

AM23

Notice of move from administration to dissolution



Companies House

FRIDAY



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31/05/2019

#257

COMPANIES HOUSE

1 Company details

Company number 0 1 0 7 5 7 5 2

Company name in full Style Group Brands Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice Chancery Division Companies Court

Court number 3 8 0 2 2 0 1 7

3 Administrator's name

Full forename(s) William James

Surname Wright

4 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

AM23

Notice of move from administration to dissolution

5 Administrator's name ^①

Full forename(s) Stephen John

Surname Absalom

① Other administrator

Use this section to tell us about another administrator.

6 Administrator's address ^②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

② Other administrator

Use this section to tell us about another administrator.

7 Final progress report☒ I have attached a copy of the final progress report**8 Sign and date**

Administrator's signature

Signature

X



X

Signature date

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AM23

Notice of move from administration to dissolution



Presenter information

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

Contact name **James Rivers**

Company name **KPMG LLP**

Address **15 Canada Square**

Canary Wharf

Post town **London**

County/Region

Postcode **E 1 4 5 G L**

Country

DX

Telephone **Tel +44 (0) 20 7311 1000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



Joint
Administrators'
final progress
report for the
period 2
December
2018 to 28
May 2019

Style Group Brands Limited -
in Administration

28 May 2019

Notice to creditors

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each class of creditors.

You will find other important information in the document such as the costs we have incurred.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.kpmg.co.uk/stylegroupbrands>. We hope this is helpful to you.

Please also note that an important legal notice about this report is attached (Appendix 7).

Contents

| | | |
|-------------------|--|-----------|
| 1 | Executive summary | 1 |
| 2 | Progress to date | 2 |
| 3 | Outcome for creditors | 5 |
| 4 | Other matters | 6 |
| 5 | Joint Administrators' remuneration and disbursements | 7 |
| 6 | <i>Conclusion of the administration</i> | 8 |
| Appendix 1 | Statutory information | 9 |
| Appendix 2 | Joint Administrators' receipts and payments account | 10 |
| Appendix 3 | Schedule of expenses | 13 |
| Appendix 4 | Joint Administrators' charging and disbursements policy | 15 |
| Appendix 5 | Summary of Joint Administrators' proposals | 19 |
| Appendix 6 | Glossary | 21 |
| Appendix 7 | Notice: About this report | 22 |

1 Executive summary

- This final progress report covers the period from 2 December 2018 to 28 May 2019.
- Please note that on 5 February 2019 an order was made in the High Court appointing Stephen Absolom as Joint Administrator of the Company in place of Robert Croxen, following Robert Croxen's resignation from KPMG. In accordance with the order, creditors were given notice of the replacement of Robert Croxen as Joint Administrator by advertisement in the London Gazette.
- We have now finalised all remaining matters in this administration and following receipt of the final VAT reclaim we are in a position to bring this administration to a close (Section 2 - Progress to date).
- During the period covered by this report, distributions totalling £416,234 were paid to HSBC Bank Plc ("HSBC" or "Bank") by way of secured creditor distributions, bring total distributions to the Bank during the administration to £9,347,234. The Bank suffered a significant shortfall (Section 3 – Outcome for creditors).
- The preferential creditors received a dividend of 100 pence in the pound. (Section 3 – Outcome for creditors).
- As a result of the significant shortfall to the Bank, there are insufficient funds to enable a distribution to be made to the unsecured creditors (Section 3 – Outcome for creditors).
- We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice. The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.kpmg.co.uk/stylegroupbrands>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



pp Steve Absolom
Joint Administrator

2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress reports.

2.1 Strategy and progress to date

Strategy

During this reporting period, as referred to below, our strategy has been to conclude all remaining matters in this administration, in particular concluding the Company's VAT position with HM Revenue & Customs.

Concluding pre and post appointment VAT position

Alongside our internal KPMG VAT specialists, we liaised closely with HM Revenue & Customs throughout this reporting period and obtained the outstanding refunds which were owed to the estate relating to post appointment VAT transactions.

In addition, we received notification from the Revenue Commissioners in Ireland that they are applying the rules of set-off against the overpayment of £1,722 in respect of "Day one" sales made following our appointment. In view of the sum involved we will not challenge this decision and accordingly will not be taking any further action in this respect.

Ongoing liaison and support to the Purchaser

We have concluded all final matters with the Purchaser's administrators during the period, including finalising the uplift of the Company's remaining pre-administration books and records held at the former trading site (which could no longer be stored by the Purchaser as originally contemplated by the sale and purchase agreement given that it is now in administration).

Remaining assets

During the period, we became aware of additional assets, which we took steps to recover as per section 2.2 below.

Shares in subsidiaries

The Company continues to directly, or indirectly, own the share capital in a number of other non-trading subsidiary entities (incorporated in multiple jurisdictions).

Given their dormant / dissolved status we do not consider that there is any realisable value from these shareholdings.

During this final reporting period, following advice received from our agents and in view of the dissolution of the entity's parent company, we concluded that we could not liquidate the Dutch Subsidiary, Darchem International Holdings B.V.

Non-assenting shareholder funds

Following the detailed update in our previous reports to creditors, I can confirm that we have now deposited the unclaimed funds with the Court Funds Office and all matters regarding the non-assenting shareholder funds have been concluded.

As previously advised, trust funds monies do not form part of the Company's estate and accordingly neither the funds, nor the payments, are shown in our receipts and payments account at Appendix 2. Payments from these funds include payment of our fees of £28,324, as set out in the Court Order, to cover the costs of our work in relation to dealing with non-assenting shareholders.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Sundry refunds

Included in sundry refunds is a settlement received from a third party during the period in the sum of £42,354 as well as £2,733 received from the Bank regarding a refund of historical monthly service charges on the Company's account.

Contribution to costs from Purchaser

We have received the agreed final contribution of £472 from the Purchaser's administrators towards the costs of uplifting the books and records referred to in section 2.1 above.

Investigations

We reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors. No such causes of action have been identified.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Legal fees and disbursements

We have paid £28,291 to Pinsent Masons, solicitors engaged by us, to provide advice in the period in relation to employee matters (including ongoing advice relating to former employees in Belgium), and other legal matters arising during the period.

Storage costs

We have paid our storage providers £10,205, which also includes a provision for storage costs and the subsequent destruction of the Company's books and records following dissolution of the Company.

Agent's fees

We paid £3,488 during the period to Ernst & Young Belastingadviseurs LLP for their advice in relation to the possibility of liquidating the Dutch subsidiary, Darchem International Holdings B.V, as per section 2.1 above.

We paid Group S, a Belgian payroll bureau, £1,433 for their assistance with queries relating to the former employees in Belgium.

Other costs

Other costs, as set out on the attached receipts account attached at Appendix 2, include payment to our insurers for Public Liability insurance covering the Company's nine remaining leasehold properties where the landlords are yet to formally accept our offer of surrender, irrecoverable VAT on certain costs and bank charges.

2.4 Schedule of expenses

We have detailed the costs incurred during the period in the schedule of expenses attached (Appendix 3).

3 Outcome for creditors

3.1 Secured creditors

Our proposals set out details of the security held by the Company's two secured creditors at the time of our appointment: HSBC and Jacques Vert Holdings S.à.r.l ("JVHS").

As previously reported, JVHS has released the security it held in relation to the Company. There were no distributions to JVHS during the administration.

On our appointment, the Company's indebtedness to HSBC was approximately £23 million. We made distributions in the period of £416,234 to HSBC, bringing total distributions to them during the administration to £9,347,234.

Save £2 relating to fixed charged realisations, all distributions to HSBC were from floating charge realisations.

3.2 Preferential creditors

The preferential claims have been agreed at £157,290.

The preferential creditors have been repaid in full.

Preferential creditors should note that dividend cheques issued in March 2018 that were not presented have been cancelled, and all unclaimed dividends have been forwarded to the Insolvency Service.

Any preferential creditor who wishes to reclaim their dividend should contact the Insolvency Service directly at the address below:

The Insolvency Service, EAIPS Unclaimed Dividend Team, PO Box 3690, Birmingham, B4 6FD.

Email: CustomerServices.EAS@insolvency.gov.uk

3.3 Unsecured creditors

As HSBC will suffer a shortfall and as their debenture pre-dates the prescribed part provisions introduced with the Enterprise Act and effective from 15 September 2003, there were no funds available to enable a distribution to the unsecured creditors.

4 Other matters

4.1 Other case specific matters

As previously reported, KPMG tax specialists were instructed to prepare the necessary corporation tax returns in order to finalise the Company's tax position. Upon the filing of the relevant tax returns, HMRC has confirmed that it has no objection to the administration being concluded and has provided tax clearance.

In addition, we have de-registered the Company for VAT purposes, following which we submitted our final VAT return to HMRC, with the final payment subsequently received.

5 Joint Administrators' remuneration and disbursements

Time costs

From 2 December 2018 to 22 May 2019, we have incurred time costs of £58,161. These represent 154 hours at an average rate of £377 per hour.

Remuneration

During the period, we have drawn floating charge remuneration of £257,717.

This brings the total remuneration drawn for this administration to £975,000.

Disbursements

During the period we have not incurred any disbursements.

During the period we have paid disbursements of £1,466 which were incurred in prior periods.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 2 December 2018 to 22 May 2019. We have also attached our charging and disbursements policy.

6 Conclusion of the administration

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice.

The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

We will be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information

| | |
|-----------------------------|-----------------------------------|
| Company name | Style Group Brands Limited |
| Date of incorporation | 9 October 1972 |
| Company registration number | 01075752 |
| Present registered office | 15 Canada Square, London, E14 5GL |

Administration information

| | |
|------------------------------------|---|
| Administration appointment | The administration appointment granted in High Court of Justice Chancery Division Companies Court, 3802 of 2017 |
| Appointor | Directors |
| Date of appointment | 2 June 2017 |
| Joint Administrators' details | Will Wright and Steve Absolom |
| Former Administrators' details | Robert Croxen |
| Functions | The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2). |
| Current administration expiry date | 1 June 2019 |

Appendix 2 Joint Administrators' receipts and payments account

| Style Group Brands Limited - in Administration | | | |
|--|--|--------------------------------------|--------------------------------------|
| Abstract of receipts & payments | | | |
| Statement of affairs (£) | | From 02/12/2018 To 28/05/2019 (£) | From 02/06/2017 To 28/05/2019 (£) |
| FIXED CHARGE ASSETS | | | |
| | JV Inc shares | NIL | 1.00 |
| 1.00 | Intellectual property | NIL | 0.83 |
| 1.00 | Goodwill | NIL | NIL |
| 1.00 | Investments | NIL | NIL |
| 1.00 | Retained property | NIL | NIL |
| | | <hr/> | <hr/> |
| | | NIL | 1.83 |
| FIXED CHARGE CREDITORS | | | |
| | Fixed charge creditor - HSBC | NIL | (1.83) |
| | | <hr/> | <hr/> |
| | | NIL | (1.83) |
| ASSET REALISATIONS | | | |
| | Leasehold - LtO | NIL | 518,600.19 |
| 225,000.00 | Plant & machinery | NIL | 150,000.00 |
| | Fixtures & Fittings | NIL | 75,000.00 |
| 9,000,000.00 | Stock | NIL | 9,000,000.00 |
| 100,000.00 | Cash (in tills and transit) | NIL | 143,331.93 |
| 1,774,991.00 | Trade debts | NIL | 1,774,991.00 |
| | Unclaimed JV PLC dividends | NIL | 10,595.60 |
| | Goodwill, records & contracts | NIL | 6.83 |
| | Insurance refund | NIL | 93.27 |
| | Funds received for Calvetron | NIL | 3,530,347.86 |
| | | <hr/> | <hr/> |
| | | NIL | 15,202,966.68 |
| OTHER REALISATIONS | | | |
| | Bank interest, gross | NIL | 7,665.82 |
| | Calvetron Indemnity for Encumbered Asset | NIL | 15,816.00 |
| | Business rates refunds | NIL | 4,860.45 |
| | Sundry refunds | 45,150.77 | 62,363.27 |
| 5.00 | Trading contracts | NIL | NIL |
| 92,432.00 | Prepayments | NIL | NIL |
| | Scrutton Street Rent Deposit | NIL | 350,542.24 |
| | Calvetron VAT liability - 2 June 2017 | NIL | 36,260.40 |

Style Group Brands Limited - in Administration
Abstract of receipts & payments

| Statement of affairs (£) | From 02/12/2018 To 28/05/2019 (£) | From 02/06/2017 To 28/05/2019 (£) |
|--|--------------------------------------|--------------------------------------|
| Calvetron contribution towards costs | 471.94 | 5,391.94 |
| | 45,622.71 | 482,900.12 |
| COST OF REALISATIONS | | |
| Funds paid to Calvetron - non-LtO | NIL | (4,112,938.44) |
| Refunded LtO paid back to Calvetron | NIL | (60,753.77) |
| Pre-administration legal fees | NIL | (44,368.00) |
| Pre-administration legal disbursements | NIL | (14,846.56) |
| Pre-administration agents' fees | NIL | (10,527.50) |
| Administrators' pre-admin costs | NIL | (92,900.25) |
| Administrators' pre-admin disbursements | NIL | (41.40) |
| Administrators' fees | (257,717.00) | (975,000.00) |
| Administrators' disbursements | (1,466.44) | (4,112.44) |
| Irrecoverable VAT | (1,974.16) | (1,974.16) |
| Agents'/Valuers' fees | (4,921.39) | (9,536.03) |
| Legal fees and disbursements | (28,290.84) | (142,929.98) |
| Legal fees - assisting Calvetron | NIL | (3,913.50) |
| Scrutton Street surrender premium | NIL | (177,292.24) |
| Overseas VAT - 2 June 2017 | NIL | (8,309.70) |
| HMRC UK VAT - 2 June 2017 | NIL | (29,744.90) |
| Storage costs | (10,204.63) | (10,544.35) |
| Statutory advertising | NIL | (69.00) |
| Rent | NIL | (423,241.47) |
| Service charge | NIL | (34,434.94) |
| Insurance of assets | (1,120.00) | (7,491.19) |
| Other property expenses | NIL | (3,010.00) |
| Bank charges | (169.58) | (864.08) |
| | (305,864.04) | (6,168,843.90) |
| PREFERENTIAL CREDITORS | | |
| (111,926.00) Employees' wage arrears | NIL | (157,290.36) |
| | NIL | (157,290.36) |
| FLOATING CHARGE CREDITORS | | |
| (21,882,950.00) Floating charge creditor- HSBC | (416,234.37) | (9,347,232.54) |
| Hypothec payments | NIL | (12,500.00) |
| | (416,234.37) | (9,359,732.54) |

Style Group Brands Limited - in Administration

Abstract of receipts & payments

| Statement of affairs (£) | From 02/12/2018 To 28/05/2019 (£) | From 02/06/2017 To 28/05/2019 (£) |
|--------------------------|--------------------------------------|--------------------------------------|
|--------------------------|--------------------------------------|--------------------------------------|

UNSECURED CREDITORS

| | | | |
|-----------------|-----------------|-----|-----|
| (89,261,045.00) | Trade & expense | NIL | NIL |
| (1,500,633.00) | Employees | NIL | NIL |
| | | NIL | NIL |

DISTRIBUTIONS

| | | | |
|---------------|-----------------------|-----|-----|
| 19,338,430.00 | Ordinary shareholders | NIL | NIL |
| | | NIL | NIL |

(82,225,692.00)

(676,475.70)

Nil

REPRESENTED BY

| | |
|---------------------------|--------------|
| Floating ch. VAT rec'able | 398,154.60 |
| Fixed charge VAT payable | (0.17) |
| Floating ch. VAT payable | (161,456.84) |
| Floating ch. VAT control | (236,697.59) |

Nil

Appendix 3 Schedule of expenses

| Schedule of expenses (02/12/2018 to 28/05/2019) | | | |
|--|--|--|-------------------|
| Expenses (£) | Incurred and paid in the period (£) | Incurred in the period not yet paid (£) | Total (£) |
| Cost of realisations | | | |
| Administrators' fees | 0.00 | 58,161.30 | 58,161.30 |
| Irrecoverable VAT | 1,974.16 | 0.00 | 1,974.16 |
| Agents'/Valuers' fees | 4,921.39 | 0.00 | 4,921.39 |
| Legal fees and disbursements | 26,157.32 | 0.00 | 26,157.32 |
| Storage costs | 10,204.63 | 0.00 | 10,204.63 |
| Insurance of assets | 1,120.00 | 0.00 | 1,120.00 |
| Bank charges | 169.58 | 0.00 | 169.58 |
| TOTAL | 44,547.08 | 58,161.30 | 102,708.38 |

Please note that there is a difference between the payments made during the period of £305,864 (per the receipts and payments account) and the expenses incurred and paid in the period of £44,547 (per the schedule of expenses).

This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to James Rivers on 15 Canada Square, London, E14 5GL.

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact James Rivers on 020 73118091.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

| Charge-out rates (£) for Restructuring: | | |
|---|-----------------------|-----------------------|
| Grade | From 01 Nov 2016 £/hr | From 01 Jan 2019 £/hr |
| Partner | 625 | 655 |
| Director | 560 | 590 |
| Senior Manager | 510 | 535 |
| Manager | 425 | 445 |
| Senior Administrator | 295 | 310 |
| Administrator | 215 | 225 |
| Support | 131 | 140 |

Policy for the recovery of disbursements

We have recovered both Category 1 and Category 2 disbursements from the estate.

For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 2 December 2018 to 22 May 2019

The key areas of work have been:

| | |
|---|--|
| Statutory and compliance | <ul style="list-style-type: none">■ posting information on a dedicated web page;■ preparing statutory receipts and payments accounts;■ ensuring compliance with all statutory obligations within the relevant timescales. |
| Strategy documents, Checklist and reviews | <ul style="list-style-type: none">■ monitoring and reviewing the administration strategy and matters affecting the outcome of the administration;■ regular case management and reviewing of progress, including regular team update meetings and calls;■ reviewing and authorising junior staff correspondence and other work;■ dealing with queries arising during the appointment;■ liaising with legal advisors regarding the various instructions;■ complying with internal filing and information recording practices, including documenting strategy decisions. |
| Reports to debenture holders | <ul style="list-style-type: none">■ providing reports and oral updates to representatives of HSBC regarding the progress of the administration and case strategy. |
| Cashiering | <ul style="list-style-type: none">■ preparing and processing vouchers for the payment of post-appointment invoices;■ creating remittances and sending payments to settle post-appointment invoices;■ reconciling post-appointment bank accounts to internal systems; |

| | |
|----------------------|---|
| | <ul style="list-style-type: none"> ensuring compliance with appropriate risk management procedures in respect of receipts and payments. |
| Tax | <ul style="list-style-type: none"> working on tax returns relating to the periods affected by the administration; analysing VAT related transactions and corresponding with HM Revenue and Customs; dealing with post appointment tax compliance. |
| Shareholders | <ul style="list-style-type: none"> responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders. |
| General | <ul style="list-style-type: none"> reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; arranging for the collection and dealing with the ongoing storage of books and records and providing for their subsequent destruction at the appropriate time. |
| Property matters | <ul style="list-style-type: none"> dealing with leasehold property enquiries as they arise, including those connected with the licences to occupy granted to the Purchaser. |
| Sale of business | <ul style="list-style-type: none"> dealing with matters arising post the sale of the Company's business and assets to include the reconciliation of funds due/from to the Purchaser under the terms of the SPA. |
| Open cover insurance | <ul style="list-style-type: none"> arranging ongoing public insurance cover for the Company's leasehold properties where formal surrender has not been accepted by the landlord. |
| Employees | <ul style="list-style-type: none"> dealing with queries from employees regarding various matters relating to the administration and their employment, including those employed overseas; dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; communicating and corresponding with HM Revenue and Customs; dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; managing claims from employees. |
| Creditors and claims | <ul style="list-style-type: none"> updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration and submission of their claims; agreeing preferential claims; arranging distributions to HSBC as secured creditor; drafting our progress report. |

Time costs

SIP 9 –Time costs analysis (02/12/2018 to 22/05/2019)

| | Hours | Time Cost (£) | Average Hourly Rate (£) |
|--|-------|---------------|-------------------------|
| Administration & planning | | | |
| Cashiering | | | |
| Fund management | 3.40 | 1,030.00 | 302.94 |
| General (Cashiering) | 11.40 | 2,406.00 | 211.05 |
| Reconciliations (& IPS accounting reviews) | 1.30 | 230.30 | 177.15 |
| General | | | |
| Books and records | 3.30 | 1,018.50 | 308.64 |
| Fees and WIP | 5.60 | 1,984.00 | 354.29 |
| Purchaser post-completion liaison | 0.20 | 59.00 | 295.00 |
| Statutory and compliance | | | |
| Budgets & Estimated outcome statements | 1.40 | 826.00 | 590.00 |
| Checklist & reviews | 9.60 | 3,256.50 | 339.22 |
| Closure and related formalities | 2.60 | 1,340.00 | 515.38 |

SIP 9 –Time costs analysis (02/12/2018 to 22/05/2019)

| | Hours | Time Cost (£) | Average Hourly Rate (£) |
|--|---------------|------------------|----------------------------|
| Reports to debenture holders | 11.50 | 6,158.00 | 535.48 |
| Statutory receipts and payments accounts | 0.20 | 43.00 | 215.00 |
| Strategy documents | 2.00 | 1,115.00 | 557.50 |
| Tax | | | |
| Post appointment corporation tax | 0.90 | 346.50 | 385.00 |
| Post appointment overseas tax | 0.30 | 148.00 | 493.33 |
| Post appointment VAT | 24.00 | 8,407.00 | 350.29 |
| Creditors | | | |
| Creditors and claims | | | |
| General correspondence | 4.60 | 1,790.00 | 389.13 |
| Payment of dividends | 0.40 | 124.00 | 310.00 |
| Secured creditors | 4.60 | 1,651.50 | 359.02 |
| Statutory reports | 28.40 | 11,398.00 | 401.34 |
| Employees | | | |
| Correspondence | 24.50 | 8,686.50 | 354.55 |
| DTI redundancy payments service | 0.50 | 267.50 | 535.00 |
| Realisation of assets | | | |
| Asset Realisation | | | |
| Cash and investments | 4.00 | 2,062.50 | 515.63 |
| Insurance | 0.80 | 248.00 | 310.00 |
| Leasehold property | 1.40 | 491.00 | 350.71 |
| Other assets | 7.20 | 3,074.50 | 427.01 |
| Total in period | 154.10 | 58,161.30 | 377.43 |

| | | |
|--|----------|--------------|
| Brought forward time (appointment date to SIP 9 period start date) | 3,923.05 | 1,429,019.95 |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 154.10 | 58,161.30 |
| Carry forward time (appointment date to SIP 9 period end date) | 4,077.15 | 1,487,181.25 |

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 5 Summary of Joint Administrators' proposals

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b);
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the Secured and Preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Will Wright and Rob Croxen, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Will Wright and Rob Croxen, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in SIP 9) will be charged in accordance with KPMG's policy as set out in Appendix 5;

- unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 6 Glossary

| | |
|---------------------------------------|--|
| Bank or HSBC | HSBC Bank Plc |
| Calvetron or Purchaser | Calvetron Brands Limited (formerly known as Styx Consulting Limited) |
| Company | Style Group Brands Limited – in Administration |
| HM Revenue & Customs | Her Majesty's Revenue & Customs |
| Joint Administrators/we/our/us | Will Wright and Steve Absolom |
| JVHS | Jacques Vert Holdings S.à.r.l |
| KPMG | KPMG LLP |
| Pinsent Masons | Pinsent Masons LLP |
| Secured creditors | HSBC Bank Plc and Jacques Vert Holdings S.à.r.l |
| SPA | Sale and purchase agreement |
| VAT | Value Added Tax |

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 7 Notice: About this report

This report has been prepared by Will Wright and Steve Absolom the Joint Administrators of Style Group Brands Limited – in Administration (the 'Company') solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 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 is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest 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 outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

William James Wright and Stephen John Absolom are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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