which may or may not be due back to the Purchaser, depending on the outcome of certain property matters. Any updates will be provided in our next report.
3. The exchange rates used for the Period were 0.8267 and 0.7559 for EUR and USD balances respectively.
4. "Net funds held on behalf of Purchaser after payments" – are not necessarily assets of the administration. A proportion of these relate to funds received into the Administrators account in relation to the Purchaser's trading period and are due to be transferred to the Purchaser in due course. The total sum of £50,688 has been paid in the Period and relates to concession monies transferred to LK Bennett Fashion Limited.
5. "Sundry income" – the reclassification of £90,093 relates to monies received from the closure of a pre-appointment bank account. Funds were initially recorded in sundry income as we wanted to confirm that this was an asset of the Company.

Appendix 3

L.K. Bennett Limited (in Administration) ('the Company')

Joint Administrators' summary of expenses incurred

	Per estimate dated 1 May 2019		Paid as at 6 September 2021		Paid in Period		Outstanding		Total estimate as at 6 March 2022	
	GBP	EUR	GBP	EUR	GBP	EUR	GBP	EUR	GBP	EUR
	£	€	£	€	£	€	£	€	£	€
Trading payments										
Logistics	413,449	-	390,960	-	-	-	-	-	390,960	-
Administration Funding Facility: Wells Fargo	29,472	-	26,472	-	-	-	-	-	26,472	-
Merchant & Acquirer Costs	139,340	-	122,827	-	-	-	-	-	122,827	-
Stock Release Fees	25,739	-	24,953	-	-	-	-	-	24,953	-
ROT	-	-	29,745	-	-	-	-	-	29,745	-
Ransom Payments	172,609	-	182,609	-	-	-	-	-	182,609	-
Wages	1,090,050	142,238	1,085,468	146,416	-	-	-	-	1,085,468	146,416
Employers NI and benefits	94,630	5,000	93,335	-	-	-	-	-	93,335	-
Consumables	14,942	-	9,942	-	-	-	-	-	9,942	-
Concession Fees	-	-	11,063	-	-	-	-	-	11,063	-
Contractors	131,262	-	134,902	-	-	-	-	-	134,902	-
Electricity	29,005	-	27,054	-	-	-	-	-	27,054	-
Telephone	105,333	-	65,333	-	-	-	-	-	65,333	-
Rent and Service Charges*	985,533	-	743,736	21,556	-	-	-	-	743,736	21,556
Rates	400,000	-	175,573	-	-	-	-	-	175,573	-
Insurance	11,929	-	50,125	-	-	-	-	-	50,125	-
Website Costs	59,963	-	36,100	-	-	-	-	-	36,100	-
IT	112,278	-	109,044	-	-	-	-	-	109,044	-
Employee Expenses	9,776	1,028	9,786	5,516	-	-	-	-	9,786	5,516
Pension Contributions	18,727	-	18,728	-	-	-	-	-	18,728	-
Photshoots & Advertising	17,461	-	5,609	-	-	-	-	-	5,609	-
Property Maintenance Costs	30,481	-	24,994	-	-	-	-	-	24,994	-
Sundry Trading Overheads*	-	-	3,516	11,281	-	-	-	-	3,516	11,281
	3,891,979	148,266	3,381,875	184,769	-	-	-	-	3,381,875	184,769
Other payments which are not disbursements										
Insurance	50,000	-	1,232	-	1,232	-	3,000	-	5,464	-
Advertising	2,000	-	87	-	-	-	-	-	87	-
Storage	5,000	-	6,065	-	1,001	-	10,120	-	17,186	-
Agent's Costs: Hilco (including store closures)	180,000	-	172,125	-	-	-	-	-	172,125	-
Agent's Costs: Other	30,000	-	44,176	-	-	-	-	-	44,176	-
Legal Costs: DLA Piper	520,000	-	667,288	-	(350)	-	90,000	-	756,938	-
Legal Costs: A&L Goodbody	-	50,000	-	48,652	-	-	-	-	-	48,652
Other professional fees	-	-	48,723	-	21,576	-	5,000	-	75,299	-
Bank charges	-	-	2,950	868	2	-	500	200	3,452	1,068
Sundry expenses	-	-	647	-	-	-	1,000	-	1,647	-
Data room	-	-	11,245	-	-	-	-	-	11,245	-
Cost of Dealing with Subsidiaries	-	-	87,942	104,101	-	-	20,000	-	107,942	104,101
International VAT liability	-	-	5,266	-	12,068	-	-	111,000	17,334	-
Irrecoverable VAT	-	-	46,710	11,248	-	-	-	-	46,710	11,248
Corporation tax	-	-	2,605	-	370	-	3,000	-	5,974	-
	787,000	50,000	1,097,061	164,868	35,899	-	132,620	111,200	1,265,580	165,068
Category 1 disbursements										
Specific Penalty Bond	1,280	-	1,280	-	-	-	-	-	1,280	-
Accommodation & Subsistence	40,000	-	36,973	-	-	-	-	-	36,973	-
Travel Costs (excluding mileage)	21,000	-	23,971	-	-	-	-	-	23,971	-
Postage & Printing	2,750	-	3,047	-	28	-	2,000	-	5,075	-
	65,030	-	65,271	-	28	-	2,000	-	67,299	-
Category 2 disbursements										
Mileage	1,250	-	243	-	-	-	-	-	243	-
	1,250	-	243	-	-	-	-	-	243	-
Total	4,745,259	198,266	4,544,449	349,637	35,928	0	134,620	111,200	4,714,996	349,837

Notes

- Statement of Insolvency Practice 9 (SIP 9) defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors. Some of the entries above are reallocation of costs between different expense codes already incurred in prior periods.
- SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment

Appendix 3 (continued)

- Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.
- 3 The £21,576 of Other professional fees relates to fees paid to Altus in the Period and EY ROI for tax work as noted earlier within the report.
 - 4 The £12,068 of International VAT is an adjustment of international VAT.
 - 5 During the Period, certain expenses have either exceeded, or are expected to exceed (based on revised estimates), the original estimate dated 1 May 2019. Reasons for these expenses exceeding the initial estimate are detailed below:
 - Storage – This is currently an estimate as we are still liaising with the storage providers to determine the level of future costs.
 - Postage and Printing – Estimated costs for future distributions to creditors.

Please refer to the Previous Reports for reasons expenses exceeded, or were first identified as being expected to exceed, the original fee estimate dated 1 May 2019.

** Includes adjustments for expenses incurred in the prior periods.*

Appendix 4

L.K. Bennett Limited (in Administration) ('the Company')

Joint Administrators' time costs for the period from 7 September 2021 to 6 March 2022 ("the Period") and cumulative to date, with a comparison to the fee estimate dated 1 May 2019 ("the Fee Estimate")

Activity	Per fee estimate dated 1 May 2019			Actual during the Period			Total actual to 6 March 2022		
	Total hours	Total time cost (£)	Average hourly rate (£)	Total hours	Total time cost (£)	Average hourly rate (£)	Total hours	Total time cost (£)	Average hourly rate (£)
Accounting and administration	797.8	294,218	369	155.3	77,982	502	1,972.5	765,091	388
Bank & statutory reporting	247.2	141,988	574	38.0	27,405	721	577.7	358,252	620
Creditors	428.2	154,982	362	98.3	30,572	311	577.5	192,264	333
Debtors	322.8	127,830	396	0.5	111	222	301.8	115,554	383
Employee matters	441.8	196,956	446	9.1	4,105	451	531.6	217,561	409
Immediate tasks	381.3	180,733	474	25.0	6,234	249	433.8	200,284	462
Investigations	103.7	43,109	416	-	-	-	66.7	27,726	416
Job acceptance & strategy	44.5	38,775	871	-	-	-	20.5	20,688	1,009
Legal issues	26.8	16,470	615	17.4	11,876	683	31.7	21,605	682
Other assets	604.7	394,993	653	6.9	5,687	824	710.7	480,515	676
Other matters	-	-	-	15.3	12,247	800	206.3	144,156	699
Property	479.2	207,350	433	9.6	5,620	585	1,133.7	500,044	441
Public relations	40.8	30,693	752	-	-	-	4.8	3,328	693
Retention of title	132.5	47,094	355	-	-	-	106.1	41,471	391
Sale of business	938.1	538,460	574	-	-	-	803.3	469,728	585
Statutory duties	166.8	52,266	313	21.5	14,902	693	308.2	132,837	431
Trading	1,195.4	592,833	496	0.6	408	680	1,380.7	651,491	472
VAT & taxation	218.8	142,358	651	36.5	21,925	601	752.4	456,905	607
Total	6,570.4	3,201,109	487	434.0	219,071	505	9,920.0	4,799,499	484

The work completed during the administration, split by activity, is detailed below:

Category of work	Description of work to be completed
Accounting & Administration	<ul style="list-style-type: none"> Work undertaken in this category is required in order to progress the Administration and does not necessarily result in a direct financial benefit to creditors. However, compliance diaries and time cost reporting are statutory requirements. Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost reporting Post-trading reconciliations, including cash to sales reconciliations
Bank & Statutory Reporting	<ul style="list-style-type: none"> Work undertaken in this category does not result in a direct financial benefit to creditors, however reporting to the Company's secured creditor is done so to provide ongoing updates on the Administration. Six-monthly progress reports and the final report to all creditors is a statutory requirement. Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report Regular reporting to Wells Fargo Capital Finance (UK) Limited Providing updates and distributions from the Company and also updates in respect to distributions paid to under it cross-collateralised facilities between the US and the UK Confirming and reconciling Well's utilisation of the cash collateral held in relation to Cavendish Holdco Limited ("Cavendish"). This was not previously anticipated however additional realisations from the work we have performed has meant this was necessary. Updating the estimated outcome of the case for reporting purposes to Wells Fargo Capital Finance (UK) Limited.
Creditors	<ul style="list-style-type: none"> Work undertaken in this category will result in a financial benefit to creditors, after distributions to the Company's creditors have been made Receipt and recording of creditor claims Correspondence with creditors Adjudicating on claims from preferential and non-preferential unsecured creditors, and processing distributions (as applicable)
Debtors	<ul style="list-style-type: none"> Work undertaken in this category has resulted in a direct financial benefit to creditors of c.£1.19m (GBP equivalent). Future realisations are uncertain but are likely to be minimal.

	<ul style="list-style-type: none"> - Discussing and agreeing collections of book debts - Written and verbal correspondence with customers, including providing supporting documentation - Monitoring book debt collections - Realising value from book debts
Employee Matters	<ul style="list-style-type: none"> - <i>Work in this category has been undertaken to assist employees during the Administration. Whilst this is not directly linked to a financial benefit to creditors, certain tasks have allowed the Company to continue trading and therefore, facilitated realisations from the Company's assets which will provide a financial benefit to creditors.</i> - Dealing with employees, including receipt and recording of employee claims - Writing to employees regarding their TUPE transfer or redundancy (where appropriate) - Dealing with ad hoc employee enquiries - Processing payroll for retained employees - Liaising with the Redundancy Payments Service and processing employee claims
Immediate Tasks	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and did not necessarily result in a direct financial benefit to creditors.</i> - Completion of work streams requiring immediate attention following appointment in order to execute the strategy outlined in the Proposals - Includes attendance at stores upon appointment - All costs under this heading were incurred during the first 5 weeks of the Administration, and no future costs are anticipated
Investigations	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and did not result in a direct financial benefit to creditors.</i> - Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2: "Investigations by Office Holders" - Making an online submission to the Director Conduct Reporting Service in accordance with the Company Directors Disqualification Act 1986
Job Acceptance & Strategy	<ul style="list-style-type: none"> - <i>Work undertaken in this category was required to ensure appropriate planning and considerations were completed to enable the Joint Administrators to minimise the disruption to the Company upon entering Administration. As a result, there is an indirect financial benefit to creditors in completing this work.</i> - Matters relating to the appointment, initial planning of the Administration strategy, and formulating and executing the strategy adopted - Considering exit routes from Administration and implementing the most appropriate route as set out in the Joint Administrators' Statement of Proposals
Legal Issues	<ul style="list-style-type: none"> - <i>Work undertaken in this category will not result in a direct financial benefit to creditors but has been required to ensure the Joint Administrators have considered the legal implications on a number of matters during the Administration.</i> - Liaising with the Joint Administrators' appointed legal advisors in connection with various work streams (property, retention of title, trading) - Dealing with any ad hoc legal issues which may arise in the Administration
Other Assets	<ul style="list-style-type: none"> - <i>Work undertaken in this category has resulted in a direct financial benefit to creditors, including c. £288k of rates refunds and rateable value reductions, and amounts realised from overseas subsidiaries as discussed in previous reports.</i> - Dealing with all matters pertaining to the realisation of the Company's wholly owned overseas subsidiaries - Realising value from the Company's residual assets - Assessing, quantifying and seeking to realise value from assets not recorded in the management accounts of the Company at the date of appointment
Property	<ul style="list-style-type: none"> - <i>Work undertaken in this category has not directly resulted in a financial benefit to creditors, however it has enabled the Company to continue trading from Company premises which in turn has facilitated further asset realisations.</i> - Dealing with all matters relating to the Company's leasehold properties, including correspondence with landlords, local authorities and utility suppliers - Making arrangements for the exit of leasehold premises - Dealing with surrender of properties - Dealing with the license to occupy agreement (as outlined in the Joint Administrators' Statement of Proposals) and the ongoing matters as a result of the agreement.
Public Relations Issues	<ul style="list-style-type: none"> - <i>Work undertaken in this category has not resulted in a direct financial benefit to creditors</i> - Agreeing and issuing statements to the press as required, and dealing with enquiries from the media
Retention of Title	<ul style="list-style-type: none"> - <i>Work undertaken in this category has not resulted in a direct financial benefit to</i>

	<p><i>creditors, however it has benefited certain suppliers who had a retention of title claim, thereby reducing the value of unsecured claims which may have been lodged against the Company.</i></p> <ul style="list-style-type: none"> - Reviewing retention of title claims from suppliers - Discussions with the purchaser in respect of retention of title claims
Sale of Business	<ul style="list-style-type: none"> - <i>Work undertaken in this category has resulted in a direct financial benefit to creditors of c.£9.81m.</i> - Exploring and executing opportunities to sell the business and/or assets of the Companies - Carrying out the sales process in respect of the business and certain assets of the Company, as outlined in the Proposals - Finalising post-sale matters, including deferred consideration matters
Statutory Duties	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and has not resulted in a direct financial benefit to creditors.</i> - Completion of statutory requirements of the Administration, including notifications to the creditors and members, advertising the appointment and filing documents at Companies House
Trading	<ul style="list-style-type: none"> - <i>Work undertaken in this category has resulted in a direct financial benefit to creditors, specifically as ongoing trading has enabled the Company to achieve a sale of certain business and assets. The latest overall trading profit estimate is c.£831k (at GBP equivalent). This may change depending on the finalised trading outcome.</i> - Completion of all work associated with trading the business for 5 weeks, including liaising with concession partners, customers, suppliers and merchant service providers - Monitoring financial information from trading - Dealing with and monitoring ongoing trading strategy in respect of stores, web and concession partners
VAT & Taxation	<ul style="list-style-type: none"> - <i>Work undertaken in this category is a statutory requirement and will not necessarily result in a direct financial benefit to creditors</i> - Filing on appointment notices with HM Revenue & Customs - Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists - Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration - Preparing claims for VAT bad debt relief (if applicable)

The following activities have exceeded the time cost estimate:

- *Accounting & Administration*
The overall management of the case, including treasury and accounting functions, has required a larger amount of time costs to be incurred in these activities.
- *Bank and statutory reporting*
Additional time has been spent in preparing updates to the Company's secured creditor, as well as completing tasks required for statutory compliance, including seeking and securing a second extension. Additional time has also been incurred in relation to distributions paid to the secured creditor under its cross-collateralised facilities between the US and UK and confirming and reconciling Well's utilisation of the cash collateral held in relation to Cavendish.
- *Creditors*
Additional time has been spent in recording claims and responding to creditor queries, including those from landlords.
- *Employee matters*
Additional time has been spent in dealing with employee claims and processing them including significant additional time processing the Purchaser's payroll post acquisition (all monies were re-imbursed to the Company).
- *Immediate Tasks*
Additional time costs incurred relating to the immediate actions requiring attention following the appointment in order to execute the strategy outlined in the Proposals.

- *Other assets*
Additional time costs incurred in relation to continue to pursue realisations from the Company's international subsidiaries.
- *Other Matters*
The Fee Estimate had not forecast any time costs for 'Other Matters', however during the Period, we have incurred time costs in relation to various matters including holding team meetings regarding the ongoing strategy of the administration and arranging insurance requirements post-Administration Trading Period.
- *Property*
Time costs have exceeded the estimate as a direct result of the work undertaken during the Administration with the LTO granted to the Purchaser. It also includes significant additional time dealing with the LTO extension and proposed extension. As a result, further work than anticipated has been spent in dealing with landlords, agreeing completions and resolving other property matters.
- *Statutory Duties*
Time costs have been exceeded in 'Statutory Duties' due to the time costs associated with the second deemed approval of the Proposals as referred to in the Previous Reports as well as seeking a further extension to the administration.
- *Trading*
Additional time costs incurred as a result of work performed to finalise trading sales reconciliations and settling trading liabilities for the Administration Trading Period.
- *VAT & Taxation*
There have been number of additional matters to address with regards to VAT and taxation which have resulted in exceeding our time costs estimate. These include a large amount of time spent on the Company's first VAT return reconciling the sales and expenses incurred during the Administration Trading Period as well as ongoing international VAT return submissions. Further, our VAT specialists have incurred time resolving the Company's removal from the previous VAT group and ensuring a new VAT registration was applied for accordingly. A corporation tax return for the Company's branches in the Republic of Ireland is also being prepared.

Administration Proof of Debt
Rule 14.4, Insolvency (England and Wales) Rules 2016

L.K. Bennett Limited

Date of Administration: 7 March 2019

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 7 March 2019

Less: any payments made to you after 7 March 2019 in
respect of the claim

Less: any trade or other discounts (except early payment discounts)
under Rule 14.20

Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning of
section 386, schedule 6, of the Insolvency Act 1986? If so, into which
category of debt does it fall?

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- | Patient Information | |
|-----------------------|--|
| First Name | |
| Last Name | |
| Address | |
| City | |
| State | |
| Zip | |
| Phone | |
| Insurance | |
| Physician Information | |
| Physician Name | |
| Physician Address | |
| Physician City | |
| Physician State | |
| Physician Zip | |
| Physician Phone | |
| Physician Insurance | |
| Referral Information | |
| Referral Number | |
| Referral Date | |
| Referral Type | |
| Referral Source | |
| Referral Reason | |
| Referral Status | |
| Referral Notes | |
| Referral History | |
| Referral Date | |
| Referral Type | |
| Referral Source | |
| Referral Reason | |
| Referral Status | |
| Referral Notes | |
| Referral Summary | |
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| Referral Reason | |
| Referral Status | |
| Referral Notes | |

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File with Emma Savage

Reviewed by _____

Notes to Administration Proof of Debt Form:

1. Please attach a detailed statement of your account as at the date on which the company entered Administration.
2. VAT bad debt relief may usually be claimed six months after the date of supply.
3. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
4. The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.