



TO ALL KNOWN CREDITORS

11 March 2025

Our Ref: AT/SR/RHW/EXT032024

Dear Sir/Madam,

Martin McColl Limited – in administration (“the Company”)

As you are aware, the administration of the Company was extended by 12 months until 8 May 2024 with the deemed consent of the creditors and again by court order for a period of 12 months until 8 May 2025.

The Joint Administrators intend to apply to Court for an extension of the administration for a further six months. We believe that it is in the best interests of all creditors for the Joint Administrators to make this application. The extension is required to conclude the matters listed below:

- The purpose of the Administration (being to achieve a better outcome for creditors as a whole than if MLL were wound up without an administration) remains likely to be achieved and it is in the interests of creditors for the extension application to be granted.
- Further time is required to receive a distribution from certain other entities in the McColl's group, with the intention that such funds will be distributed to the unsecured creditors of the Company;
- Further time is required to reconcile the Licence to Occupy (“LTO”) funds and return any surplus funds due to the purchaser. This process serves to mitigate against landlord claims, which reduces the overall value of unsecured creditor claims admitted to rank for dividend purposes;
- Further time is required to review and adjudicate upon unsecured creditor claims, including a number of landlord claims which were not capable of being submitted until the completion of the LTO process , and to distribute funds to unsecured creditors. As the LTO process has now concluded, we are in the process of reviewing landlord claims and we expect this process to take a further 3 months from now;
- Further time is required to conclude VAT and tax matters; and
- Once the above matters are concluded, we must deal with closure matters, including but not limited to drafting and issuing the final progress report, closure of our internal systems, obtaining clearance from third parties and removal of the administrators' bond.

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In our last progress report dated 6 December 2024, we anticipated that we would be moving the company into liquidation prior to the end of the administration in May 2025. However, since the Joint Administrators have been granted permission to distribute to unsecured creditors in the administration, it is no longer considered in the interests of the Company to move to creditors' voluntary liquidation as we expect all outstanding matters to be finalised sooner than we had expected at the time of our last report. To move to liquidation would likely cause delay to the timing of the final distribution to creditors and would involve further costs in the conversion procedure, which would be incurred in closing down the administration process and commencing the liquidation process. We expect to make final distributions to creditors by July 2025 and all other matters to be completed by November 2025, at which time we can exit office.

The purpose of this letter is to provide you with an opportunity to express your approval or objection to the application.

Correspondence should be directed by email to uk_mccolls_generalenquiries@pwc.com or by post to Martin McColl Limited (in administration), c/o PricewaterhouseCoopers LLP, 8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL, by no later than 31 March 2025. This letter does not constitute a decision procedure or a deemed consent procedure in the administration. However, we will take creditors' views into account when making our application.

Should you have any queries, please do not hesitate to contact Sarah Robson on 0113 289 4000.

Yours faithfully
For and on behalf of the Company

A handwritten signature in blue ink that reads 'Alison Trenholme'.

Alison Trenholme
For Toby Banfield
Joint Administrator

Mark James Tobias Banfield, Rachael Maria Wilkinson and Robert Nicholas Lewis have been appointed as joint administrators of McColl's Retail Group plc, Martin McColl Limited, Clark Retail Limited, Dillons Stores Limited, Smile Stores Limited, Charnwait Management Limited and Martin Retail Group Limited to manage their affairs, business and property as their agents and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics> The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken.

PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](https://www.pwc.co.uk) website or by contacting the Joint Administrators.