

AM03

Notice of administrator's proposals



Companies House



1 Company details

Company number 0 4 0 3 8 6 5 9

Company name in full TL 2021 Limited

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

2 Administrator's name

Full forename(s) Anthony

Surname Collier

3 Administrator's address

Building name/number 4th Floor

Street Abbey House

Post town Booth Street

County/Region Manchester

Postcode M 2 4 A B

Country

4 Administrator's name ①

Full forename(s) David

Surname Acland

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 12 Winckley Square

Street Abbey House

Post town Preston

County/Region

Postcode P R 1 3 J J

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature

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Signature date

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AM03

Notice of Administrator's Proposals



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	Katie Allen				
Company name	FRP Advisory Trading Limited				
Address	4th Floor				
	Abbey House				
Post town	Booth Street				
County/Region	Manchester				
Postcode	M	2		4	A B
Country					
DX	cp.manchester@frpadvisory.com				
Telephone	0161 833 3344				



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 and dated 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

FRP

TL 2021 Limited - In Administration
(formerly Temperley Limited t/a Temperley London)
The Joint Administrators' Proposals
6 May 2021

Contents and abbreviations

FRP

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D.	The Joint Administrators' remuneration, disbursements and costs information <ul style="list-style-type: none"> ▪ Estimated of expenses ▪ Schedule of work ▪ FRP charge out rates and disbursement policy ▪ Fee estimate
E.	Schedule of pre-administration costs
F.	Details of the Financial Position of the Company and Schedule of Creditors

The following abbreviations may be used in this report:

The Joint Administrators	Anthony Collier and David Acland of FRP Advisory Trading Limited
Addleshaws	Addleshaw Goddard LLP, the Joint Administrators' lawyers
AVBM	AVBM Limited
Bibby	Bibby Financial Services Limited
The Company	TL 2021 Limited (formerly Temperley Limited t/a Temperley London) (In Administration)
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
The Director	Luca Donnini
FRP	FRP Advisory Trading Limited
Furlough	Government's Coronavirus Job Retention Scheme
GMG	GMG Asset Valuation Ltd, the Joint Administrators' agents
The Group	All entities referred to within the group structure (pg1)
HMRC	HM Revenue & Customs
Holdings	Temperley Holdings Limited
HSBC	HSBC Bank Plc
NDA	Non Disclosure Agreement
Newco / the Purchaser/TMLL	TMLL Limited
NOI	Notice of Intention to Appoint Joint Administrators
QFCH	Qualifying Floating Charge Holder

Contents and abbreviations

FRP

Retail Realisations	Retail Realisations LLP, the Joint Administrators' agents
RPS	Redundancy Payments Service
Secured Creditor	ATDL Limited ("ATDL")
SIP	Statement of Insolvency Practice
SIP 16	Statement of Insolvency Practice 16 – Pre packaged sales in Administration
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
WIP	Work in Progress

2. Conduct of the administration

Background information regarding the Company and financial performance

The Company was incorporated in 2000 and is a British luxury fashion brand offering daywear, eveningwear and bridal collections.

The Group has historically operated through various channels, being wholesale, retail, franchise (Dubai) and E-commerce and employed 39 staff.

Following periods of unprofitability, in 2019 the Company embarked on a business transformation with the appointment of a new management team with experience to scale and leverage a brand internationally. Management implemented a focused 5 year growth plan. Their aim was to evolve Temperley from a British fashion, luxury womenswear brand into an iconic lifestyle brand with British heritage.

In the short period prior to COVID-19, Management had upgraded, rationalised and prepared the business for future profitable growth.

The pandemic has however, inevitably, had a material impact on the business and trading in a number of ways such as loss of retail store trade due to the lockdowns and the demand for elegant/bridalwear being reduced; the majority of the Company's revenue was generated from this source.

Appointment of Joint Administrators and sale of business and certain assets.

On 29 April 2021, the Company entered Administration and Anthony Collier and David Acland of FRP were appointed as Joint Administrators.

This document, together with its appendices, forms the Joint Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules. The proposals are deemed delivered two business days after they are dated.

A sale of part of the business and assets of the Company was effected on 29 April 2021 by the Joint Administrators. The Purchaser was TMLL, a newly incorporated entity of the Group, see opposite.

TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
The Joint Administrators' Proposals

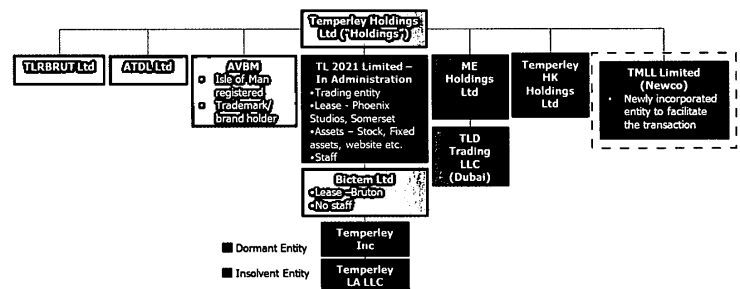
FRP

Background information regarding the Company together with full details of the events that resulted in the appointment of the Joint Administrators and this transaction taking place and why it was considered to be in the overall best interest of the creditors of the Company as a whole are set out in the statement attached at **Appendix C** in accordance with SIP 16. Creditors may find it beneficial to review Appendix C in the first instance.

Certain statutory information about the Company and the Administration is provided at **Appendix A**.

Group Structure

Comments to the group structure are detailed in **Appendix C**.



2. Conduct of the administration

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Assets excluded from the transaction

Certain of the Company's assets were excluded from the transaction:

Cash at bank

Cash at bank is expected to be nil.

Debtors

Book debts were also excluded from the transaction. An up to date debtor ledger is awaited, the Joint Administrators will therefore review the debtor ledger in due course and pursue as appropriate.

An update in respect of anticipated recoverability will be available in the next report to creditors.

Prepayments

According to the Company's records, prepayments and rent deposits total £120k.

The Joint Administrators will assess the position and the recoverability of any prepayments, including rent deposits, and an update will be provided to creditors in subsequent reports.

Rates Refund

The Joint Administrators have instructed Carndearg Consultants Ltd t/a PCA, to investigate the rateable values of the trading premises and identify any historic overpayments based on the rateable value being incorrectly determined.

Shares

The Company is the ultimate shareholder of three other entities within the Group, Temperley Inc, Temperley LA LLC and Bictem Limited. The Joint Administrators will review the financial position of these entities and an update provided in the next report to creditors.

Other Matters

Employees

As part of the transaction, 30 of the Company's employees transferred to TMLL in accordance with TUPE. All nine remaining employees were made redundant shortly following the Administrators' appointment on 29 April 2021.

Since their appointment, the Administrators have contacted the remaining nine employees in respect of their redundancy and have advised them of their rights to lodge a claim with the RPS in respect of any sums owed to them.

The Administrators will continue to assist the employees and have provided the RPS with information to allow claims to be processed and paid as efficiently as possible.

Pension

The Administrators have contacted the Company's pension provider with a view to identifying details of any unpaid pension contributions and processing claims on behalf of employees.

Pension arrears are anticipated to be limited to the month of April given the timing of the transaction. It is expected that the RPS will settle any arrears in full.

Statutory Obligations

Following the completion of the transactions, the Joint Administrators have been complying with their statutory duties such as advertising the notice of the appointment in the London Gazette and making the relevant filings with the Registrar of Companies.

The Joint Administrators have also been liaising with the Company in order to obtain details of all known creditors and have been dealing with unsecured creditor queries received.

2. Conduct of the administration

FRP

The objective of the Administration

The Joint Administrators consider that objective (a) of the Administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, will not be achieved due to the quantum of the Company's existing liabilities and its significant working capital requirement.

It is therefore envisaged that objective (b), a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in administration) will be achieved.

This is due to significantly higher realisations being secured for the Company's assets than would be achieved in the event of a Liquidation. Additionally, the level of the Company's liabilities is significantly less in an Administration compared to an immediate shut down as a transaction to sell certain of the business and assets of the Company was completed immediately after the Joint Administrators' appointment, which secured continued employment for some staff and occupation of the leased premises.

The Joint Administrators can confirm that the transaction, as detailed in **Appendix C**, will enable the statutory purpose identified above to be achieved and that the sale price was the best reasonably obtainable in the circumstances and it was considered to be in the overall best interests of all of the creditors of the Company.

The Joint Administrators' actions to date

Details of work already undertaken or anticipated will be undertaken is set out in the schedule of work attached at **Appendix D**.

Sale of business and certain assets

A sale of part of the business and assets of the Company completed immediately following the Joint Administrators' appointment whereby 30 of the Company's employees transferred in accordance with TUPE regulations.

The Purchaser, TMLL, is a newly incorporated entity of the Group.

The transaction value was £835k, with £381k payable on completion and the balance of £454k deferred over a 12 month period; the completion funds are currently held by Addleshaws and will be remitted to the Administration estate in due course.

Given an element of the sale consideration is on a deferred basis, the Joint Administrators have taken first ranking security in TMLL and AVBM, being the brand/intellectual property holder, and also a guarantee from Holdings.

The consideration apportionment, together with further details of security obtained by the Joint Administrators in respect of the deferred consideration, is presented in **Appendix C**.

To facilitate the transaction, various of the Company's contracts are to be assigned/novated to the Purchaser such as the merchant services provider and global payments provider. The Joint Administrators have engaged with various providers and are assisting the Purchasers with any novation's.

Leasehold Property & Licence to Occupy

The Joint Administrators have granted the Purchaser's a Licence to Occupy the leased premises at Phoenix Studios in Somerset for six months. The purpose of the Licence is to allow the Purchaser time to agree the basis of their occupation of this premises with the landlord.

The first month licence fee of £4,167 has been paid to Addleshaws and the subsequent rent will be paid to the landlord in due course. Future licence payments will be paid to the Joint Administrators monthly in advance.

2. Conduct of the administration

FRP

Work to be undertaken in the Administration

Following approval of the Joint Administrators' proposals the Joint Administrators will continue to manage the affairs and business of the Company and conduct the Administration to achieve the purpose of the Administration.

Key matters to be undertaken include:

- Collection and payment of the monies due under the licence to occupy and liaise with the landlord as appropriate;
- Collection of the debtor ledger;
- Assist employees made redundant with their claims to the RPS;
- Assist the Purchaser with any contract novations;
- Collection of the deferred consideration;
- Collection of any receipts from the Company's former bank account and remit to the Purchaser as appropriate;
- Take the necessary steps to recover any prepayments if appropriate;
- Establish if a rates refund is available;
- Ensuring that all statutory matters are attended to;
- Investigating and, if appropriate, pursuing any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods to the Company;
- Producing all the necessary statutory documents and reports in order to comply with the relevant insolvency legislation;
- Liaising with the Directors and other third parties to obtain relevant information in order to complete the mandatory report on directors' conduct and submit this information to the Department for Business, Energy and Industrial Strategy;
- Distribute realisations to the preferential creditors where applicable;
- Obtain appropriate fee approval;
- Seek an extension of the Administration; and
- Once all matters have been concluded, file a final report with the Registrar of Companies together with form AM22, notice of move from Administration to Dissolution.

Receipts and Payments Accounts

A copy of the Joint Administrators' receipts and payment account to date is attached as **Appendix B**. The sale consideration is currently held by Addleshaws and will be received shortly.

The Director's Statement of Affairs

The director of the Company has been asked to submit a Statement of Affairs under Paragraph 47 of Schedule B1 of the Insolvency Act 1986 and this is awaited.

Details of the financial position of the Company at the latest practical date, prepared from information available to the Administrators and including a list of creditors' names and addresses is provided at **Appendix F**. Given the Statement of Affairs is awaited, the list of creditors is currently draft.

As and when the directors' Statement of Affairs is received it will be filed with the Registrar of Companies.

In accordance with SIP16, the Joint Administrators are required to report to creditors within 7 days of the transaction. It has not been possible for the director to complete a Statement of Affairs within this period.

Matters Requiring Investigation

The Joint Administrators are required as part of their duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted. They are also required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Energy and Industrial Strategy on the conduct of the directors.

If creditors have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact this office as soon as possible.

2. Conduct of the administration

FRP

The end of the Administration

The Administration will end automatically after 12 months from the date of appointment of the Administrators. This period can be extended with consent of the creditors for up to 12 months or longer by application to the Court as required.

If the Joint Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

If the Joint Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Joint Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter liquidation, the Joint Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Joint Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Joint Administrators, or any successor office holder(s).

In this Administration it is proposed that the Joint Administrators will take the necessary steps to dissolve the Company as it is not anticipated there will be any funds available for distribution to unsecured creditors, other than via the prescribed part (if applicable). It will be necessary to

extend the period of the Administration beyond 12 months as a result of the deferred consideration.

Decision of Creditors

Based on information currently available, the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors, except from the prescribed part if applicable.

The Joint Administrators are therefore not required to seek a decision from creditors as to whether they approve the Joint Administrators' proposals pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986. The Joint Administrators must however seek a decision from the creditors if requested to do so by a single or group of creditors whose debts amount to at least 10% of the total debts of the Company. The request must contain the particulars prescribed by rule 15.18 of the Insolvency Rules and be made within eight business days of the date of delivery of this report, in accordance with the Insolvency Rules. The expenses of seeking the decision shall be paid by the creditor or creditors requesting the decision, who will be required to lodge a deposit with the Joint Administrators security for their payment. The creditors may decide that the expenses of seeking the decision should be paid as an expense of the Administration payable from the assets of the Company.

In accordance with the Insolvency Rules where the Joint Administrators have not sought a decision of the creditors, the proposals will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a decision of creditors within eight business days of the date of delivery of this report.

3. The Joint Administrators' remuneration, disbursements and pre-appointment costs

FRP

Joint Administrators' remuneration

A schedule of the work to be undertaken during the Administration is set out at **Appendix D** together with an estimate of the expenses likely to be incurred by the Joint Administrators.

Assumptions made in preparing the summary of work, estimated expenses and the fees estimate where a time cost resolution is proposed are set out in the schedule of work.

The Joint Administrators' will seek to agree the basis of their remuneration with the Secured and preferential creditors in accordance with legislation in due course.

The Joint Administrators' remuneration will be drawn from the Company's assets and it is proposed that it will be charged by reference to the time incurred in attending to matters arising. Further details of how this will be calculated is set out below. The basis of the Joint Administrators' remuneration has not yet been approved and the Joint Administrators have accordingly not drawn any remuneration in this case.

Remuneration charged by reference to the time incurred in attending to matters arising

The Joint Administrators' remuneration which is proposed to be charged by reference to time incurred is set out on the fee estimates attached at **Appendix D**.

Time costs incurred to date total c£18k.

The time charged is based on computerised records capturing time charged by myself and my staff in dealing with the conduct of those aspect of the case being charged on a time cost basis. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

Charge out rates are reviewed at least annually, details of FRP's charge out rates are included at **Appendix D**.

Subsequent Liquidation

Should the Company subsequently be placed into Liquidation and the Joint Administrators appointed as Liquidators, the basis agreed for the drawing of the Joint Administrators' remuneration will also be that utilised in determining the basis of the Liquidators' remuneration, in accordance with the Insolvency Rules. The Liquidators' will seek further creditor approval for the quantum of fees to be drawn in the liquidation where necessary.

For the avoidance of doubt whilst the fee basis will be that utilised in any subsequent Liquidation, the subsequent Liquidators will revert to creditors for approval regarding the quantum of fees to be drawn in the Liquidation.

It is not anticipated that the Company will be placed into Liquidation.

Joint Administrators' disbursements

The Joint Administrators' disbursements are a recharge of actual costs incurred by the Joint Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

Pre-administration costs charged or incurred by the Joint Administrators

Attached at **Appendix E** is a statement of pre-Administration costs charged or incurred by the Joint Administrators and their professional advisors.

The Group initially engaged FRP on 27 January 2021 to provide a high level strategic options review, short-term cash review and an accelerated marketing process on a solvent basis.

The Group paid FRP £15k plus VAT for this work in accordance with the engagement.

Further details of the time charged and fees paid in respect of this engagement are detailed at **Appendix E**, however for the avoidance of doubt FRP will not be looking to recover the outstanding time costs of £102k incurred and these will be written off.

3. The Joint Administrators' remuneration, disbursements and pre-appointment costs

A solvent solution was not achieved and FRP were subsequently engaged on 8 April 2021 by the Company to:

- Undertake an accelerated sale process with a view to achieving a sale of the business and assets of the Company;
- Continue to consider all options available to the Company; and
- Provide insolvency advice and plan for the Company to enter Administration.

The following costs that had not been paid when the Company entered Administration for which approval is being sought:

Firm	Unpaid costs for which approval will be sought
FRP - January engagement	-
FRP - April engagement	70,582
Addleshaw Goddard (Lawyers)	70,995
GMG (Agents)	2,500
Retail Realisations (Agents)	5,000
	149,076

Net of VAT

The Joint Administrators will seek to obtain approval from the Secured Creditor and preferential creditors for the payment of these amounts in accordance with the Insolvency Rules.

Please refer to **Appendix E** for further detail.

Creditors' ability to challenge the Joint Administrators' remuneration and expenses

Creditors have a right to request further information from the Joint Administrators and further have a right to challenge the Joint Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees charged by Insolvency Practitioners which you can access by using the following link <https://creditors.frpadvisor.com/info.aspx> and select the one for England administrators fees. Alternatively a hard copy of the relevant guide will be sent to you on request.

4. Estimated outcome for the creditors

FRP

Based on the information available to date and the assumptions made in the schedule of work, the Joint Administrators set out below the anticipated outcome for creditors:

Outcome for the Secured Creditor

HSBC Bank Plc

In return for a Duty Deferment guarantee provided to HMRC and in respect of a credit card facility, the Company granted HSBC a fixed and floating charge debenture over the assets of the Company dated 28 April 2011.

HSBC were repaid in full prior to the Administration via a combination of offsetting their indebtedness with the credit balance held in the account and any shortfall being met by the Purchaser to enable the bank to release its security over the Company's assets.

There is therefore no outstanding balance due to HSBC.

ATDL Limited

The Company granted ATDL, a related group entity, a fixed and floating charge dated 7 May 2020 in respect of shareholder loans. ATDL's liability is c£4m.

Based on the level of total asset realisations anticipated and quantum of the preferential debt in this matter, a distribution to ATDL is not anticipated.

Outcome for Preferential Creditors

Employees are in the process of submitting their claims to the RPS and a final claim will be available in due course.

For the purposes of this report, it is currently estimated that preferential creditors will total £18k, being the employees' preferential element for unpaid pension contributions and holiday pay as calculated in accordance with legislation.

It is understood that wages were paid in full prior to the Administration therefore a claim in this regard is not expected.

This class of preferential creditors are likely to be paid in full.

Secondary Preferential Creditors

For insolvency proceedings commencing after 1 December 2020 any amounts due to HMRC in respect of temporarily held funds (e.g. PAYE Income Tax, employee NICs, students loan repayments and CIS deductions) rank as a secondary preferential claim against the Company.

It is currently estimated that £600k is due to HMRC in this respect however please note that this amount is based on Company records and HMRC's claim is awaited.

A dividend to secondary preferential creditors is likely however the quantum is dependent on future asset realisations/Administration costs and an update in respect of dividend prospects will be provided in the next report to creditors.

Outcome for unsecured creditors

According to the Company's books and records at the date of appointment, unsecured creditors totalled £28 m.

It is currently estimated that there will not be sufficient funds available to make a distribution to unsecured creditors.

Prescribed part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000 and the cost of making a distribution to unsecured creditors would not be disproportionate to the benefits.

The net property available for the Prescribed Part is anticipated to be less than £10,000, therefore, the Prescribed Part shall not apply in this matter.

Appendix A

Statutory information about the Company and the Administration

FRP

COMPANY INFORMATION:

Other trading names:	Temperley London
Date of incorporation:	21 July 2000
Company number:	04038659
Registered office:	C/O FRP, 4th Floor, Abbey House, Booth Street, Manchester, M2 4AB
Previous registered office:	27 Bruton Street, London, W1J 6QN
Directors:	Luca Donnini appointed 14/11/2019 Alice Temperley appointed 21/07/2000 resigned 15/04/2021
Company secretary:	Emma Davies
Shareholders:	Temperley Holdings Limited

ADMINISTRATION DETAILS:

Names/addresses of Joint Administrators:	Anthony Collier , FRP Advisory , 4th Floor, Abbey House, Booth Street, Manchester, M2 4AB David Acland, Derby House, 12 Winckley Square, Preston, PR1 3JJ
Date of appointment of Joint Administrators:	29 April 2021
Court in which Administration proceedings were brought:	High Court of Justice, Business and Property Courts in Manchester, Insolvency and Companies List
Court reference number:	241 of 2021
Date of notice of intention to appoint Joint Administrators presented to Court:	23 April 2021
Administration appointment made by:	The Director of the Company
Consent to the notice to appoint an Administrator provided by the QFCH as follows:	ATDL 27 April 2021 HSBC 28 April 2021

The appointment of the Joint Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

The director has confirmed the Company's centre of main interest has been in the UK and accordingly the proceedings will be COMI proceedings as defined in the Insolvency Rules.

Appendix A

Statutory information about the Company and the Administration

FRP

Extracts from the financial statements available are summarised below.

Management accounts were prepared on a consolidated basis for the Group therefore recent management accounts for the Company only are not currently available.

Profit and Loss	Statutory Accounts YE Dec 19 £000	Statutory Accounts YE Dec 2018 £000	Statutory Accounts YE Dec 2017 £000
Turnover	8,462	9,695	11,376
Costs of Sales	(4,656)	(5,574)	(5,608)
Gross Profit	3,806	4,121	5,768
Administrative expenses	(7,457)	(7,362)	(7,273)
Operating (loss)/profit	(3,651)	(3,241)	(1,505)
Interest Payable and Similar charges	(95)	(108)	(30)
Profit/Loss Before Tax	(3,746)	(3,349)	(1,535)
Tax	0	0	0
(Loss)/Profit for the year	(3,746)	(3,349)	(1,535)

Balance Sheet	Statutory Accounts YE Dec 19 £000	Statutory Accounts YE Dec 2018 £000	Statutory Accounts YE Dec 2017 £000
Fixed Assets			
Tangible assets	240	250	305
Intangible assets	34	55	67
Investments	0	0	0
	274	305	372
Current Assets			
Debtors: amounts falling due within one year	1,105	2,826	3,533
Cash at bank and in hand	511	241	557
Stock (incl provision)	2,202	1,863	2,639
	3,818	4,930	6,729
Creditors: amounts falling due within one year	(24,476)	(21,874)	(20,391)
Net Current Liabilities	(20,658)	(16,944)	(13,662)
Net Liabilities	(20,384)	(16,639)	(13,290)
Capital and reserves			
Called up share capital			
Share premium account	5,589	5,589	5,589
Profit and Loss retained earnings	(25,974)	(22,228)	(18,879)
Shareholder deficit	(20,385)	(16,639)	(13,290)

Appendix B**Joint Administrators' receipts & payments account****FRP****TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
(In Administration)****Income and Expenditure Account
29 April 2021 to 06 May 2021**

	Total (£)
INCOME	
	<u>0.00</u>
EXPENDITURE	
	<u>0.00</u>
Balance	<u>0.00</u>
MADE UP AS FOLLOWS	
	<u>0.00</u>

Note - As explained in the main body of this report, the sale consideration is currently held by Addleshaws and will be received in due course.

Appendix C

Explanation of the pre-packaged sale in accordance with Statement of Insolvency Practice 16

FRP

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TL 2021 Limited – In Administration
(formerly Temperley Limited) t/a Temperley London
Disclosure to creditors in accordance with Statement of Insolvency
Practice 16
6 May 2021

Contents and Glossary

FRP

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Abbreviations

Abbreviations used in this document are detailed earlier in the Joint Administrators' Proposals.

1. Introduction

FRP

To all known creditors

Following the appointment of the Joint Administrators on 29 April 2021, the Joint Administrators are required to provide the creditors with a detailed narrative explanation of the justification of the pre-pack sale within seven days of completion in accordance with SIP 16.

I set out in this document full details of the sale and reasons behind the decision for this sale and why it was considered to be in the overall best interests of all creditors of the Company as a whole.

The Joint Administrators set out in this document full details of the sales and reasons behind the decision for these sales and why it was considered to be in the overall best interests of all creditors of the Company as a whole.

I can confirm that the transaction to TMLL will enable the statutory purpose of the administration, being objective B, a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in Administration) to be achieved and that the sale price realised was the best reasonably obtainable in all the circumstances.

Should you require any further information regarding this report or the administration in general please contact Katie Allen of my staff.

Yours faithfully

For and on behalf of

TL 2021 Limited (formerly Temperley Limited) t/a Temperley London



Anthony Collier
Joint Administrator

Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales and bound by the Insolvency Code of Ethics

The Joint Administrators act as agents of the Company and without personal liability.

The affairs, business and property of the Company are being managed by Anthony Collier and David Acland who were appointed Joint Administrators on 29 April 2021

TL 2021 Limited (Formerly Temperley Limited) t/a Temperley London (in administration)
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2 Statement of Insolvency Practice 16 – Pre-packaged sales in administrations

An overview for creditors

FRP

What is a SIP?

The purpose of SIPs is to promote and maintain high standards by setting out required practice and harmonising the approach of Insolvency Practitioners to particular aspects of insolvency practice. They apply in parallel to the prevailing statutory framework.

SIPs set principles and key compliance standards with which Insolvency Practitioners are required to comply. Failure to observe the principles and/or maintain the standards set out in a SIP is a matter that may be considered by an Insolvency Practitioners' regulatory authority for the purposes of disciplinary or regulatory action in accordance with that authority's membership and disciplinary rules.

SIPs set out required practice, but they are not statements of the law or the obligations imposed by insolvency legislation itself.

What is a pre-packaged sale?

The term 'pre-packaged sale' refers to an arrangement under which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the transaction immediately on, or shortly after, appointment.

The particular nature of an Insolvency Practitioners' position in these circumstances renders transparency in all dealings of primary importance. Creditors and other interested parties should be confident that the IP has acted professionally and with objectivity; failure to demonstrate this clearly may bring the practitioner and the profession into disrepute.

What are the principles of SIP 16

The Insolvency Practitioners should differentiate the roles that are associated with an administration involving a pre-packaged sale.

Creditors should be provided with sufficient information such that a reasonable and informed third party would conclude that the pre-pack was appropriate and that the Joint Administrators has acted with due regard for the creditors' interests.

Key Compliance Standards

Preparatory work – the Insolvency Practitioners should be clear about the nature and extent of the role of adviser in the pre-appointment period. The Insolvency Practitioners should bear in mind the duties and obligations owed to both the company and the creditors in the pre-appointment period. The Insolvency Practitioners should keep a detailed record of the reasoning behind the decision to undertake a pre-packaged sale and all alternatives considered.

After appointment – the Joint Administrators should be able to demonstrate that the duties of an Administrator have been considered.

Disclosure – the Joint Administrators should provide creditors with a detailed narrative explanation of the justification of the pre-pack sale within seven days of completion. The following information should be included:

- Source of the initial introduction to the Insolvency Practitioners;
- Pre-appointment considerations;
- Marketing of the business and assets;
- Valuation of the business and assets; and
- Details of the transaction including the assets sold and the consideration received.

The SIP does not restrict an administrator from not disclosing information in certain limited circumstances in accordance with the IA86.

Further information

A copy of SIP 16 can be found from the following link, selecting the relevant country for Statement of Insolvency Practice, <https://creditors.frp.advisory.com/info.aspx>.

3. Background information and events leading to appointment of the Joint Administrators

Background information regarding the Company

The Company was incorporated on 21 July 2000 and is a British luxury fashion brand offering daywear, eveningwear and bridal collections.

The brand was founded by Alice Temperley MBE, who acted as Creative Director.

Since 2014 the business has undergone a repositioning to re-energise the brand image under one roof, "The World of Temperley" and with two distinct brand labels "Temperley London" (main luxe) and "Somerset by Alice Temperley" (affordable premium).

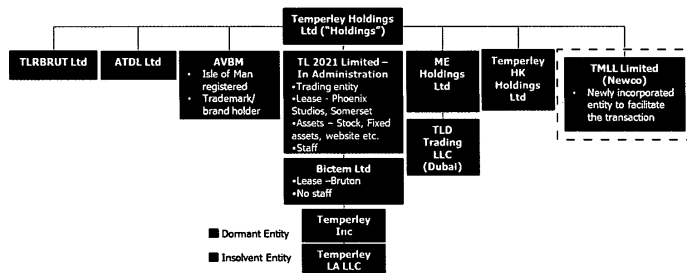
The Group has historically operated through various channels, being wholesale, retail, franchise (Dubai) and E-commerce.

The Group operated four standalone stores, including its flagship store on Bruton Street in Mayfair, Somerset, Chelsea and Dubai and employed 39 staff.

The Temperley brand is distributed in over 30 countries across upwards of 150 wholesale accounts.

Group structure

The group structure is below.



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Notes to the Group structure

As detailed opposite, the main trading entity is Temperley Limited which holds the Somerset lease (Phoenix Studios), all staff, stock, website etc. The brand/trademarks is held within AVBM; this was as a result of the 2019 restructure which is referred to below.

The Temperley brands/intellectual property owned by AVBM is licensed to Holdings. In July 2020, Holdings acquired the entire share capital of AVBM, a company registered in the Isle of Man. Alice Temperley was a director and sole shareholder of AVBM.

The remaining entities are either dormant or have limited trade/assets.

TMLL Limited is a recently incorporated entity within the Group and is wholly owned by Holdings. As noted earlier in this report, TMLL acquired certain of the Company's business and assets from the Joint Administrators.

The sum of £26m is due from the Company to the Group.

Restructure / financials

The Group has continuously been funded by its shareholders however had an Invoice Discount facility with HSBC in 2011 and Bibby in 2018, the Bibby security was satisfied shortly prior to the Administration.

Financial extracts are provided at **Appendix A**.

Following periods of unprofitability, in 2019 the Company embarked on a business transformation with the appointment of a new management team with experience to scale and leverage a brand internationally. Management implemented a focused 5 year growth plan. Their aim was to evolve Temperley from a British fashion, luxury womenswear brand into an iconic lifestyle brand with British heritage.

The Company has recently restructured its relationship with a well known department store whereby their right to the global licensing of the Temperley Somerset brand has now ceased. This provided the brand with the potential for a new partner(s) to leverage and benefit from a global licensing platform, promoting the Somerset collection and diversification into other geographies and product offerings in the lifestyle spectrum (home wear, kids wear, fragrance, jewellery and eyewear).

3 Background information and events leading to appointment of the Joint Administrators

The Group continued to be well supported by its shareholders during this time and in the year ended December 2019, completed a new equity raise of £1.9m through the issue of shares to both existing and new shareholders. To further support the Group, loan notes of £2.4m were converted into equity during the year ended 2019.

Covid-19

In the short period prior to COVID, Management had upgraded, rationalised and prepared the business for future profitable growth.

The pandemic has however, inevitably, had a material impact on the business and trading in a number of ways:

- Loss of retail store trade through extended periods of lockdown
- Significant drop in footfall from high spend, overseas customers
- Demand for elegant/bridalwear has reduced, the majority of revenue is generated from evening/bridal
- Substantial reduction in wholesale customer orders
- Lack of cashflow to re-invest in new channels to market such as E-commerce

In response, the Group took various actions to mitigate the impacts and streamline their operations, such as utilising the Furlough scheme, liquidated older stock, negotiated rent on a turnover basis and redundancies.

In addition to the above actions, the shareholders have injected further funds of c£2.1m during 2020/2021 to enable the business to manage existing working capital requirements.

There has been no sale of significant assets in this period.

Joint Administrators initial introduction and pre-appointment involvement

Corporate Finance engagement

Heath Snyder of FRP was initially introduced to the Group by Compare Your Funding (funding broker) on 11 January 2021 to review financing options. A formal engagement letter was signed on 27 January 2021 for a high level strategic options review, short-term cash review and an accelerated sale process on a solvent basis.

Having established the Group as a highly-reputable name in the luxury fashion sector, the Group were seeking a strategic partner / investor who would support the business in its implementation and execution of the already identified growth strategy.

Further details of this process are detailed later in this document.

Insolvency engagement

Ultimately, no solvent solution was forthcoming given the Group's liabilities and structure of its assets.

This subsequently led to a further review of the Company's financial position and discussion of the options available to them, including the feasibility of a Creditors' Voluntary Liquidation and a pre-pack Administration.

The immediate cash requirement per management's forecasts was £2m. The shareholders were no longer willing to continue injecting funds into the Company and in the absence of a solvent solution, the Company was deemed insolvent on a cash flow and balance sheet basis.

The second engagement letter was signed on 8 April 2021 and an accelerated sale process was conducted with a view to selling the business and assets to a newco via a pre-package Administration.

Prior to these engagements, neither FRP nor the Joint Administrators had any prior involvement with the Company.

At this stage FRP's primary duty of care was to the Company. Until the appointment of Joint Administrators, the directors continued to be responsible for the Company and its affairs. Neither FRP nor its insolvency practitioners advised the directors personally, or any parties connected with the purchaser, who were encouraged to take independent advice.

In order to protect the Company and its assets from proprietary creditor action, a NOI was filed in court on 23 April 2021.

Prior to the Joint Administrators' appointment, they are required to consider any ethical and conflict issues in relation to the appointment and provided the Joint Administrators are satisfied that there are no matters arising that would preclude them from consenting to act they provide a statutory statement and consent to act in which any prior relationship

3. Background information and events leading to appointment of the Joint Administrators

between the proposed Joint Administrators and the Company is summarised, this statement is subsequently filed in Court.

Following the Joint Administrators' appointment, their duty of care is to all Company creditors.

Following the marketing process, an offer for certain of the Company's business and assets was received from TMLL. Acceptance of this offer was considered in the best interest of creditors, particularly when compared to the alternative of a shut-down Liquidation process.

Full details of the offer and rationale for its acceptance are presented later within this section.

Appointment of Joint Administrators

Following an extensive sale process, it became clear that an Administration appointment would provide a better return to creditors.

Anthony Collier and David Acland of FRP were duly appointed Joint Administrators on 29 April 2021.

HSBC and ATDL, being QFCH holders, consented to the Joint Administrators' appointment.

The appointment was made by the director of the Company as it was within their power to do so and the most expedient route.

Purpose of the Administration

In accordance with Paragraph 3 of Schedule B1 to the Insolvency Act 1986 an Administrator of a company must perform his functions with the objective of:

- a) Rescuing the Company as a going concern, or
- b) Achieving a better result for the Company's creditors as a whole than would have been likely if the Company were wound up (without first being in administration) or,
- c) Realising property in order to make a distribution to one or more of the secured or preferential creditors.

As explained in the introduction section, the transaction to TMLL enables objective (b) to be achieved.

It is considered that the sale to TMLL enables the statutory purpose (b) to be achieved for the reasons below and the sale price is the best reasonably obtainable given the current circumstances.

- Provides the best value for the Company's business and assets;
- Provides the best outcome for creditors compared to the alternative courses of action available;
- Facilitated continued occupation of the trading premises, mitigating landlord claims;
- Preserves 30 of 39 jobs by transferring the staff under TUPE to TMLL, reducing employee claims in the Administration;
- Provides ongoing trade for suppliers; and
- Given the fact the brand is owned by AVBM, it is not possible for a third party to purchase the stock without buying the brand, equally stock is not saleable without access to the brand. Therefore, a sale to the brand owner will yield best value for the estate.

4. Pre-appointment considerations

Alternative courses of action considered

Solvent Solution

The Company was insolvent on a cashflow and balance sheet basis.

A solvent approach was initially explored, and various interested parties were approached however as explained earlier, no interest was received during the sale process for a solvent sale.

Further information regarding the marketing activities undertaken during this process are referred to later in this document.

CVA

A CVA was reviewed but it was not considered that an acceptable proposal would be capable of being put to creditors given the limited scope for a sufficient lump sum injection of funds. The shareholders were not willing to support a CVA.

Given the continuing impact of Covid, it was uncertain when the Company would start to generate a profit which would be the only asset available to propose to creditors.

Additionally, preferential creditors would require payment in full in a CVA which are estimated at c£618k.

In light of the above, structuring a CVA to achieve a better result than an Administration, and therefore gain approval, was considered challenging and unlikely to generate material benefit.

Trading Administration

Trading in Administration was not considered appropriate:

- Despite extensive marketing, limited interest has been received to date therefore it was unlikely that a period of trading whilst in an insolvency process would generate an improved offer for the business and/or assets.
- Working capital requirement was significant as suppliers would likely require proforma payments and / or demand ransom payments.
- The significant costs associated with trading the business in Administration would have eroded the return to creditors.
- Operational restrictions associated with Covid.

In view of the above, and the fact that the parent company had concluded they were not willing to continue supporting losses, no requests for working capital were made of third-party funders.

Creditors' Voluntary Liquidation

Liquidation was not considered feasible for the following reasons:

- Placing the Company into Liquidation would in this case result in the closure of the business and necessitate a break in trade, devaluing the business.
- Higher reputational risk.
- The sale of the business as a going concern via Administration was forecast to result in better realisations than a Liquidation.
- Placing the Company into Liquidation or allowing the entity to be wound up would in this case result in redundancies for all 39 employees, increasing the likely deficiency to creditors due to claims for notice/holiday/redundancy pay.
- Higher asset realisations were estimated in an Administration compared to a Liquidation.

New moratorium process

The Corporate Insolvency and Governance Act 2020 introduced a new standalone moratorium procedure for certain companies.

The Act gives struggling businesses a formal breathing space to pursue a rescue plan. It creates a moratorium during which no legal action can be taken against a company without leave of the court. The Act was introduced to ensure that companies which are struggling as a direct result of the pandemic are given the opportunity to survive.

The new moratorium process was not appropriate in this case:

- There would be insufficient cashflow to meet liabilities such as rent, wages and monitor remuneration during the moratorium period.
- Additionally, given the limited interest in a solvent solution during the first engagement, it was not envisaged that the Company would be rescued as a going concern.

Conclusion

A sale of the Company's business and certain assets via a pre-package sale (immediately following and Administration appointment), provided the best return to all creditors.

4. Pre-appointment considerations

Consultation with major creditors

HSBC Bank Plc (secured creditor)

As detailed in the main body of this report, the Company granted HSBC a fixed and floating charge debenture over the assets of the Company dated 28 April 2011 in respect of a duty deferment guarantee account and credit card facility.

In order for the transaction to be agreed, HSBC were repaid in full prior to the Administration via a combination of offsetting their indebtedness with the credit balance held in the account and any shortfall being met by the Purchaser to enable the bank to release their security over the Company's assets.

HSBC were kept apprised of the position during the pre-Administration period.

Additionally, HSBC provided their consent to the appointment and deed of release in respect of their security over the Company's assets and were supportive of the transaction.

ATDL Limited (secured creditor) / the Group

The Company granted ATDL a fixed and floating charge dated 7 May 2020 in respect of shareholder loans referred to earlier.

ATDL are a subsidiary of the Group and the directors/shareholders were kept up to date as part of the process.

ATDL's liability is c£4m.

Group liabilities represent approximately 90% of the total creditor base and the Group's board have been updated regularly throughout the process and were supportive of the transaction.

HMRC

Following the filing of the NOI in court and as the largest preferential creditor, FRP contacted HMRC to advise them of the Company's financial position and the proposed strategy.

Previous acquisitions from an Insolvency Practitioner

There have been no previous acquisitions from an Insolvency Practitioner.

4. Pre-appointment considerations

FRP

Marketing activities undertaken

As previously mentioned, FRP Corporate Finance division were engaged on 27 January 2021 to commence an accelerated sale process. A summary of the approaches made and outcome is detailed below. The parties targeted included, luxury/secondary trade buyers, brand investors/licensing and private equity/investors.

Total	
Approaches made	131
Teaser sent	92
NDA sent / data room invite	4
NDA signed & data room access	3
Declines	44

131 parties were initially approached which resulted in 3 parties being granted access to the FRP dataroom. The dataroom included further information on the Company including historic financial information, employee information, leasehold property details, stock schedules, forecasts, business plans etc.

As a result of no offers being received, and given Management expected to run out of cash by the end of April, FRP were subsequently engaged to commence an accelerated sale process with a view to placing the Company into Administration.

It was established from an early stage (which was enhanced by interested party feedback), that Management were key to the success of the brand going forward.

Eight parties were approached during this process which included parties previously approached during the Corporate Finance process who expressed potential interest in a pre-package transaction. The parties were aware of the restricted timeframes available and that a transaction would need to complete prior to the end of April.

Four parties (including the ultimate purchasers) engaged with management early April 2021 with a view to funding a newco.

It was not considered appropriate to market the business and assets via the internet in this matter given the extensive/strategic parties approached during the initial engagement.

The proposed Joint Administrators did not receive any direct offers for the purchase of the Company's business and assets via the proposed pre-package sale, save for the accepted offer from TMLL which is detailed later in this memo.

Valuation of assets

Stock

The Company's stock was held in various locations in the UK and Italy and had a cost value of £3.2m. This value includes £700k of bonded stock held in a warehouse and subject to duty.

The stock was valued by GMG Asset Valuation Limited in accordance with Royal Institute of Chartered Surveyors ("RICS") Valuation Professional Standards 2014. The valuation basis adopted by GMG was on a controlled and forced sale ex-situ basis. GMG anticipated that £1.3m could be achieved on the assumption that the stock would be traded through the existing wholesale and retail channels by the Joint Administrators, assuming there were no stock restrictions, over a 3 month period. This value is prior to the cost of realisation (rent arrears, warehouse arrears, trading costs, staff costs, agent commission etc). As noted earlier in this document, the Joint Administrator does not consider trading appropriate.

The Company's stock was also valued on a desktop basis on 19 April 2021 by Retail Realisation, an independent valuation agent. Retail Realisations are highly experienced agents in the retail sector and credentials include various luxury womenswear brands. The individual who carried out the valuation is registered with the Financial Conduct Authority.

Retail Realisations considered that placing the stock items into a premium auction would achieve the best outcome in the alternative scenario, being a Liquidation. The agents and suggested auction house consider the realisations to be 18% to 24% of cost value, being a range of £480k to £640k based on a cost value of £2.7m.

Retail Realisation's suggested recovery rates exclude stock held in Italy (£567k) given the likely challenges that may be faced in realising this stock i.e. geography and warehouse arrears.

The agents consider they would require 3-4 months in a Liquidation scenario to dispose of the stock and the above realisations are prior to the cost of realisation, such as 20% commission and transport. See below for a summary of net stock realisations:

Net stock realisations	Admin	CVL
Consideration	640,000	533,679
Auction house commission	-	(106,736)
Collection of stock	-	(5,000)
Warehouse arrears	-	(31,286)
Valuation	(7,500)	(7,500)
	632,500	383,157

In a CVL, realisations are estimated at 20% of cost value and excludes the stock held in Italy.

4. Pre-appointment considerations

FRP

Stock restriction

Legal advice was sought in respect of the stock which highlighted potential challenges due to the brand being held by a different entity.

The stock faces restrictions in a Liquidation scenario and also a pre-package sale scenario to a third party.

The stock is currently branded with Temperley trademarks. AVBM Limited, being owner of the trademarks, have legal authority to bring a claim for trademark infringement if the Stock is sold without its consent. A third-party buyer could be challenged by AVBM for selling their trademarked goods without their consent. Third party buyers could be asked to evidence a licence to sell the stock or AVBM's consent to sell stock prior to entering into any sale agreement. If the stock were to be sold to a third party and AVBM consent be required, it is likely that sale proceeds would be split with AVBM, resulting in lower consideration.

Therefore, a sale to company connected to the brand owner yields best value for the Administration estate.

Raw Materials

Raw materials are made up of various rolls of fabric which have a cost value of £316k per the February 2021 management accounts. The vast majority of the fabric is held by third parties across various locations. It is understood that ROT claims of c£100k would be expected against the materials by the parties in possession of the fabric. Assuming a 20% recovery, being £63k, it would not be cost effective to uplift these items in a Liquidation.

TMLL's offer includes the raw materials.

Fixed Assets

Fixed assets are predominantly made up of office fixtures, equipment and computer software. It is considered that the costs of uplifting these items in a Liquidation would outweigh the benefit therefore the leases and assets within would be disclaimed by the Liquidators.

TMLL's offer includes consideration of £5k for these assets.

Agent comments / recommendations

Retail Realisations note that the offer received for stock (£640k) was better than any prospective offers they had received from potential third party purchasers. The highest offer they had received was for £340k to £437k with no certainty of their ability to meet the top end of this range.

Retail Realisations also comment that whilst an element of stock is subject to deferred consideration, this facilitates the transaction and further recoveries from other assets i.e. intercompany debtors, Director's Loan Account and also improves the position of some creditors and employees.

GMG also provided their comments that whilst the consideration for stock was in line with their forced sale valuation, the offer from TMLL presented a better outcome for all creditors as a whole when compared to the alternative, being a Liquidation.

Both agents therefore recommended the offer for acceptance and also confirmed their independence.

The Joint Administrators can confirm that they have reviewed the agents Professional Indemnity insurance certificates and, in accordance with SIP16 the agents confirmed cover is adequate.

Assets not requiring valuations

Director's Loan Account ("DLA")

Former director, Alice Temperley had a historic overdrawn DLA for £200k. The offer from TMLL included a full and final settlement offer of £120k.

Intercompany position

The below balances are due to the Company from various subsidiaries:

Intercompany	Feb 21 management accounts
	714,753
Dubai	
TLBRUT	454,056
Temperley HK Holdings	87,051
Temperley LA	102,407
Temperley Inc	823
Total assets	1,359,090

The Joint Administrators have reviewed appropriate financial documentation in respect of these entities and are satisfied that limited realisations would be achieved from these debtors due to their financial positions.

4 Pre-appointment considerations

FRP

Accepted offer received and further negotiation

TMLL Limited

The accepted offer for certain of the business and assets was from a connected party, TMLL.

It is understood that TMLL will be funded by certain of the existing Holdings shareholders and that the management team will be involved in the Newco.

Details of the assets included are as follows, all assets are classed as floating charge assets by definition:

Assets	£
Stock	640,000*
Intercompany Debtor	70,000*
DLA	120,000
Social Media Accounts & Domain Name, business name, contracts, records	4
Fixed Assets	5,000
	<u>835,004</u>

* subject to deferred consideration

- Following negotiations, it was agreed that £120k be accepted in full and final settlement of the overdrawn DLA and was payable in full on completion.

It is understood that the DLA is made up of a significant amount of transactions dating back to 2006 and elements are disputed. It is considered that accepting a full and final settlement upfront provides creditors with certainty as there would likely be costs associated in pursuing the DLA if it were excluded from the transaction.

- Newco offered a compromise of £70k in full and final settlement of the Intercompany debtors. The Joint Administrators have reviewed the entities' balance sheets which demonstrates net liabilities and limited prospects of generating a profit for a protracted period.

Other considerations / matters pertaining to the offer

- TMLL require a licence to occupy the leasehold premises at Somerset. Licence fees are payable monthly in advance.
- The Joint Administrators will use best endeavours to assist with the assignments of various customer/supply contracts.
- Given the nature of the business, it is likely that EPOS/PDQ receipts will continue to be remitted to the old bank account. Cut off for sales was 29 April (inclusive) onwards to be property of the Newco. The Joint Administrators will forward receipts to Newco as appropriate.
- Duty deferment in respect of the bonded stock will be met by the Newco.
- The sale is not part of a wider transaction, there are no options, buy backs or other conditions, than that already disclosed.
- The business will be acquired as a going concern.
- The transaction includes 30 employees transferring to the Purchaser in accordance with TUPE, mitigating the liabilities.

The transaction

The Company was placed into Administration on 29 April 2021 and the transaction completed immediately thereafter.

Purchaser and related parties

The purchasing entity is TMLL Limited, a newly incorporated subsidiary of the Group, controlled by Holdings.

The directors of TMLL are Luca Donnini and Alice Temperley and the secretary is Emma Davies, all parties are part of the Company's management team.

The Purchaser is therefore connected by way of common directors and shareholders.

The Joint Administrators are not aware of any guarantees by directors to prior financiers. The Company's QFCH's are not financing the Newco.

4 Pre-appointment considerations

FRP

TMLL was independently advised on the transaction.

Sale consideration

As detailed earlier, total consideration is £835k of which £381k was payable on completion and the balance of £454k is deferred over a period of 12 months.

- *Stock - £256k is payable on completion and the balance of £384k is payable in 12 equal instalments of £32k, the first instalment being due one month following completion.
- *Intercompany debt - £70k is payable in 12 equal instalments of £5,833, the first instalment being due one month following completion.
- The Joint Administrators have obtained security for the deferred consideration by way of:
 - a debenture over the Newco;
 - a guarantee from Holdings; and
 - a first ranking fixed charge over the brand/Intellectual Property in AVBM.

Additionally, the Joint Administrators will retain retention of title over the stock until paid for in full.

Pre-pack pool consultation

TMLL were invited to approach the pre-pack pool, it is understood that TMLL considered this invitation and decided not to take this step.

Viability review

TMLL have not provided FRP with a viability review.

They have forecast the anticipated performance of the wider group and are aware of the support required for ongoing trade and have sufficient working capital to fund the business.

Assets excluded from the transaction

Cash, trade debtors, prepayments, shares and rent deposits were excluded from the transaction.

Appendix D

The Administrators' remuneration, disbursements and costs information

- Fee estimate
- FRP charge out rate and disbursement policy
- Schedule of work
- Estimate of expenses

FRP

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

TL 2021 Limited (In Administration)
Joint Administrators fee estimate as at 29 April 2021

Activity	Hours	Total Cost (£)	Average hourly rate £
ADMINISTRATION	56.5	18,968	336
ASSET REALISATION	86.0	33,220	386
STATUTORY COMPLIANCE AND REPORTING	78.0	30,110	386
TRADING	-	-	-
INVESTIGATION	37.0	13,875	375
CREDITORS	142.0	53,580	377
LEGAL AND LITIGATION	-	-	-
TOTAL	399.5	149,753	

Hourly Charge out rates:	
	£
Appt taker/partner	450-545
Managers/directors	340-465
Other professional	200-295
Junior Professional/support	125-175

The above fee estimate is based on the assumptions contained in the accompanying schedule of work.

The office holder anticipates that it will not be necessary to seek further approval.

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory's charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisor.com/fees-guide.html>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

Appendix D

The Administrators' remuneration, disbursements and costs information

FRP

HOURLY CHARGE OUT RATES

	£/hour
Appointment taker/Restructuring Advisory Partner/Director	450-545
Managers/Directors	340-465
Other Professional	200-295
Junior Professional/Support	125-175

Time costs are maintained on computerised records of all time spent on the administration of each case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP charge out rates applicable to this assignment are set out above.

Further information can be found in the Creditors' Guide to Fees which you can access using the following link <http://www.frpadvisor.com/fees-guide.html>. Alternatively, a hard copy of the relevant guide will be sent to you on request.

On occasions it may be necessary to change the rates applicable to the work undertaken and if this occurs during the period of the assignment this will be notified to creditors as part of the normal reporting procedures.

DISBURSEMENT POLICY

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

There are two types of disbursements; direct disbursements (known as Category 1) and indirect disbursements (known as Category 2).

Category 1 disbursements

These are payments to independent third parties where there is specific expenditure directly referable to the appointment in question, these include but are not limited to such items as case advertising, storage, bonding, searches, insurance, licence fees.

Category 1 disbursements can be drawn without prior approval

Category 2 disbursements

These are expenses that are directly referable to the appointment in question but not to a payment to an independent third party. With the exception of mileage FRP do not charge category 2 disbursements.

Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Category 2 disbursements require prior approval in the same manner as an office holder's remuneration.

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The Administrators' remuneration, disbursements and costs information

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Schedule of work

The table below sets out a detailed summary of the work undertaken by the Joint Administrators to date and details of the work it is anticipated will be undertaken throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below.

Where the fee basis proposed is time costs, further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds (from the sale of assets and/or recoveries from successful actions taken against third parties; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK

- The records received are complete and up to date
- There are no matters to investigate or pursue
- No financial irregularities are identified
- A committee of creditors is not appointed
- There are no exceptional queries from stakeholders
- Full co-operation of the directors and other relevant parties is received as required by legislation
- There are no health and safety or environmental issues to be dealt with
- The case will be closed within 2 years

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Note	Category	
1	ADMINISTRATION AND PLANNING	ADMINISTRATION AND PLANNING
	Work undertaken to date	Future work to be undertaken
	Pre-Appointment Matters	Pre-Appointment Matters
	Please refer to Appendix E for further information of work undertaken in the Pre-appointment period.	n/a
	General matters / Case Management Requirements	General matters / Case Management Requirements
	<p>Instructing City Press, FRP's press office, to prepare for any relevant press releases.</p> <p>Prior to the Joint Administrator's appointment, a review of ethical issues was undertaken and no ethical threats were identified. A further review has been carried out and no threats have been identified.</p> <p>Determine case strategy and documenting.</p> <p>Setting up insolvent estate bank accounts.</p> <p>Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed.</p> <p>Informing insurers of the Administration.</p> <p>Correspondence with the former advisors to the Company requesting third party information to assist in general enquiries.</p> <p>Instructing Addleshaws to perform a review of the validity of security and appointment.</p>	<p>Consider any ongoing liaison with third parties eg FCA etc that may be required</p> <p>Continued reference to statutory provision throughout the case in relation to direction, review and reporting requirements.</p> <p>Continue to monitor the position with regards to any ethical threats and take appropriate action should any threat be identified.</p> <p>Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing. This aids efficient case management.</p> <p>Obtaining appropriate fee approval.</p> <p>Continued management of the insolvent estate bank accounts to ensure correct postings and the timely submission of any correspondence to HMRC.</p> <p>Cancelling insurance to control insurance costs where appropriate.</p> <p>As applicable, full communication and notification with the relevant regulatory bodies.</p> <p>Obtaining legal advice on the validity of appointment to ensure all required documentation has been properly filed and submitted. In addition, this</p>

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	<p>In accordance with the pre-package transaction, a six month licence to occupy has been granted to TMLL. The Landlord has been notified.</p> <p>Instructing IT to obtain appropriate backups.</p>	<p>would include a review of any security documentation to confirm the validity of any charges.</p> <p>Any health and safety or environmental matters that need attending to.</p> <p>Monitor receipt of the licence to occupy fee and payment of subsequent rent to the landlord during the licence period.</p> <p>Collection of Company records.</p>
2	<p>ASSET REALISATION</p> <p>Work undertaken to date</p>	<p>ASSET REALISATION</p> <p>Future work to be undertaken</p>
	<p>One of the main purposes of an insolvency process is to realise the assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p> <p>Insurance has been arranged by the Joint Administrators in respect of the lease until such a time as it assigns to the Purchaser.</p> <p>The majority of the assets of the Company were sold shortly following the Joint Administrators' appointment. Please refer to Appendix C for full details.</p> <p>Please refer to the main body of this document for full details of asset realisations.</p> <p>Cash at Bank</p> <p>The Joint Administrators have notified the former bankers of the Administration.</p>	<p>Consideration will be given to any other recoverable assets are pursuable. For example book debts, terminal loss relief claims, business rates refunds, prepayments, antecedent transactions or preference claims.</p> <p>The Joint Administrators will monitor the balance of deferred consideration to be collected over the next 12 months following appointment.</p> <p>Ongoing assistance in respect of the sale to TMLL, including but not limited to novations of various contracts.</p> <p>Consideration of any VAT bad debt relief claim being made</p> <p>Challenge to rateable values</p> <p>Specific categories of known assets to be realised, that were excluded from the transaction, are detailed below:</p> <p>Cash at Bank</p> <p>The Joint Administrators will liaise with the Bank to secure the transfer of funds to the Administration estate.</p> <p>Trade Debtors</p> <p>The Joint Administrators will review the debtor ledger and pursue as appropriate.</p>

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		<p>Prepayments/Rent Deposits</p> <p>The Joint Administrators will assess the position and the recoverability of any prepayments, including rent deposits, and an update will be provided to creditors in subsequent reports.</p> <p>Shares</p> <p>The Company is the ultimate shareholder of three entities within the Group, the Joint Administrators will assess the financial position of these entities.</p>
3	<p>STATUTORY COMPLIANCE AND REPORTING</p> <p>Work undertaken to date</p>	<p>STATUTORY COMPLIANCE AND REPORTING</p> <p>Future work to be undertaken</p>
	<p>The Joint Administrators are required to provide creditors with the proposals for the conduct of the Administration for approval by creditors in accordance with legislation.</p> <p>Requesting a Statement of Affairs from the director of the Company and producing an estimated statement of financial position for the proposals.</p> <p>Calculation and protection of the asset values that are not subject to a charge and obtaining a bond to the correct level.</p> <p>Dealing with all appointment formalities as required by statute including notification to relevant parties, filings with the Court; registrar of Companies; and statutory advertising.</p> <p>The Joint Administrators have notified the relevant parties in respect of the Company's Pension Scheme.</p>	<p>To provide statutory reports to various stakeholders at regular intervals and manage any queries arising therefrom.</p> <p>Assisting the directors where needed in producing the Company's Statement of affairs.</p> <p>To place legal advertisements as required by statute which may include notices to submit claims in respect of a preferential dividend.</p> <p>Arrange for the submission of the Statement of Affairs to the Registrar of Companies once completed.</p> <p>Dealing with post appointment VAT and or other tax returns as required. Liaising with tax specialists where appropriate.</p> <p>To seek an extension of the Administration in order to collect the deferred consideration.</p> <p>To deal with the statutory requirements in order to bring the case to a close and for the Joint Administrators to obtain their release from office; this includes preparing final reports for stakeholders, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies</p>

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5	INVESTIGATIONS Work undertaken to date	INVESTIGATIONS Future work to be undertaken
	<p>An Insolvency Practitioner has a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>The Joint Administrators investigations will be carried out in due course.</p>	<p>Requesting all directors of the Company both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act.</p> <p>Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.</p> <p>Considering information provided all stakeholders that might identify further assets or lines or enquiry for the office holder to explore if benefit to the estate is possible.</p> <p>Consideration of whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.</p>
6	CREDITORS Work undertaken to date	CREDITORS Future work to be undertaken
	<p>Secured Creditors:</p> <p>Liaising with the Secured Creditor to ensure they were aware of the appointment and strategy going forward.</p> <p>Employees:</p> <p>The pre-package transaction of TL 2021 preserved 30 jobs.</p> <p>All remaining employees were made redundant on appointment.</p> <p>Providing assistance to redundant employees in relation to any claims they have against the Company and submission of RP14 form to Redundancy Payments Office.</p>	<p>Secured Creditors:</p> <p>Prior to making a distribution to secured creditors the Joint Administrators will obtain advice on the validity of security before making any payment.</p> <p>Before making a payment to a secured creditor who holds a floating charge the Joint Administrators will need to ascertain if a prescribed part, (essentially a ring fenced sum of money) must first be set aside for the benefit of the unsecured creditors.</p> <p>Obtain fee approval from Secured Creditor.</p>

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	<p>Correspondence with the former HR department of the Company.</p> <p>Pensions:</p> <p>Establishing the position with regards any Employer pension scheme and notifying the relevant parties in accordance with the legislation.</p> <p>Leasehold Premises:</p> <p>Establishing the position with regards to the leasehold property and liaising with the landlords regarding the licence to occupy.</p> <p>HMRC:</p> <p>Notifying HMRC of the Joint Administrators' appointment.</p> <p>Unsecured creditors:</p> <p>Liaising with the Company to obtain up to date information with regard to monies outstanding to suppliers and other creditors.</p>	<p>Employees:</p> <p>Continued assistance to nine employees with their claims and other queries arising in relation to their contracts.</p> <p>Liaising with the Redundancy Payments Office.</p> <p>Circulating P45s.</p> <p>Preferential creditors:</p> <p>If sufficient funds are available to make a distribution to preferential creditors and secondary preferential creditors, the Joint Administrators will agree claims and pay a distribution after making such deductions as necessary to settle any tax liabilities on the distribution.</p> <p>Obtain fee approval.</p> <p>Unsecured creditors:</p> <p>Liaising with Creditors to update them with any possibility of a distribution.</p> <p>Assistance with any creditor queries received.</p> <p>HMRC claims:</p> <p>Liaising with HMRC to establish their preferential and unsecured claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate.</p> <p>Leasehold Premises:</p> <p>Assistance during the licence to occupy period and with any assignment of the lease to TMLL.</p> <p>Pensions:</p> <p>Submission of RP15 and RP15A form to RPO in respect of outstanding pension contributions.</p>
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		Reservation of title: Dealing with creditors or third parties claiming ownership or reservation of title to assets in the possession of the insolvent estate. Assets on finance: Establishing the position with regards assets on finance and arranging for assets to be returned to finance company if needed.
	TOTAL ESTIMATED FEES	£149,753

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The Administrators' remuneration, disbursements and costs information

Estimate of anticipated expenses

General costs - estimated		Notes
Unpaid pre-appointment costs	(149,076)	See Appendix E for a breakdown
Legal fees (post)	(5,000)	Ongoing assistance in respect of the transaction and licence to occupy where required, general ad-hoc advice, validity of appointment and security review
Tax fees	(2,000)	Estimated fees for producing final tax returns
Bond	(500)	Statutory officeholder bond
Press	(1,000)	Press office assistance
Insurance	(2,500)	Estimated, insurance cover includes asset protection until sale and public liability in respect of the lease.
Statutory advertising	(78)	Advertising required in accordance with legislation
Statement of affairs fee	(1,000)	Assistance with the statement of affairs
Storage/postage	(1,000)	Storage/destruction of records and estimated postage
Debt collection costs	TBC	Assistance with debt collection may be required
Contingency	(10,000)	Estimated contingency for prudence
Total	(172,154)	

Note - The Joint Administrators' estimated post appointment time costs are detailed separately within the fee estimate.

Appendix E

Schedule of pre-administration costs

FRP

Firm	Notes	Time costs incurred	Expenses incurred	Paid to be written off	Unpaid costs which approval will be sought
FRP - January engagement	1	117,904	-	(15,000)	(102,904)
FRP - April engagement	1	70,582	-	-	70,582
Addleshaw Goddard (Lawyers)	2	63,495	7,500	-	70,995
GMG (Agents)	3	2,500	-	-	2,500
Retail Realisations (Agents)	3	5,000	-	-	5,000
		259,480	7,500	(15,000)	149,076

The pre-administration costs are the fees charged and the expenses incurred by the Joint Administrators and their advisors before the Company entered Administration but with a view to its doing so, this does not include FRP engagement 1. Expenses incurred are direct expenses. These costs represent a fair and reasonable reflection of the work undertaken prior to the appointment of Joint Administrators and were considered necessary to further achieve the objective of the Administration.

Notes

1. The Group initially engaged FRP on 27 January 2021 to provide a high level strategic options review, short-term cash review and an accelerated AHA process on a solvent basis. Fees in respect of this engagement were £15k plus VAT and this was paid pre-appointment by the Group. The Joint Administrators are not seeking repayment of the balance of these time costs (£102,904) and will subsequently be written off.

FRP were subsequently engaged by the Company on 8 April 2021 to provide the following services prior to entering Administration:

- Initial meetings with management;
- Consideration of all options and impact of the same;
- Collation of information to provide advice and prepare for formal engagement;
- Production of an Estimated Outcome Statement to consider and understand projected outcomes for creditors on a close down or sale scenario;
- Advice to the directors in relation to the appointment of the Joint Administrators;
- Assistance to the directors in preparing supporting information to be made available to potential purchasers of the business and/or assets;
- Identification and approach to potential Interested Parties and conduct of negotiations as appropriate with a view to the sale of the business and/or assets and providing the Company with regular updates on the sales process and status of negotiations with Interested Parties;
- Liaising with the lawyers with regards to the sale agreement/appointment;
- Liaising with the agents in respect of the fixed assets and stock;
- Providing relevant information to all advisors involved;
- Liaising with the secured creditors/QFCs in respect of, amongst other matters, obtaining their consent to the Joint Administrators' appointment and sale of business and certain assets;

Appendix E

Schedule of pre-administration costs

FRP

- Administration planning;
- Dealing with matters in connection with our statutory obligations, including but not limited to those contained within "SIP16", in order to effect a sale of the business of the Company immediately upon the appointment of Joint Administrators;
- Completion of money laundering risk assessment procedures and Know your client checks in accordance with the Money Laundering Regulations;
- Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act; and
- Providing advice on other matters we consider should be brought to the Company's attention.

FRP have incurred total time costs of £70,582 for the second engagement which comprises 193 hours at an average hourly rate of £366. FRP has not been paid in respect of this engagement.

2. Addleshaws provided the following services:

- Drafting the NOI and appointment documentation, filing in court and serving on the relevant parties;
- Advice to the proposed Joint Administrators in relation to the sale of business and assets to the Purchaser including drafting of the proposed sale agreements. In addition to conducting negotiations with the Purchasers' solicitors;
- Initial security review and advice;
- Preparation of the appropriate security documentation in respect of the deferred consideration;
- Advice in respect of the stock and potential restrictions given the brand is held by a different entity;
- Review of the Company's lease and preparation of the Licence to Occupy;
- Liaising with the Isle of Man lawyers (see below) in respect of AVBM's security structure, including preparation of the security to be registered over the Temperley brand in respect of the deferred consideration; and
- Providing additional advice in relation to the appointment as required by the Directors and dealing with any other appointment formalities.

Addleshaw's disbursements included court filing fees and Legal fees in respect of an Isle of Man lawyer (Cains) required in respect of sale/appointment formalities with AVBM, being an Isle of Man based company. Cain's services included liaising with AVBM and establishing its security position, this included the satisfaction of historical charges to enable the Joint Administrators to register first ranking security over the brand/trademarks held in AVBM as security for the deferred consideration.

3. GMG and Retail Realisation fees are in relation to valuation advice for the Company's fixed assets / stock and disposal strategy should the Company be placed into Liquidation, being the most appropriate alternative insolvency process.

The payment of the unpaid costs as an expense of the Administration is subject to approval in accordance with the Insolvency Rules and is not part of the proposals subject to approval in accordance in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986. Fee approval will be sought from the secured and preferential creditors in due course.

Appendix F

Details of the Financial Position of the Company and Schedule of Creditors

Prepared in accordance with Rules 3.30 and 3.35 of the Insolvency (England and Wales) Rules 2016

FRP

TL 2021 Limited - in Administration	Notes	Book values per Dec 2021 Mgt accounts	£
Floating Charge Assets			
Fixed assets	1	358,499	5,000
Business name, contracts, domains, records etc	1	-	4
Stock / raw materials	1	2,517,000	640,000
Intercompany debtors	1	1,359,090	70,000
Director's loan account	1	200,012	120,000
Trade debtors	2	290,170	Uncertain
Prepayments / Rent deposits	3	121,392	Uncertain
Leasehold premium	4	-	Uncertain
Cash at Bank	5	108,075	Nil
Shares	6	-	TBC
Total floating charge realisations		4,954,238	835,004
Preferential Creditors (Employees)	7		(18,000)
Secondary Preferential Creditors (HMRC)			(600,000)
Net Property			217,004
Less: prescribed part	8		(46,401)
Available to Floating Chargeholders			170,603
Amounts outstanding to ATDL	9		(4,000,000)
Shortfall to ATDL			(3,829,397)
Unsecured creditors	10		
Trade and expense creditors			(1,510,296)
Intercompany			(25,812,181)
Employee claims			(45,000)
HMRC - Employer NI / Corporation Tax			(246,457)
Total unsecured creditors			(27,613,934)
Prescribed part carried down	8		46,401
Shortfall to unsecured creditors			(27,567,533)
Total shortfall to all creditors			(31,396,930)

Please note that this Estimated Statement of Financial Position does not include the costs of the Administration.

	Notes to the EOS	Key assumptions
1	Assets purchased by TMLL	Estimated to realise values are based on the sale consideration in accordance with the sale agreement. Please refer to Appendix C for further information.
2	Trade debtors	An up to date debtor ledger is awaited, the Administrators will therefore review the debtor ledger in due course and pursue as appropriate.
3	Prepayments / rent deposits	According to the Company's records, prepayments and rent deposits total £120k. The Administrators will assess the position and the recoverability of any prepayments, including rent deposits, and an update will be provided to creditors in subsequent reports.
4	Leasehold	Likely to be Nil however this will be assessed prior to any assignments.
5	Cash at Bank	The cash at bank balance is expected to be Nil.
6	Shares	The Company is the ultimate shareholder of three other entities within the Group. The Administrators will assess the value of such shares in due course, if any.
7	Preferential creditors (Employee claims)	The Company currently employ 39 staff of which 30 staff transferred to the Purchaser in accordance with TUPE.
		Employee preferential claims for unpaid wages, holidays and pension have been estimated at £2k per employee, representing the 9 employees made redundant on appointment.
		Unsecured employee claims for redundancy and notice pay are estimated at £2k per employee.
	Secondary preferential creditors (HMRC)	It is currently estimated that £600k is due to HMRC in respect of outstanding debts with secondary preferential status.
8	Prescribed part	The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors.
9	Secured creditor - ATDL	ATDL's indebtedness is c£4m. ATDL are anticipated to suffer a significant shortfall.
10	Unsecured creditors	Unsecured creditors as per the Company's records.

FRP Advisory Trading Limited
TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
Company Registered Number: 04038659
B - Company Creditors

Key	Name	Address	£
CA00	123 Lighting Ltd	37 Batemans Row, London, EC2A 3HH	1,004.28
CA01	18.01 London Ltd	Jackson House, Station Road, Chingford, London, E4 7BU	87.56
CA02	33Concept Ltd t/a feedoptimise	16 Colossus Way, Bletchley, Milton Keynes, Buckinghamshire, MK3 6GW	939.60
CA03	611 Workshop Limited	611 Wrkshop Limited, Room 02 Level 0, JCCAC, 30 Pak Tin Street, Shek Kip Mei, Hong Kong	20,469.77
CA04	ADOBE SYSTEMS	Houston, TX 77058	202.24
CA05	ADP		2,832.56
CA06	Adrian Clark	23 Sun Lane, Harpenden, Herts	700.00
CA07	ADT		90.00
CA08	Affirm Heart Far East Limited	Unit 3802, Metroplaza, Tower 2, 223 Hing Fong Road, Kwai Chung.N.T.Hong Kong	85,443.27
CA09	Airbookings UK LTD (VIP Express)	Unit 2 Adler Ind Estate, Betam Road, UB3 1ST, Hayes, Middlesex, UB3 1ST	9,531.81
CA10	ATeam Tessile Srl	Via xxv aprile 20, 22020 Faloppio, COMO, Italy	934.53
CA11	AVBM Ltd	1st Floor, Exchange House, 54/58 Athol Street, Douglas, Isle of Man, IM1 1JD	173.50
CA12	ATDL Limited (Secured creditor)	27 Bruton Street, London, England, W1J 6QN Security Given: Fixed & Floating Charge; Date Given: 07/05/2020; Amount: 0	4,000,000.00
CB00	BCCP Limited	Unit 7 The Talina Centre, 23a Bagleys Lane, London, SW6 2BW	674.13
CB01	Bernasconi Biseta	Via Leopardi 35, 22075 Lurate Caccivio (CO) Italy	1,744.66
CB02	Best Response Media Ltd	Argyle House, 29-31 Euston Road, London, NW1 2SD	7,200.00
CB03	Bhartiya International Ltd	27.02, Bannerghatta Road, Gottigere Village, Bangalore-560 083, Karnataka, India	2,797.80
CB04	Botto Giuseppe SPA	Via B. Sella 166, Valletosso, 13825, Italy	800.42
CB05	Bracher Rawlins LLP	Second Floor, 77 Kingsway, London, WC2B 6SR	10,740.00
CC00	Cadica	396 Pan Gu Miao, Caibian, Dalang, Dongguan, Guangdong, China	500.00
CC01	Calvelex SA	Industria De Confeccoes, Monte Do Calvelo EN106 No1132, 4620256 Lustosa, Lousada, Portugal	81,869.84
CC02	Canoe Studios (The metal group)		8,541.43
CC03	Capita (Right Document Solutions) / RDS Collecti		109.58
CC04	CARLO VALLI	22100 Como Lora Italy Oltrecolle, Italy	1,707.44
CC05	CATAX	Catax House, 3 Scott Drive, Altrincham, Cheshire, WA15 8AB	1,999.12
CC06	CF Corporate	Capital House, Raynham Rd, Bishop's Stortford, CM23 5TT	2,095.57

FRP Advisory Trading Limited
TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
Company Registered Number: 04038659
B - Company Creditors

Key	Name	Address	£
CC07	Charlie Wheeler	INVOICE 112a High Street, Studio No.4, London, NW10 4SL	350.00
CC08	Cheer Mark	7/F, Hang Fat Industrial Building, No 550-556Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong	12,267.55
CC09	CLEMENCY CHATHAM	72 High Street, Bruton, Somerset, BA10 0AJ	1,200.00
CC10	Coccon UG	Bachstr. 54, Amtsgericht Hagen, 58089 Hagen, Germany HRB9211	66.01
CC11	Corazones Unidos SL		43.93
CC12	Creative Computing Solutions Ltd	1 The Courtyard, 73a High Street, Burnham, Buckinghamshire, SL1 7JX	3,197.95
CC13	CV UK Holdings Limited	35 Ballards Lane, London, N3 1XW	2,500.00
CD00	Daisy Dixon	The Cellar Society, Unit 4, Falcon Park, Neasden Lane, NW10 1RZ	179.81
CD01	Dash Hudson Inc.	600-1668 Barrington St, Halifax, Nova Scotia B3J 2A2 Canada	8,605.23
CD02	DAVID BROOK LTD	Unit 3, Buspace Studios, Conlan Street, London W10 5AP	19,286.40
CD03	De Priscille Neefs		1,000.00
CD04	DiCentral Corporation	1199 Nasa Parkway, Suite 101	238.65
CD05	Dongguan Tune In Clothing Company Ltd	28 Tai PO Industry Street, Tai PO Industry Zone Kong Chi, Shengping, Dongguan China, 523571	376.91
CD06	Doracaena piu' Mitsuyasu Matsumi		6,682.00
CE00	Emma Davis Company CC Exp		20,989.05
CE01	Exponential-e	Exponential-E Limited, 100 Leman Street, London, E1 8EU	3,174.27
CF00	Farfetch UK Ltd	4th floor, 211 Old Street, London, EC1V 9NR	84,800.00
CF01	Fedex Express UK Limited	Express House, Holly Lane, Atherstone, Warwickshire, CV9 2RY	9,700.15
CF02	Fervour	6 Bushmead Ave, Bedford, Bedfordshire, MK40 3QL	3,360.00
CF03	Fidiger SPA		3,795.00
CF04	Fitstop Models (VBC Management Ltd)	Duncombe Lodge, Somerley, BH24 3QE	604.80
CF05	Fittings Division	91 Brick Lane, London, E1 6QL	1,454.40
CF06	Flagmakers	Adelphi Way, Ireland Industrial Estate	1,071.90
CF07	Flash Photodigital - Photo/Printing rel Invoices		360.00
CF08	Flight Centre Business Travel	Staveley, Chesterfield, S43 3LS	1,042.00
CF09	Fortis Clothing	Hartgrove Hill Farm, Trinity Hill Road, Axminster, Devon EX13 8TB	8,442.83
CF10	FRANCO VAGO (UK) LTD	710 Avenue West, Skyline 120	31,286.47

FRP Advisory Trading Limited
TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
Company Registered Number: 04038659
B - Company Creditors

Key	Name	Address	£
CF11	Fredy Grajales	KAROL HERRERA INVOICE, 235 Westward Road, London, E4 8QG	817.73
CF12	Freedom Recruitment Limited	5th Floor Grove House, 248a Marylebone Road, London, NW1 6BB	1,227.66
CG00	G M Warren t/a GM Properties	44 Hythe Road, London, NW10 6RS	1,540.19
CG01	Gentili Mosconi SPA	via Tevere, 7/9, Casnate Con Bernate, 22070 Italy	432.52
CG02	GEODIS (OHL International)	62216 Collections Center Drive, Chicago IL 60693-6221, US	5,412.89
CG03	Gerber Technology Ltd	Unit 7 Mercury Way, Trafford Park, Manchester, M41 7LY	3,248.02
CG04	Ghioldi S.R.L	Ghioldi SRL, 22070 Appiano Gentile (Como), Italy	27,104.57
CG05	Golden SRLS	Via Delle Calandre 15, 50041 Calenzano	17,485.44
CG06	Gritti Group SPA	Via Zanica, 6/F, Grassobbio, 24050, Italy	548.95
CG07	Georgian Properties Limited	379 Bushey Mill Lane, Bushey, England, WD23 2AH	1.00
CH02	H M Revenue & Customs (Duty Deferment)	Debt Management & Insolvency, Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	3,802.12
CH03	Harbottle & Lewis LLP	7 Savoy Court, London, WC2R 0EX	13,683.40
CH04	HELEN ROBOTHAM		342.00
CH05	HIROSHI MATSUSHITA	61 Spenlow Apartments, Wenlock Road, N1 7GH	3,642.39
CH06	HSBC Bank Plc	FAO Raymond Harrison, Level 16, 8 Canada Square, London, E14 5HQ	1.00
CI00	ICC Global	Inter-Continent Couriers Ltd, Unit 25 Phoenix Distribution Park, Phoenix Way, TW5 9NB	19,738.44
CI01	Infiniti Textile Trading Company Ltd	Workshop E, 17/F, Dan 6, No6 FuiYio Kok Street, Tsuen Wan, Hong Kong	87,239.91
CI02	Iropol Piotr Golabek	Leczycka 15, 95-035 Ozorków, Poland	10,391.70
CJ00	J. Mark Rowbotham	3, Edgefield - Astley Village - Chorley, Lancashire PR7 1XH	4,000.00
CJ01	JONNY NANCE		800.00
CJ02	JOOR INC	ATTN: 392698, 500 Ross St. 154-0455, Pittsburgh, PA 15262-0001	10,135.62
CJ03	Juliet Graves	Langley Villa Flower Farm, Langley Drive, Nr Ludlow, Shropshire. SY8 2BZ	1,805.62
CJ04	JUNGHEINRICH UK Ltd.	Sherbourne House, Sherbourne Drive Tilbrook, Milton Keynes, Buckinghamshire, MK7 8HX	82.08
CK00	K&C Council Tax & NNDR		809.29
CK01	Kaman Fashion Company	FLAT E, 12/F. WAN TUNG BLDG., 115 TAM KUNG ROAD. KLN, Ma Tau Chung, Hong Kong	7,683.04
CK02	Karol Herrera	North london cleaning services, 235 westward road, london, E4 8QG	1,875.00

FRP Advisory Trading Limited
TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
Company Registered Number: 04038659
B - Company Creditors

Key	Name	Address	£
CK03	Kate Moss Agency	C/O Kate Moss Agency Limited, 25a Old Compton Street, London, W1D 5JN	7,680.00
CK04	Katie Judges Textiles		119.00
CK05	Klauber Brothers Inc.	253 West 35th Street, 11th Floor, New York, NY 10001, US	139.12
CL00	Lease Plan UK Ltd	165 Bath Road, Slough, Berkshire, SL1 4AA	415.21
CL01	Lily Gregory Make Up Artist	26 Leyton Cross Road, Wilmington, Dartford, DA2 7AW	600.00
CM00	Magento	345 Park Avenue, San Jose, CA 95110-2704	23,341.70
CM01	Marco Briganti		2,259.86
CM02	Maria Grzybowska	Maria Grzybowska, 21A Buller Road, London, NW10 5BS	360.00
CM03	Mary Edwards Exp.		128.77
CM04	MGC London Ltd	Great Western Studios, Studio 203, 65 Alfred Road, London, W2 5EU	19,872.28
CM05	Michael Corrigan	26 Actis Road, Glastonbury, BA6 8DS	930.00
CM06	Microsoft Ireland Operations Limited	One Microsoft Place, South County Business Park, Leopardstown, Dublin 18, D18 P521	981.48
CM07	Milaaya Embroideries	Milaaya Embroidery Pvt Ltd, 3rd Floor Prabhat House, Sun Mill Compound Lane, 164 Tulsi Pipe Road Lower, Mumbai-400013, Maharashtra, India	26,327.00
CM08	Mishcon de Reya	Africa House, 70 Kingsway, London, WC2B 6AH, DX 37954, Kingsway	1,410.40
CM09	MRF&G Marylise & Rembo Fashion Group	Rembo-Confeccoes LDA, Contribuinte No 503475700 Rua do Pinhalzinho, 2 Quintas Do Sirol, 2420-348 Leiria, Portugal	2,047.40
CM10	Murray Lift Services Ltd	Churchill House, Maltings Mews, Sidcup, Kent, DA15 7DG	1,216.10
CN00	NFU Mutual		391.24
CN01	Nick Pope Photography	65 Aden Grove, London, N16 9NP	365.00
CN02	Nike Akinola		565.50
CO00	Office Depot	Office Depot (UK) Ltd, PO Box 9998, LEICESTER, LE41 9GS	286.42
CO01	OFFICINA LIFESTYLE		16,000.00
CO02	Ometria	Ometria Ltd, 2.01, The Tea Building, 56 Shoreditch High Street, London, E1 6JJ	5,494.20
CO03	ONS Couturies PVT Ltd	ONS Couturies Pvt. Ltd., Unit No - 206, A To Z Industrial Estate, G. K., Lower Parel [West], Mumbai - 400 013, Maharashtra, India	36,201.95
CO04	Open text GXS Ltd		2,452.80
CO05	Otto Deri Paz Ve Dis Tic Ltd Sti	Baglar Mah. Sehit Hasan Uzun Sok No:5-7, Bagcilar, Istandbul, Turkey	16,581.50
CP00	Peer 1 Hosting - Cogeco (Aptum)		3,471.76

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Key	Name	Address	£
CP01	Periscopix Limited / Merkle UK Three Ltd	10 Triton Street, London, NW1 3BF	3,600.00
CP02	Playlister / Gocardless	Playlister Ltd, 17 Lonsdale Road, London, NW6 6RA	630.00
CP03	Positive Luxury	81 Leonard Street London EC2A 4QS	22,870.88
CP04	PPL		385.13
CP05	Praxis IFM trust Limited	1st Floor, Exchange House, 54/58 Athol Street, Douglas, Isle of Man, IM1 1JD	1,041.00
CP06	Prima Solutions	Loughborough Technology Park, Ashby Road, Loughborough, Leicestershire, LE11 3NG	5,190.00
CP07	PuntoSeta SRL	Via IV Novembre 15, 22070 BulgarograssoVia Patrioti 1, Guanzate, 22070 Bulgarograsso, Italia	50,076.76
CR00	RA Smart (Holdings) Limited	Clough Bank, Grimshaw Lane, Bollington, Macclesfield, SK10 5NZ	9,638.24
CR01	Rakuten Marketing	2 King Edward Street, London, EC1A 1HQ UK	9,441.06
CR02	REED.CO.UK		106.80
CR03	RMR Modern Fashion Group Ltd	RMR Modern Fashion Group SP ZOO, Ul Wapienicka 52, 43-384 Jaworze, Poland	62,721.00
CR04	Rustic India INC	RUSTIC INDIA INC, D144/F IIND FLOOR, FREEDOM FIGHTER ENCLAVE, NEB SARAI, NEW DELHI-110068, India	51,916.85
CS00	Sam Usher	Sam Usher, The Grange, Thorney, Langport, TA10 0DW	500.00
CS01	Sarah Laird & Good Company	Mappin House, 4 Winsley Street, London, W1W 8HF	4,200.60
CS02	Select Model Agency	Guildford Branch, PO Box 673, Woking, Surrey BX3 2BB	12,384.00
CS03	Selfridges & Co.		312.72
CS04	SERIDE S.R.L	22070 LUISAGE FRAZ. PORTICHETTO (CO), VIA GORIZIA, 13, Italy	6,772.04
CS05	Shaw Gibbs Limited	2nd Floor, 201 Great Portland Street, London, W1W 5AB	38,100.00
CS06	Sheila Ruschel	31 - 90 Steinway st, Astoria, NY 11103	430.26
CS07	SHO & COMPANY, INC.		4,450.34
CS08	SHOWME THAT S.L.	The Barcode Warehouse Limited, Telford Drive, Newark, NG24 2DX	3,925.06
CS09	Sidogras S.A	P.I Can Parellada, C Saturn 20, barcelona, Spain	68.26
CS10	Simon Costin Limited	51 Downs Park Road, London, E8 2HY	1,200.00
CS11	Sipaff	Via Alessandria 18, Verdellimo Zingonia, 24040 Italy	3,739.53
CS12	Sophie Boucher	4 Stanmore Road, London, E11 3BU	4,400.00
CS13	StarTex Srl (Marco Lagattolla SPA)	Vai G. Scienza 22, Milano 20135 Italy	3,240.84
CS14	STA International	C/O Selfridges Retail Ltd, 3rd Floor Colman Hous, King Street, Maidstone, ME14 1DN	45,566.81

FRP Advisory Trading Limited
TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
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B - Company Creditors

Key	Name	Address	£
CT00	Textilwerk Carl Friedrich Friebe	Eschenbecker Strasse 4 - 8, D 42109 Wupperfai, Germany	26.93
CT01	The Business of Fashion Ltd	16 Great Queen Street, Covent Garden, London, WC2B 5AH	499.20
CT02	The Hive Management	The Hive Model, Management Ltd, Unit 17 Tileyard Studios, Tileyard Road, London, N7 9AH	2,515.50
CT03	The Performing Right Society / PRS for music		475.76
CT04	The Teare Drop Ltd	53 Whitmore Gardens, LONDON	7,095.74
CT05	The Wall Group	5TH FLOOR, 2 ARUNDEL STREET BUILDI, LONDON, WC2R 3DA	2,304.00
CT06	The Water Delivery Company/Warehouse acc	Unit C, 2 Endeavour Way, London, SW19 8UH	93.60
CT07	Thomas Chase Consult Group	Unit 3 Granyte House, Delamare Road Cheshunt, Waltham Cross, Hertfordshire, EN8 9SP	16,368.00
CT08	TOWERGATE INSURANCE	3 Hardman Square, 3 Hardman St, Manchester, M3 3EB	13,886.17
CT09	TRACONF (Nippon Express Italia SPA)	Via VIII Marzo, 6 50018 Badia a Settimo, Scandicci, Italy	52,040.71
CV00	Ventures (New name Garden Textile)Kolkata	Ventures, 23A, Ballygunge Place, Kolkata-700019, India	32,408.00
CV01	VIA COMMUNICATIONS	Viacomglobal SL, B87207890, C/ Principe de Vergara n.38 6º, Madrid (28001), Madrid España	1,000.00
CV02	Viva London	23 Charlotte Road, London, EC2A 3PB	13,503.80
CW00	Wavenet Limited	Wavenet Limited, One Central Boulevard Blythe Valley, Park Shirley, Solihull, West Midlands B90 8BG	257.29
CW01	Webhelp Payment Services France S.A.S.	450 RUE FELIX ESCLANGON, 73290, LA MOTTE SERVOLEX?, AUVERGNE-RHONE-ALPES, France	430.29
CW02	Weft Srl (Tessilriva S.P.A)	Via P. Ferloni, 73, Bulgarograsso (Como), 22070 Italy	3,862.32
CW03	Westway Despatch	12A Southam Street, London, W10 5PH	295.20
CW04	Whaleys Bradford Ltd	Harris Court, Great Horton, Bradford, West Yorkshire, BD& 4EQ	81.10
150 Entries Totalling			5,356,805.48

FRP Advisory Trading Limited
TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
B1 - Company Creditors - Employees & Directors

Key	Name	Address	Pref £	Unsec £	Total £
	Employees	Various	2,000	5,000	7,000
9 Entries Totalling			18,000	45,000	63,000

FRP Advisory Trading Limited
TL 2021 Limited (Formerly Temperley Limited t/a Temperley London)
Company Registered Number: 04038659
B2 - Company Creditors - Consumer Creditors

Key	Name	Address	£
0 Entries Totalling			0.00