



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 00533087

Company name in full Mothercare UK Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Zelf

Surname Hussain

3 Administrator's address

Building name/number PricewaterhouseCoopers LLP

Street 7 More London

Riverside

Post town London

County/Region

Postcode SE1 2RT

Country United Kingdom

4 Administrator's name ①

Full forename(s) Mark James Tobias

Surname Banfield

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number PricewaterhouseCoopers LLP

Street 7 More London

Riverside

Post town London

County/Region

Postcode SE1 2RT

Country United Kingdom

② 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 0	^d 5	^m 0	^m 5	^y 2	^y 0	^y 2	^y 1
To date	^d 0	^d 4	^m 1	^m 1	^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 0	^d 2	^m 1	^m 2	^y 2	^y 0	^y 2	^y 1
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**Presenter information**

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

Contact name **Matt Duckworth**

Company name **PwC LLP**

Address **Central Square**

29 Wellington Street

Post town **Leeds**

County/Region

Postcode

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Country **United Kingdom**

DX

Telephone **0113 289 4916**

**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.

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DX 33050 Cardiff.

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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. ❶
Attach this to the relevant form.
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
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) David Robert
Surname Baxendale

3 Insolvency practitioner's address

Building name/number PricewaterhouseCoopers LLP
Street 7 More London
Riverside
Post town London
County/Region
Postcode S E 1 2 R T
Country

Joint administrators' progress report from 5 May 2021 to 4 November 2021

Mothercare UK Limited (in administration)

High Court of Justice, Business and Property Courts of England
& Wales, Insolvency & Companies List

Case no. CR-2019-007351

2 December 2021

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report

Abbreviation or definition	Meaning
Company or MUKL	Mothercare UK Limited
Administrators	Zelf Hussain, Mark James Tobias (Toby) Banfield and David Robert Baxendale
Augment stock	This was additional stock bought directly by Gordon Brothers during the Administration, and sold in Mothercare stores. The purpose of this was to supplement Mothercare stock, with the estate set to receive a percentage of any profit generated. The stock brought was of a similar nature to the products that MUK would normally sell. Augment stock allows for the benefit of increasing footfall and therefore sales. The margin on Augment stock is typically high given that the stock is normally bought at a significant discount.
Firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
MBSL	Mothercare Business Services Limited
MGBL, the Purchaser	Mothercare Global Brand Limited
NOID	Notice of Intended Dividend
PPF	Pension Protection Fund
Secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
Preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by Zelf Hussain, Mark James Tobias (Toby) Banfield and David Robert Baxendale as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at www.pwc.co.uk/mothercareuk. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain, Toby Banfield and David Baxendale have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

I'm writing to update you on the progress of the administration of the Company in the six months since our last report dated 27 May 2021.

You can still view our proposals and our previous report on our website at www.pwc.co.uk/mothercareuk. Please get in touch with the case team at uk_mothercare@pwc.com if you need the password to access the documents.

Please be advised that the administration of Mothercare Business Services Limited ended on 3 November 2021, but for the purpose of consistency there will still be mention of this company in this report.

How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (%)	Previous estimate (%)
Secured creditors	78% - 79%	69% - 73%
Preferential creditors	100% (paid)	100%
Unsecured creditors	0.65% (paid)	0.5% - 0.7%

We think it is unlikely that the secured creditors will be fully repaid their lending of £34m in MUKL and £24m in MBSL out of their security over the Companies' assets. However, as part of the sale agreement for the international franchise contracts and intellectual property of the MUKL business, the Purchaser agreed to pay an additional top up cash consideration adjustment to ensure the secured creditors are paid in full.

We paid preferential creditors in full on 26 May 2021.

We paid the Company's unsecured creditors totalling £73,933,289 a dividend of 0.65% on 3 August 2021 from the prescribed part.

The current estimate exceeds the previous estimate as a result of the following:

- The total value of the secured debt has reduced as a result of the release of guarantees. This follows negotiations with beneficiaries in addition to the expiry of guarantees not claimed against;
- The release of provisions for certain costs and expenses that have now been finalised; and
- The reduction in estimated future operating costs with corresponding reductions in estimated VAT payable.

It should be noted that when assessing the likely return to secured creditors, we have not included any value in relation to the outstanding multilateral interchange fees claim against VISA and Mastercard. This is due to the fact that the value of this litigation is uncertain.

What you need to do

This report is for your information and you don't need to do anything.

Overview of what we've done to date

As explained in our first report, we have undertaken a number of different workstreams in order to progress and achieve the purpose of the administration. Below is a brief outline of the work done in the first eighteen months of the administration. Please refer to our proposals and previous reports for more detailed information on these matters.

Sale of business and assets

As creditors are aware, MGBL purchased the beneficial interest in the international franchise contracts and intellectual property of the MUKL business together with rights to key operating contacts. Please refer to our previous progress reports for further details of the sale.

Trading

MUKL and MBSL traded for ten weeks post administration to affect a disposal of the stock as we thought this would result in the best outcome for creditors.

The stores traded from 5 November 2019 and were closed in the first few weeks of January 2020. Since the stores closed, the Administrators have continued to finalise outstanding trading liabilities and to collect in outstanding trading receipts.

Tax, VAT & Duties

MUKL and MBSL were members of the wider Mothercare plc VAT group and HMRC allowed both companies to remain in the VAT group for an agreed period of time, allowing us to continue to trade and to ensure recovery of import VAT from HMRC.

MUKL and MBSL were removed from the Mothercare Plc VAT group with an effective date of 31 January 2020, with MUKL then registered for VAT on a standalone basis. Since then, quarterly VAT returns have been submitted to HMRC.

We have prepared and submitted the corporation tax returns for the following periods:

- Year ended 31 March 2019;
- Period ended 4 November 2019;
- Period ended 13 January 2020;
- Period ended 31 March 2020; and
- Period ended 31 March 2021.

Employees

On appointment, the Companies had 2,992 employees. 156 employees immediately TUPE transferred to MGBL in connection with the sale of the brand and international business. A subsequent deal with Boots and MGBL saw the TUPE transfer to MGBL of 23 MUKL employees who worked in connection with the Mothercare Group's Mini Club joint venture with Boots.

A number of redundancies were made from head office during the first week, with the majority of store based staff being made redundant in January 2020, and the final employee leaving on 31 January.

Pensions

We submitted the required statutory notices in relation to the pensions schemes, including the issuing of statutory scheme rescue notices for the Mothercare Staff Pension Scheme and the Mothercare Executive Pension Scheme to the PPF.

Arrangements were put in place to ensure that employee risk benefits previously arranged on a group basis (including life and private medical insurance) remained on risk. Work was also undertaken to ensure that pension contributions during the trading period were paid over for the relevant employees, that the contribution positions for the various

pension, life assurance and medical insurance schemes were determined and claims submitted to the RPS where appropriate.

Property

MUKL occupied over 80 leasehold properties, the majority being retail stores used during the trading period. We negotiated with landlords and obtained significant discounts on the passing rents for the period of occupation. Surrenders were offered following the vacation of the stores. To date, 33 leases have been surrendered or expired.

We have continued to settle the gas and electricity for the Company's various premises. Where supply contracts did not transfer automatically to a landlord or new occupier, we negotiated with landlords to take on the supply or instructed agents to disconnect the meters to mitigate the Company's liability. This exercise was completed in the period and the Company's final liability settled.

Other assets

We successfully pursued the refund from the group life assurance scheme relating to premiums paid for annual employee life cover pre-appointment. The amount refunded was £31,967.

CAPA has continued to finalise business rates liabilities. As at 4 November 2021, MUKL had paid £2,341,153 in business rates and had recovered £617,287 for historic overpayments of rates.

The Administrators had been liaising with lawyers concerning ongoing litigation that MUKL has with Visa and Mastercard. MUKL is part of a group of claimants that are in the process of taking action against Visa and Mastercard to recover multilateral interchange fees that have been found by the European Commission as being in restriction of competition. In the summer of 2020, the UK Supreme Court upheld this view in separate litigation brought by a number of UK supermarkets. The total value of MUKL's claim is not disclosed here for commercial reasons. The Administrators are continuing to work with the lawyers to achieve a favourable settlement, but this matter may proceed to full litigation if a settlement cannot be reached on behalf of the claimants.

Progress since we last reported

Trading

Since the stores closed in January 2020, the Administrators have continued to finalise outstanding trading liabilities and to collect outstanding trading receipts. The Administrators have worked closely with merchant service providers Amex, Global Pay and Paypal, to release outstanding trading funds which were being retained as collateral against contingent chargeback liabilities. We have now recovered the majority of funds, with £4.1m of funds being realised.

We have continued to negotiate and settle outstanding liabilities for rent, rates and utility providers. During the period of this report, we have reached a commercial settlement with one significant utility supplier to pay for all post-administration expenses owed.

Our trading receipts and payments to date are detailed in Appendix A. We are still awaiting confirmation of final trading expenses and release of funds from merchant services suppliers which will change these reported figures.

We are aware of instances where customers who purchased a Mothercare product after the Company ceased trading have been advised to contact the Administrators. Unfortunately, we are unable to assist with any faulty product queries, requests for replacement parts or consider any claims where the purchase was made after the Company ceased trading.

VAT

During the period, MUKL submitted an additional two quarterly VAT returns for the periods ending May 2021 and August 2021. The VAT returns showed VAT repayments due to MUK of £8,192 and £127,737, respectively. The May 2021 VAT repayment was received from HMRC on 18 June 2021. The August 2021 repayment was received from HMRC on 6 October 2021.

We continue to carry out periodic VAT reconciliations to ensure that all VAT payments / refunds had been made / received by MUKL.

Tax

During the period, we have completed the tax compliance for the period ended 31 March 2021 and submitted our corporation tax return to HMRC on 18 August 2021 on a receipts and payments basis. There was no tax liability for this period.

Prior to the closure of the administration, we will work to seek prior tax clearance and bring all outstanding tax compliance up to date.

Other assets

CAPA are continuing to negotiate with local authorities to finalise rating liabilities for the period of our occupation for all properties. As of 4 November 2021, MUKL has paid £2,341,153 in respect of rates, but we are awaiting final invoices in respect of a small number of properties. We currently believe that there are 5 local authorities who have not yet been paid, and we are continuing to liaise with them and CAPA accordingly. We have now managed to secure £617,287 (£5,582 in the current period) in respect of historic overpayments of rates to local authorities, which were paid prior to the administration and/or changes to historic rateable values. These recoveries have been netted against the rates liability for the trading period in the attached receipts and payments account.

With regard to MUKL's claim against Visa and Mastercard, creditors will note from our previous report that the date by which the legal claim must be submitted was due to expire in July 2021. A further extension of time was agreed with the card companies to serve the claim until 8 December 2022 due to ongoing matters that require further consideration.

During the period of this report, one of the defendants to the Company's claim for overcharging of multilateral interchange fees made a without prejudice (save as to costs) confidential offer to settle the Company's claim. Following legal advice and consultation with the secured creditors, the Joint Administrators have rejected this offer on commercial grounds.

We continue to work with the lawyers to ensure progress of the litigation by the new expiry date of December 2022, in the event that a settlement is not reached before this date.

Employees

A number of redundant employees have made claims in the Employment Tribunal (for a protective award for failure to enter into collective consultation in relation to their redundancies). One claim with 27 claimants has been settled under the terms of a Consent Judgment. There were 14 claims which remained in progress, these have now been resolved by way of Consent Judgement. It is understood that the claims are all being processed by the RPS and this should resolve all outstanding employment matters.

Former employees will be preferential creditors for any unpaid pre administration wages (up to £800) and for holiday accrued but not paid. The preferential dividend was paid on 26 May 2021 at a rate of 100p in the £.

The unsecured dividend was paid on 3 August 2021 at a rate of 0.65p in the £ in respect of the former employees' unsecured non-preferential claims.

We continue to monitor queries and respond accordingly. We continue to provide references to prospective new employers based on factual information only.

Property

Our agents, CAPA, successfully negotiated rent reductions with a significant proportion of the landlords of the trading stores, resulting in a saving in rent costs of some £1,793,603 for the trading period. As of 4 November 2021, MUKL has paid £1,206,670 in respect of rent, service charge and insurance for the period of our occupation, taking into account credit notes, rebates and recharges from MGBL in respect of the licence to occupy.

During the period of this report, a further 7 leases have been surrendered through negotiations with landlords or through operation of law. In total, 33 leases have been surrendered or have expired.

During the period of this report, we have reached a commercial settlement with one significant utility supplier in respect of all post-administration expenses that were owed.

As of 4 November 2021, MUKL has paid £700,945 in respect of electricity, gas and water for the trading period (taking into account credit notes and refunds from utility companies).

Connected party transactions

There have been no connected party transactions in the period.

As previously disclosed, MUKL and MGBL, the purchaser of the international franchise contracts and intellectual property of the MUKL business, have a common ultimate parent, being Mothercare plc.

There were also common directors between the two parties above, William Glyn Lawrence Hughes and Kevin Jonathan Rusling.

Further details on why a sale to a connected party was undertaken can be found in the "Information regarding the sale of a specific assets of Mothercare UK Limited on 5 November 2019 as required by Statement of Insolvency Practice No.16 ("SIP16")" on the dedicated website www.pwc.co.uk/mothercareuk.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 5 May 2021 to 4 November 2021.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case. Creditors have approved our fees as administrators on a fixed fee basis, with £2,095,000 payable from floating charge funds and £120,000 payable from the prescribed part. These fees have been drawn in full.

When we requested approval of our fees in our remuneration report, we did so on the assumption that the administration would last between one and two years. It is now clear that the administration of the Company will need to remain open to continue the multilateral interchange claim, which has the potential to be a significant asset. We will therefore be asking creditors to agree to an increase to our remuneration via a decision by correspondence.

We will run a further decision procedure to formally seek approval for a further £100,000 as a fixed fee for dealing with ongoing matters in the administration. Creditors are advised to visit the case website (www.pwc.co.uk/mothercareuk) for further information.

Pre-administration costs

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our proposals. The administrators' approved pre-administration fees were drawn in full in the period.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at: <https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

You can also get a copy free of charge by telephoning Matthew Duckworth on 0113 289 4000.

What we still need to do

The following is a summary of the work we still need to do before the administration can be brought to an end:

- Settle the small number of outstanding trading expenses (trading agents, utilities, business rates, rent and service charge);
- Recover any balances due from merchant service providers;
- Recovery from the potential interchange claims against Visa and Mastercard;
- Finalise outstanding property and insurance matters;
- Preparation of future quarter end VAT returns as applicable;
- Deregistration of MUKL for UK VAT once the making of taxable supplies has ceased. MUKL will thereafter recover ongoing input VAT by way of a VAT 426 submission;
- Prepare and submit the company's post-appointment tax returns to HMRC, and receive clearance when appropriate;
- Make distributions as appropriate to the secured creditors, subject to funds, based on their security over the Companies' assets;
- Deal with closure matters including drafting and issuing the final progress report, closure of our internal systems, obtaining clearances from third parties and removal of the Administrators' bond.

Included in the above list are tasks that we must perform that may not directly benefit creditors financially. These typically relate to fulfilling obligations imposed by statute or regulatory bodies.

More details can be found at Appendix C.

Next steps

We expect to send our next report to creditors in about six months, in which we will provide an update on the outstanding matters referred to above.

If you've got any questions, please get in touch with Matthew Duckworth on 0113 289 4000.

Yours faithfully
For and on behalf of the Company



Zelf Hussain
Joint Administrator

Zelf Hussain, David Robert Baxendale and Mark James Tobias Banfield, were appointed as Joint Administrators of Mothercare UK Limited on 5 November 2019 to manage its affairs, business and property as its agents and without personal liability. Zelf Hussain, David Robert Baxendale and Mark James Tobias Banfield are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

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Appendix A: Receipts and payments

MUKL - GBP

Directors' statement of affairs (£)	5 November 2019 to 4 May 2021	5 May 2021 to 4 November 2021	5 November 2019 to 4 November 2021
	(£)	(£)	(£)
Trading Account			
Trading Receipts			
Sales	61,075,810.92	53,468.11	61,129,279.03
Sales - Concessionary Sales	2,015,884.22	-	2,015,884.22
Debtor receipts due to MGBL	3,025,638.67	-	3,025,638.67
Debtor receipts due to MGBL - Payroll contribution from MGBL	2,285,099.27	-	2,285,099.27
Debtor receipts due to MGBL - PAYE/NIC contribution from MGBL	460,931.39	-	460,931.39
Miscellaneous Income	3,249.13	-	3,249.13
Sales commission	175,981.88	-	175,981.88
Sundry fixed assets	210,684.67	-	210,684.67
Suspense Account (Note 6)	105,424.53	(105,424.53)	-
32,575,733	69,358,704.68	(51,956.42)	69,306,748.26
Total Trading Receipts			
Trading Payments			
Payments to concession partners	4,442,809.10	-	4,442,809.10
Expeditors carriage costs	326,365.44	-	326,365.44
Indirect Labour	24,459.00	-	24,459.00
Rents	1,210,380.30	(3,710.01)	1,206,670.29
Rates	1,710,335.17	13,347.20	1,723,682.37
Telephone	657.61	-	657.61
Warehouse Costs	5,777,374.39	-	5,777,374.39
IT Consultancy & Professional Fees (Note 7)	285,988.28	-	285,988.28
Refunds / write offs	26,544.46	-	26,544.46
Lease/Hire/HP Payments	639.17	-	639.17
Duress Payments	4,999,328.11	-	4,999,328.11
Repairs & Maintenance	259,240.13	-	259,240.13
Sundry Expenses	113,923.21	-	113,923.21
Store Running Costs	1,066,086.85	-	1,066,086.85
Distribution costs	622,857.40	-	622,857.40
Licenses, trade marks, royalties etc	20,525.17	-	20,525.17
Agents' Fees & Disbursements (Note 8)	11,979,051.94	-	11,979,051.94
Duty Tax	1,275,894.35	-	1,275,894.35
Marketing & Office costs	126,304.60	-	126,304.60
Irrecoverable VAT	63,893.00	-	63,893.00
Utilities	584,480.57	116,464.19	700,944.76
Wages & Salaries	8,280,589.15	-	8,280,589.15
PAYE/NIC and Pension Deductions	2,224,412.57	-	2,224,412.57
Employee/Subcontractor Costs & Expenses	20,776.11	-	20,776.11
Total Trading Payments	45,442,916.08	126,101.38	45,569,017.46
Trading Surplus / (Defecit)	23,915,788.60	(178,057.80)	23,737,730.80

	Fixed Charge Account			
	Receipts			
10,000,000	Mothercare UK Trademark / Brand (Note 9)	-	-	-
	Total Receipts	-	-	-
	Balance on Fixed Charge Account	-	-	-
	Floating Charge Account			
	Receipts			
1,900,933	Cash / Balance at Bank	274,909.85	-	274,909.85
2,058,790	Book debts	4,045,974.55	-	4,045,974.55
	Pre-appointment VAT refund	381.42	-	381.42
	Insurance claims and refunds	42,504.38	-	42,504.38
	Licenses, trade marks, royalties	-	51,051.57	51,051.57
	Sundry debts & refunds	11,699.29	30,357.43	42,056.72
	Pensions & Life Policies	31,967.14	-	31,967.14
	Bank Interest Gross	51,275.46	1,221.46	52,496.92
	Trading Surplus	23,915,788.60	(178,057.80)	23,737,730.80
	Total Receipts	28,374,500.69	(95,427.34)	28,279,073.35
	Payments			
	Agents' Fees for property site visits	523.50	4,232.35	4,755.85
	Legal Fees / Disbs	320,480.48	27,112.98	347,593.46
	Licenses, trade marks, royalties	316.48	-	316.48
	Office costs, Stationery & Postage	519.00	-	519.00
	Pre-appointment legal fees	241,008.88	-	241,008.88
	Professional fees	13,016.43	2,203.16	15,219.59
	Office holders' fees (Fixed fee)	2,095,000.00	-	2,095,000.00
	Office holders' fees (Prescribed Part fee)	-	120,000.00	120,000.00
	Office holders' pre-appointment fees (Fixed fee)	-	375,000.00	375,000.00
	Insurance	65,010.25	4,748.62	69,758.87
	Storage costs for collections and retention of data	13,392.00	-	13,392.00
	Statutory advertising	251.00	-	251.00
	Finance / Bank interest & charges	157,624.94	300.02	157,924.96
	Total Payments	2,907,142.96	533,597.13	3,440,740.09
	Balance on Floating Charge Account	25,467,357.73	(629,024.47)	24,838,333.26
	Preferential Creditors			
	Distribution to the preferential creditors (100p in the £)	-	525,833.92	525,833.92
	Total preferential creditor entitlements	-	525,833.92	525,833.92
	Secured Creditor			
	Distribution to the floating charge creditor	19,225,000.00	1,570,000.00	20,795,000.00
	Total secured creditor entitlements	19,225,000.00	1,570,000.00	20,795,000.00
	Unsecured Creditors			
	Distribution to the unsecured creditors by virtue of the prescribed part (0.65p in the £)	-	477,962.85	477,962.85
	Total unsecured creditor entitlements	-	477,962.85	477,962.85
	VAT control account (Note 1)	(315,770.14)	189,720.23	(126,049.91)
	Total	5,926,587.59	(2,009,304.24)	2,913,486.58
	Represented by:			
	Administration bank account (Barclays)	2,164,407.66	(1,334,455.34)	829,952.32
	Administration bank account (HSBC)	3,762,179.93	(1,679,182.24)	2,082,997.69
	Dividend bank account (Barclays)	-	-	536.57
	ELC client account	-	-	-
	Reserve account	-	-	-
	Total held in interest bearing current accounts	5,926,587.59	(3,013,637.58)	2,913,486.58

Notes to the R&P

1. Amounts shown exclude VAT and all VAT is recoverable.
2. All costs are treated as floating charge expenses in accordance with the Secured Creditors' security over the Company's assets. Costs applicable to the trading period are shown separately.
3. As explained further in Appendix C, our fees are based on a set fee. The receipts and payments account shows the total drawn to date. No fees have been received by the administrators other than as shown in the receipts and payments account.
4. No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report.
5. We consider all payments made during the period to be proportionate in the context of the administration.
6. As we noted in our previous reports, we had contacted a small number of counterparties in relation to unknown receipts that have been temporarily coded to a Suspense Account. We have now correctly coded all of these receipts that had originally been coded to the Suspense Account.
7. These payments primarily relate to payments for consultancy services relating to the operation, maintenance and development of IT systems which were vital to the ongoing trading of the business, closedown of stores and ability to transact with MGBL to allow a smooth transition period.
8. These payments relate to payments made to Gordon Brothers for acting as our retail agents. It includes £1.6m for costs incurred by Gordon Brothers during the administration (for expenses such as marketing) and £4.3m of expenses incurred in the purchase of augment stock.
9. The brand, intellectual property and franchise agreements were sold for initial consideration which was non-cash and involved the mitigation of some £332m of liabilities. As we anticipate that there will be a shortfall to the secured creditors in the administration, further cash consideration will become payable under the sale agreement.

MUKL - HKD (This account is now closed)

Directors' statement of affairs (£)	5 November 2019 to 4 May 2021 (€)	5 May 2021 to 4 November 2021 (€)	5 November 2019 to 4 November 2021 (€)
Receipts and Payments Account			
Receipts & Payments			
Finance / Bank interest & charges	(3.11)	3.11	-
Net receipts	(3.11)	3.11	0.00
Represented by:			
Administration bank account	(3.11)	3.11	-
Total held in interest bearing current accounts	(3.11)	3.11	-

MUKL - EUR

Directors' statement of affairs (£)	5 November 2019 to 4 May 2021 (€)	5 May 2021 to 4 November 2021 (€)	5 November 2019 to 4 November 2021 (€)
Receipts and Payments Account			
Receipts			
Mothercare Global funds received	375,803.89	-	375,803.89
Cash in hand	105.00	-	105.00
Bank Interest Gross	23.57	-	23.57
Total Receipts	375,932.46	-	375,932.46
Payments			
Mothercare Global funds received	375,803.89	-	375,803.89
Finance / Bank interest & charges	20.15	-	20.15
Total Payments	375,824.04	-	375,824.04
Net trading receipts	108.42	-	108.42
VAT control account	-	-	-
Total	108.42	-	108.42
Represented by:			
Administration bank account	108.42	-	108.42
Total held in interest bearing current accounts	108.42	-	108.42

MUKL - USD (This account will be closed shortly)

Directors' statement of affairs (£)	5 November 2019 to 4 May 2021 (\$)	5 May 2021 to 4 November 2021 (\$)	5 November 2019 to 4 November 2021 (\$)
Receipts and Payments Account			
Receipts			
Mothercare Global funds received	2,875,874.27		2,875,874.27
Trademarks and Licenses	71,663.32	(71,707.03)	(43.71)
Bank Interest Gross	551.55	(445.73)	105.82
Total Receipts	2,948,089.14	(72,152.76)	2,875,936.38
Payments			
Mothercare Global funds received	2,875,874.27	-	2,875,874.27
Finance / Bank interest & charges	59.00	3.11	62.11
Total Payments	2,875,933.27	3.11	2,875,936.38
Net receipts	72,155.87	(72,155.87)	-
VAT control account	-	-	-
Total	72,155.87	(72,155.87)	-
Represented by:			
Administration bank account	72,155.87	(72,155.87)	-
Total held in interest bearing current accounts	72,155.87	(72,155.87)	-

Appendix B: Expenses

Expenses are amounts properly payable by us as administrators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the general body of creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case:

Category	Costs incurred by	Policy	Costs incurred £
2	PwC	Photocopying - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	410.63
2	PwC	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	PwC	Postage	2,767.62
1	PwC	Courier costs	56.17
Total			3,234.42

The expense policy set out above has been approved by the general body of creditors.

The table below provides details of the expenses incurred in the administration.

The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

MUKL:	Expenses incurred brought forward from 5 May 2021	Expenses incurred in this period	Total expenses to 4 November 2021	Estimated future	Anticipated total	Initial Estimated total	Variance
Trading expenses	24,272,129.53	871,389.00	25,143,518.53	658,869.12	25,802,387.65	24,967,632.08	834,755.57
Costs of sales	1,092,631.31	-	1,092,631.31	-	1,092,631.31	2,685,937.67	(1,593,306.36)
Gross wages & salaries	10,550,236.83	-	10,550,236.83	-	10,550,236.83	8,971,609.01	1,578,627.82
Rent & rates	2,920,715.47	434,843.00	3,355,558.47	350,271.75	3,705,830.22	4,301,677.24	(595,847.02)
Distribution, utilities and other operating expenses	9,708,545.92	436,546.00	10,145,091.92	308,597.37	10,453,689.29	9,008,408.16	1,445,281.13
Other expenses	24,535,586.58	177,854.42	24,713,441.00	683,006.78	25,396,447.78	23,077,551.60	2,318,896.18
Agents' fees and disbursements (Gordon Brothers)	11,979,051.94	17,507.00	11,996,558.94	17,506.78	12,014,065.72	10,817,089.13	1,196,976.59
Duress payments	4,999,328.11	-	4,999,328.11	-	4,999,328.11	4,963,428.70	35,899.41
Concession Payments	4,442,809.10	-	4,442,809.10	-	4,442,809.10	3,609,051.84	833,757.26
Legal fees and expenses	320,480.48	37,113.00	357,593.48	560,500.00	918,093.48	752,454.84	165,638.64
Office holders' fees	2,095,000.00	120,000.00	2,215,000.00	100,000.00	2,315,000.00	2,215,000.00	100,000.00
Office holders' disbursements	74,323.74	3,234.42	77,558.16	5,000.00	82,558.16	54,641.56	27,916.60
Pre-administration costs (PwC)	375,000.00	-	375,000.00	-	375,000.00	380,901.20	(5,901.20)
Pre-administration costs (Kirkland & Ellis LLP)	241,008.88	-	241,008.88	-	241,008.88	276,574.00	(35,565.12)
Pre-administration costs (Metis LLP)	8,333.33	-	8,333.33	-	8,333.33	8,333.33	-
Statutory advertising	251.00	-	251.00	-	251.00	77.00	174.00
Total	48,807,716.11	1,049,243.42	49,856,959.53	1,341,875.90	51,198,835.43	48,045,183.68	3,153,651.75

Almost all trading related expenses were incurred in the first reporting period. However, a significant proportion of these expenses were not agreed and have been paid during the previous and the current reporting periods. A small proportion remains subject to negotiation or the receipt of final invoices. Amounts that were not agreed until the current reporting period are included in the "Expenses incurred in this period column" and we have included in the "Estimated future" column our best estimate of those expenses which have yet to be agreed.

During the current reporting period, we have recovered rent and rates overpayments which have offset the previously reported liability. We have also been able to finalise the liabilities of certain other trading costs, which has meant we have been able to release some contingencies made in our last progress report, but we have included prudent contingencies for future legal fees for ongoing matters that may require further input from our solicitors. In the event that this is not required, these provisions will be released.

Appendix C: Remuneration update

Our fees were approved on a fixed fee basis by the general body of creditors following the issue of our remuneration report on 25 June 2020. Our approved post appointment fees total £2,095,000 from the floating charge realisations and £120,000 for the prescribed part work. The fees are been apportioned as follows:

Entity	£ (plus VAT)
MUKL - pre-appointment fees (see appendix D)	375,000
MUKL - from floating charge funds	2,095,000
MUKL - from prescribed part funds	120,000
MUKL - Total	2,590,000

Our fees were approved on a fixed fee basis on 30 July 2020 and creditors decided not to form a committee. To date we have drawn fees of £2,215,000 in line with the approval given, as shown on the enclosed receipts and payments accounts.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Further fee request

As noted above, our fees have been approved on a fixed fee basis, The original amount requested was made on the assumption that the administration would be completed in a period of one to two years.

As noted earlier in this report, there remain a number of matters to be completed before the administration can be brought to an end, the most fundamental of which is the potential litigation against Visa and Mastercard in relation to multilateral interchange fees. This claim has a potential significant value, and whilst we think there is a good prospect that these will be settled on a commercial basis without needing to resort to a full court process, formal litigation remains a possibility. We will also continue to investigate alternative options for realising value in the claims, such as an assignment or sale to a third party.

As a consequence of this, we think it is likely that the administration will last to the end of the current extension in November 2022; if litigation is required, it is likely that a further extension will be needed.

We are therefore requesting that creditors approve an increase in our fees to cover this extension to the administration over the next year, In addition to our work in relation to the claims, we will need to undertake the statutory work of the administration such as reporting to creditors, completing VAT and tax returns, and dealing with enquiries from creditors, and former employees and customers.

We will therefore request creditors to approve an increase in our fee by £100,000 by means of a decision by correspondence. We will post details of this on the case website by 25 December 2021.

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Our work in the period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy and planning	<ul style="list-style-type: none"> Holding team meetings and discussions regarding the status and progression of the administrations. 	<ul style="list-style-type: none"> Planning and project managing the different workstreams of the administrations. 	<ul style="list-style-type: none"> Assisted in the efficient, structured and timely management of the administrations, leading to a faster completion of outstanding matters.
Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals; Carrying out bank reconciliations and managing investment of funds; and Corresponding with the bank regarding specific transfers. 	<ul style="list-style-type: none"> Preparing and authorising receipt and payment vouchers and carrying out bank reconciliations. Enables proper accounting to creditors and for taxes. 	<ul style="list-style-type: none"> Ensured funds are managed securely and that such funds are generating returns; and Complying with statutory and regulatory duties regarding the holding and accounting for funds.
Sale of business	<ul style="list-style-type: none"> Reconciling receipts with the Purchaser to identify funds received which are due to the Purchaser under the sale agreement, and obtaining payment for services provided to the Purchaser; and Liaising with the Purchaser regarding its continuing obligations under the sale. 	<ul style="list-style-type: none"> Necessary to ensure the best outcome for the creditors. 	<ul style="list-style-type: none"> Ensured creditors as a whole received the best outcome.
Statutory and compliance	<ul style="list-style-type: none"> Conducting case reviews; Responding to external queries received, and reviewing and responding to post; Preparing and issuing periodic progress reports to creditors and the Registrar; and Safeguarding company books and records where not related to investigatory work 	<ul style="list-style-type: none"> Necessary to satisfy statutory and regulatory responsibilities. Keeping creditors informed and involved. 	<ul style="list-style-type: none"> Statutory and regulatory responsibilities.
Property	<ul style="list-style-type: none"> Negotiating with landlords to reduce the rents payable for occupation during the trading period, resulting in savings of some £1.7m; Liaising with landlords and their managing agents of all properties to seek surrenders of the leases, to date, 33 have been accepted by the landlord; Liaising with all utility providers to secure final settlements and invoices for the periods of our occupation on all properties, and making payments as appropriate; Liaising with CAPA and the relevant rating authorities to make payments for business rates for the period of our occupation and securing £617k of historic overpayment of business rates which were paid prior to the administration and/or changes in historic rateable values; and 	<ul style="list-style-type: none"> Necessary to negotiate with landlords and liaise with agents in order to reduce MUKL's liabilities in respect of its property portfolio and utility costs. 	<ul style="list-style-type: none"> Rental savings enhanced the outcome for creditors by £1.7m. Steps taken to effect surrenders, end ongoing utility liabilities and reclaim historic rates overpayments mitigates creditor and expense claims against the administration.

	<ul style="list-style-type: none"> • Liaising with landlords and their managing agents to facilitate the transfer of utilities from the Companies, and/or arranging for the meters to be disconnected. 		
Other assets	<ul style="list-style-type: none"> • Corresponding with debtors including liaising with lawyers around the ongoing litigation that MUKL has with Visa and Mastercard; • Liaising with purchasers of stock as part of a final reconciliation and settlement of funds between MUKL and MGBL; and • Finalise sales of any remaining chattel assets, including fixtures and fittings, by liaising with Gordon Brothers. 	<ul style="list-style-type: none"> • Necessary to ensure maximum asset realisations. 	<ul style="list-style-type: none"> • Maximise asset realisations in the administrations.
Insurance	<ul style="list-style-type: none"> • Reviewing insurance policies; • Corresponding with insurer regarding ongoing insurance requirements; • Liaising with pre and post appointment insurance claimants and brokers; and • Notifying insurers of any surrendered leases to reduce the premium charged. 	<ul style="list-style-type: none"> • Necessary to ensure appropriate insurance of assets and to ensure that assets are properly dealt with. • Pursuing insurance claims where appropriate to mitigate losses. 	<ul style="list-style-type: none"> • Mitigation of the risk of claims against the administration and loss of assets.
Secured creditors	<ul style="list-style-type: none"> • Preparing updates to the secured creditors; • Responding to secured creditors' queries; and • Making distributions in accordance with security entitlements. 	<ul style="list-style-type: none"> • Necessary to determine the value of creditor claims so that a distribution strategy may be determined, and dividend payments made to creditors. 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of distributions and provision of information.
Preferential creditors	<ul style="list-style-type: none"> • Making payment of the preferential dividend at a rate of 100p in the £; • Liaising with former employee queries regarding their dividend cheques; and • Regularly reviewing the dividend bank account to ensure creditor cheques have been banked. 	<ul style="list-style-type: none"> • Necessary to ensure a dividend payment can be made to creditors. 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of distributions and provision of information.
Unsecured creditors	<ul style="list-style-type: none"> • Maintaining our dedicated website for delivery of initial and ongoing communications and reports; • Receiving and following up with creditor enquiries via telephone, email and post; • Reviewing and preparing correspondence to creditors and their representatives with regard to information requests; • Receiving proofs of debt and maintaining register; • Adjudicating claims, including requesting further information from claimants; • Making payment of the unsecured dividend by virtue of the prescribed part at a rate of 0.65p in the £; • Liaising with creditor queries regarding their dividend cheques; and • Regularly reviewing the bank account to ensure creditor cheques have been banked. 	<ul style="list-style-type: none"> • Necessary to ensure a dividend payment can be made to creditors. 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of distributions and provision of information.
Employees	<ul style="list-style-type: none"> • Receiving and following up employee enquiries via telephone, post and 	<ul style="list-style-type: none"> • Support employees to obtain compensation due from 	<ul style="list-style-type: none"> • Mitigation of claims insofar as possible.

	<ul style="list-style-type: none"> email; • Reviewing employee tribunal claims; • Liaising with the RPS and external agencies; and • Providing references to former employees upon their request. 	<ul style="list-style-type: none"> RPS. • Dealing with employee queries to mitigate the risk of individual claims. 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of distributions.
Trading	<ul style="list-style-type: none"> • Authorising purchase orders and other commitments; • Maintaining purchase order registry; • Closing out relationships with suppliers and ensuring that all accounts are settled correctly; • Preparing and authorising receipt and payment vouchers; • Preparing EOS updates; • Liaising with merchant service providers in order to release funds into the estate; • Verifying the amounts due to the retail agents by agreeing all costs incurred to cost allocation workings; and • Ongoing correspondence with customer queries. 	<ul style="list-style-type: none"> • Necessary to ensure that revenue was generated during the trading period; and • Ensured that the trading process went as smoothly as possible. • Necessary to complete any outstanding trading matters. 	<ul style="list-style-type: none"> • Continuing to trade cost effectively and with appropriate supervision ensured trading losses were minimised.
Tax	<ul style="list-style-type: none"> • Preparing and submitting tax computations for the post-appointment period 31 March 2021; and • Liaising with HMRC. 	<ul style="list-style-type: none"> • Necessary to comply with our legal obligation to submit tax returns, to reach certainty on the post-administration tax position. 	<ul style="list-style-type: none"> • Statutory and regulatory responsibilities.
VAT	<ul style="list-style-type: none"> • Preparing VAT return reconciliations and reconciling the import VAT paid in the administration; • Preparing and submitting the quarterly post-appointment VAT returns; and • Ongoing liaison with HMRC. 	<ul style="list-style-type: none"> • Necessary to comply with our legal obligation to submit VAT returns, to reach certainty on the post-administration VAT position. 	<ul style="list-style-type: none"> • Statutory and regulatory responsibilities. • Ensure VAT recovery for the administration estate.

Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work undertaken	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy and planning	<ul style="list-style-type: none"> Monitoring costs; Progressing ongoing matters within the administration; and Holding team meetings regarding the status of the administration. 	<ul style="list-style-type: none"> Assist in the timely, structured and efficient completion of the administration and return to creditors.
Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals; Carrying out bank reconciliations and managing investment of funds; and Corresponding with the bank regarding specific transfers. 	<ul style="list-style-type: none"> Ensure proper stewardship of the funds held. Management of the funds will generate greater potential recoveries for creditors.
Property	<ul style="list-style-type: none"> Liaising with landlords and their managing agents to complete on the surrenders of remaining properties; Paying any outstanding rent, service charge and insurance on all properties; Liaising with any outstanding utility providers to secure final invoices for the periods of our occupation on all properties, and making payments as appropriate; and Liaising with CAPA and the relevant rating authorities to make payments for business rates for the period of our occupation, and to secure refunds in respect of historic overpayments and/or changes in rateable values. 	<ul style="list-style-type: none"> Mitigate claims against the administration. Negotiations with landlords will lead to reductions in rental payments, resulting in greater potential recoveries for creditors.
Other assets	<ul style="list-style-type: none"> Liaising with lawyers regarding the ongoing litigation that MUKL has with Visa and Mastercard; and Obtaining the cash consideration payment referred to in the sale and purchase agreement. 	<ul style="list-style-type: none"> Ensures the shortfall to the Secured Creditor is covered in compliance with the sale and purchase agreement.
Secured Creditors	<ul style="list-style-type: none"> Preparing reports to the secured creditors; Responding to the secured creditors queries; and Making distributions in accordance with security entitlements. 	<ul style="list-style-type: none"> Direct benefit to creditors through payment of distributions and provision of information.
Preferential Creditors	<ul style="list-style-type: none"> Corresponding with employees regarding dividend; and Paying unclaimed dividends to the Insolvency Services Account. 	<ul style="list-style-type: none"> Direct benefit to creditors through payment of distributions and provision of information.
Unsecured Creditors	<ul style="list-style-type: none"> Receiving and following up creditor enquiries via telephone, email and post; and Paying unclaimed dividends to the Insolvency Services Account. 	<ul style="list-style-type: none"> Direct benefit to creditors through payment of distributions and provision of information.
Trading	<ul style="list-style-type: none"> Recovery of any remaining debtor balances. 	<ul style="list-style-type: none"> Enhanced asset realisations for the administration.
Statutory & Compliance	<ul style="list-style-type: none"> Conducting case reviews every six months; Preparing and issuing periodic and final progress reports to creditors and the Registrar; Making applications to court for the extension of the administration if needed and filing relevant notices; Issuing notices and associated documentation for seeking decisions of creditors, if needed; Dealing with records in storage; Filing of documents; and Updating checklists and diary management system. 	<ul style="list-style-type: none"> Statutory and regulatory requirements.
Tax & VAT	<ul style="list-style-type: none"> Preparing tax computations for the post-appointment 	<ul style="list-style-type: none"> Statutory and regulatory requirements and

	<ul style="list-style-type: none"> periods as they fall due; • Liaising with HMRC; • Liaise with and comply with the Senior Accounting Officer obligations; • Preparing final VAT returns by way of a VAT 426. 	enables reaching certainty on the post administration tax position.
Closure	<ul style="list-style-type: none"> • Withdrawing undertakings not relating to trading and obtaining clearances from third parties; • Obtaining tax and VAT clearances from HMRC; • Completing checklists and diary management system; and • Closing down internal systems. 	<ul style="list-style-type: none"> • Ensure that the Companies' affairs are wound down in an orderly manner.

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work that we would normally do during the period of this report.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm	Reason selected	Basis of fees
Books and records assistance, including: <ul style="list-style-type: none"> • The provision of P60, payslips and other payroll / employee information. 	MHR International UK Limited	Existing knowledge of the Company.	Fixed fee
Legal advice, including: <ul style="list-style-type: none"> • Dealing with the administration appointments, including retrospective administration application and court extension for MUKL; • Dealing with the sale contract and post sale matters, including assignments; • Assisting with dealing with DSARs received in the administration, and GDPR requirements of the Administrators; • Liaising with utility provider's solicitors; and • General legal advice. 	Kirkland and Ellis LLP	Industry knowledge	Time costs and disbursements
Legal advice, including: <ul style="list-style-type: none"> • Assisting with the interchange claim against Visa and Mastercard 	Wallace LLP	Existing knowledge of the claim	Time costs and disbursements
Legal advice, including: <ul style="list-style-type: none"> • Dealing with formal surrender requests from landlords. 	Browne Jacobson LLP	Industry knowledge	Fixed fee per surrender
Legal advice, including: <ul style="list-style-type: none"> • Assisting with advice on Scottish properties 	Brodies LLP	Industry knowledge	Time costs and disbursements
Legal advice, including	Mills & Reeve LLP	Industry knowledge	Time costs and disbursements

<ul style="list-style-type: none"> • Providing advice with regard to employment matters 			
Legal advice, including <ul style="list-style-type: none"> • Providing advice over Bill of Lading issues with suppliers 	Clyde & Co LLP	Industry knowledge	Time costs and disbursements
Insurance brokers, including: <ul style="list-style-type: none"> • Providing open cover during the first month of the administration; and • Continuing to provide insurance cover based on the specific requirements of the administration. 	Insolvency Risk Services	Industry knowledge	Insurance policy cost
Notary advice, including: <ul style="list-style-type: none"> • Notarising trade mark assignment agreements and power of attorney documents 	Peter David Knight Mantell - Notary Services	Industry knowledge	Fixed fee
Valuation advice, including <ul style="list-style-type: none"> • Providing brand valuation advice prior to the administration 	Metis Partners	Industry knowledge	Fixed fee
Property agents, including: <ul style="list-style-type: none"> • Assistance with meter disconnections and site visits. 	VPS UK Limited	Industry knowledge	Time costs and disbursements
Property agents, including: <ul style="list-style-type: none"> • Securing rates refunds in respect of historic changes to the rateable value of properties. 	Exacta Plc	Industry knowledge	Percentage rental reductions secured
Property agents, including: <ul style="list-style-type: none"> • Securing rent reductions with landlords; • Liaising with landlords for outstanding rental invoices; • Securing rates refunds; and • Liaising with local authorities for rates payable by the administrations. 	CAPA	Industry knowledge	Percentage rental reductions secured
Retail agents, including: <ul style="list-style-type: none"> • Overseeing the running of the stores during the trading period; • Facilitating the close down of the stores following the trading period; • Planned expenditure during the trading period; and • Planned discounts for stock during the trading period. 	Gordon Brothers	Industry and trading knowledge	Fee structure based on net realisations including minimum guarantees for the administration
Statutory advertising, including: <ul style="list-style-type: none"> • The initial advertisement of the administration appointments; and • The advertisement of the preferential and unsecured NOIDs. 	EPE Reynell Advertising Limited	Industry knowledge	Fixed fee per advertisement
Tax advice, including: <ul style="list-style-type: none"> • Tax filing for Indian subsidiaries; and 	BDO India	Industry knowledge and existing	Fixed fee

<ul style="list-style-type: none"> • Transfer of shares from MUKL to MGBL. 		knowledge of the Companies	
<hr/>			
Tax advice, including:	KPMG	Industry knowledge and existing knowledge of the Companies	Fixed fee
<ul style="list-style-type: none"> • Outstanding tax compliance work in respect of MUKL's cease of operations in Kuwait 			

Appendix D: Pre-administration costs

We took the following steps during the period covered by this report to get approval for payment of the unpaid pre-appointment costs detailed in our proposals. The creditors approved the payment of the pre-administration costs as expenses of the administrations on 30 July 2020 for MUKL and on 2 September 2020 for MBSL.

All pre-appointment costs have now been paid in accordance with the approvals below, as shown on the enclosed receipts and payments account.

During the period of this report, we have drawn our pre-appointment fees in accordance with the tables below.

Nature of costs	Amount (£)
Fees charged by the Administrators	380,901.25
Expenses incurred by the Administrators	NIL
Fees incurred by Kirkland and Ellis LLP	276,574.00
Fees incurred by Metis and Partners	8,333.33
Total	665,808.58

The table below details what has been approved by the creditors, whereas the table above sets out the total costs incurred:

Approved costs	Amount (£)
Fees charged by the Administrators - MUKL	375,000.00
Fees charged by the Administrators - MBSL	5,000.00
Fees incurred by Kirkland and Ellis LLP - MUKL	276,574.00
Fees incurred by Metis and Partners - MUKL	8,333.33
Total	664,907.33

Details of the pre-administration work undertaken and a breakdown of expenses

Breakdown of PwC Costs:

Grade	Time (hours)	Fees (£)
Partner	58.5	53,235.00
Director	139.5	114,112.50
Senior Manager	181.75	99,793.75
Manager	197.8	96,859.00
Senior Associate/Associate	45.35	16,901.00

In summary, the pre-administration work undertaken by PwC included the following:

- Contingency planning;
- Negotiating and agreeing the sale agreement with MGBL and calculating the financial outcome under various scenarios, including
 - instructing lawyers on the sales contract
 - reviewing draft contracts
 - discussions with MGBL to agree the terms
- Consideration of key practical issues to be addressed on entering Administration;
- Planning the Administration strategy, including timelines, budgets and initial workstreams
- Undertaking preparatory work in order to facilitate the Administration of the Company;
- Obtaining and discussing legal advice in relation to the appointment;
- Calls and meetings with key members of staff, directors and trading agents regarding the Administration strategy;
- Reviewing draft appointment documents and associated paperwork;
- Valuation of the IP of the brand of MUKL;
- Planning work in relation to the Administration appointments including internal compliance and risk procedures and all necessary steps to be able to provide the statutory confirmation that the objectives of the Administrations were reasonably likely to be achieved;
- Mobilisation and briefing of our team;
- Agreeing the communication strategy for stakeholders including employees, customers, suppliers and the media;
- Identification of critical suppliers to ensure minimal operational disruption;
- Negotiations and discussions with consultants (Gordon Brothers) to agree terms and post administration workstreams;
- Setting up the Administration cashflow with preliminary information available; and
- Consulting on potential Group tax and VAT implications of the Administration and proposed sale of assets to MGBL.

The pre-administration works performed by Kirkland & Ellis LLP included the following:

- Contingency planning for Administration;
- Preparation of Administration appointment documents;
- Negotiation of bank forbearance in connection with Administration appointments;
- Negotiation of pre-administration transfer agreements (IP, franchise agreements, pensions) and related structuring;
- Drafting of Administration sale agreement and related structuring; and
- Advice re miscellaneous Administration matters: e.g. Gordon Brothers consultancy and funding arrangements, DHL contract, ELC contract, returns policy, retention of title claim.

The pre-administration work performed by Metis Partners included providing an intellectual property valuation opinion in respect of the intellectual property (or "IP") assets of MUKL.

Please note that the above is indicative of the key areas of work performed and is not an exhaustive list.

Appendix E: Other information

Court details for the administration:	High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) Case No. CR-2019-007351
Company's registered name:	Mothercare UK Limited
Trading name:	Mothercare UK Limited
Registered number:	00533087
Registered address:	Previously: Cherry Tree Road, Watford, Hertfordshire, WD24 6SH Now: % PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	5 November 2019
Joint administrators' names, addresses and contact details:	Zelf Hussain, Mark James Tobias (Toby) Banfield and David Robert Baxendale of Pricewaterhousecoopers LLP, 7 More London, Riverside, SE1 2RT Email address: uk_mothercare@pwc.com Telephone number: 0113 289 4000
Extension(s) to the initial period of appointment:	Extended to 4 November 2022 by order of the Court