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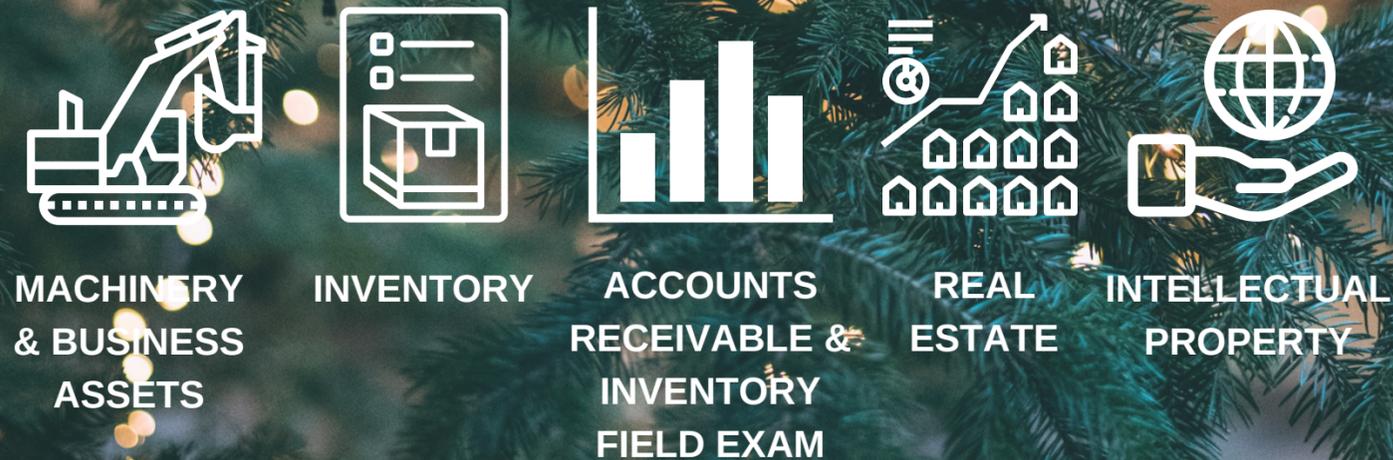
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# Merry Christmas

*from all at Hilco*

Hilco Valuation Services Europe would like to wish all our clients and friends a Merry Christmas and a Happy New Year. 2021 has been a complex year for many and we are so pleased to have been able to work across so many interesting and challenging engagements.

We are looking forward to catching up with everyone in 2022.



# REFLECTING ON THE PAST YEAR & LOOKING FORWARD TO 2022

## A MESSAGE FROM OUR CEO

Despite tough socio-economic conditions over the last twelve months, I am delighted we have had another successful year. Our experienced team have continued to work hard to **navigate challenging assignments on behalf of our clients to deliver results**.

For all of us I think this year will have presented many challenges, from starting the year in lockdown to adjusting to the world opening up again both at home and internationally. As we look towards the end of 2021, our team is now **travelling across Europe again** on assignments and working on a wide variety of cases across both asset classes and sectors in the UK, Europe, and APAC.

During 2021, we have seen expansion across our team, with **senior hires Roland Cramp and Nick Hughes** in our growing Real Estate team, the **establishment of our Scottish Machinery & Business Assets practice** under Les Reid and the continued growth of our Intellectual Property unit which ensures Hilco is able to offer our clients multi-asset class expertise.

The hard work of our team was recognised towards the end of 2021, winning the **Asset Valuer / Auctioneer of the Year** at the Turnaround, Restructuring and Insolvency Awards 2021.

As the world continues to accelerate digitally, we were delighted to **launch our new website** in 2021 which creates a central online home for all our activities. At [hilcovs.co.uk](http://hilcovs.co.uk) you can find our current sales listed, information on the services we offer our clients, case studies highlighting our expertise, thought leadership pieces reflecting on industry trends brought to you by our knowledgeable team and company news as it happens. We look forward to both expanding this platform and continuing to be present on LinkedIn so please make sure **you give us a follow [here](#)** to keep up to date with us.

We would like to thank all our clients and friends for their support over the past year. It has been great being able to see some of you in person again, we look forward to continuing to do so in 2022.



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# A RECAP OF 2021 FROM OUR TEAM

## INVENTORY

Hilco's inventory team has continued to see high demand levels for advice on the potential for lending in a wide variety of markets, both geographically and industrially. In the UK, particularly, there has been a requirement to update valuation methodology and deal structure due in large part to the return of 'Crown Preference', which has reduced availability from historic levels for many businesses, particularly in light of the time-to-pay arrangements entered into by many companies through Covid times. In many instances, the emphasis has been on finding availability through funding more challenging inventory than would previously have been countenanced.

Commoditised industries such as metals production, in addition to our ever-growing portfolio of retail work, continue to dominate a casebook which in the UK appraised £3.3billion of inventory this year. As organisations continue to find their feet in a world unsettled by Covid and other factors, we look forward to helping them develop in 2022.

## ACCOUNTS RECEIVABLE & INVENTORY FIELD EXAM

The team have had another very busy year, working on numerous assignments across the UK, Europe and APAC. Our reports have been utilised by various stakeholders in relation to acquisitions, refinancings and disposals. As well as full scope Accounts Receivable and Inventory Field Exams, there has been demand for specific scope Borrowing Base reviews. In another challenging year, we remain grateful for the cooperation we have received whether working onsite or remotely.

## MACHINERY & BUSINESS ASSETS

In a year of change and instability, our Machinery & Business Assets team has continued to deliver our services across a diverse range of sectors for our clients. 2021 has seen our involvement with large, complex instructions such as Department Stores Realisations Limited and Arcadia Group Limited. As Covid-19 travel restrictions have lifted, we have also been able to resume travelling throughout Europe again to fulfil the needs of our clients in a welcome change to the year before. As we move into the new year, we look forward to continuing to assist our clients in 2022.



Engagements from 2021: Whiteleaf & Debenhams

## REAL ESTATE ADVISORY

It has been a year of progression for our Real Estate Advisory team, both in the number and range of engagements we have been instructed on and the appointment of Roland Cramp as Senior Director and Nick Hughes as Director in early 2021.

Our many valuation engagements have supported numerous asset based lenders and Private Equity Houses across a number of sector industries (with, perhaps unsurprisingly, a particular emphasis on the steel industry). Our Lease Advisory Services have helped to support Lenders and Restructuring Professionals in their engagements within retail, leisure and TV production arenas amongst others, echoing 2020.

Finally our Agency disposals have been diverse in both sector and geographical location encompassing residential investments, industrial, retail, office and hospitality together with a burgeoning number of business sales.

We are looking forward to continuing our growth and diversity of engagements in 2022 as we build the reputation of our Real Estate Advisory team within both our existing client base and working with many referred new clients.



## A RECAP OF 2021 FROM OUR TEAM

### INTELLECTUAL PROPERTY

A busy year despite the ongoing challenging environment for the IP team at Hilco. We have dealt with a huge diversity of IP assets from the high street, Intu and Arcadia, through to the more obscure military drone technology and gaming software, we feel like we have just about seen it all this year!

Whilst we continued to execute ever more IP Valuations and disposals year on year, we have also delivered significant successful outcomes to our clients, frequently beyond initial expectations, in disposing of internet protocols and Microsoft Licences and expect growth to continue here going forward.



One of our current disposals: Subsidiary of NQ Minerals Plc (in Administration)



# 2021 DISPOSAL HIGHLIGHTS

DEBENHAMS

We were instructed by the Administrators to assist in the valuation and sale of the contents of the Head Office in London and the HGV fleet across three distribution centres. Thereafter we managed the exit and sale of assets from the Support Centre and Data Recovery Centre. The disposition exercise covered six sites, several online auctions and kept the team busy for much of 2021. In addition to this, our Intellectual Property team also handled the sale of the Microsoft Licences held by the Company which generated a good return for creditors in this under-utilised market.



WINEBUYERS.COM

Winebuyers Limited retained Hilco to run a sales and marketing process with respect to the business and its intellectual property assets, including the disruptive e-commerce platform which was conceived in response to the wine industry's slow uptake of e-commerce. Our carefully designed marketing process distributed sales correspondence to several thousand interested parties internationally. The opportunity aroused international interest and we managed the resulting competitive bidding process, assisting the Liquidator and culminating in a deal closing in April 2021. Despite the challenging economic conditions associated with the Covid-19 pandemic, it is clear demand has persisted for certain IP assets.



RALPH & RUSSO

Paul Appleton of Begbies Traynor Group and Andrew Andronikou of Quantuma Advisory retained Hilco to run a sales and marketing process for Ralph & Russo Limited (in Administration), a luxury British fashion brand. Ralph & Russo attracted international interest following Hilco's robust, responsive and professional sales and marketing process. A number of multi-million pound offers were received for the business and assets of the Company. A deal was completed with US investment firm, Retail Ecommerce Ventures, a party introduced to the sales process by Hilco.

whiteleaf

INSPIRED FURNITURE SOLUTIONS

FRP were appointed Administrators of the business and despite an extensive campaign to find a buyer for this long established company, this was not possible. An orderly wind down took place whilst fulfilling existing orders and deliveries to customers. The site was prepared for an online auction sale at the same time as the order book was being completed and a very successful disposal exercise with multiple overseas buyers was concluded within a restricted time period.



CONTINUED ON NEXT PAGE

# 2021 DISPOSAL HIGHLIGHTS



Hilco were retained to run a sales and marketing process with respect to the business and assets of Jasmine Limited (formerly "Printagraph"), a leading commercial print, signage and creative design company. Operating on a tight timescale, Hilco managed a robust sales and marketing exercise. The opportunity attracted strong interest from a range of parties, resulting in several competing offers being received. A pre-pack deal was completed for the going concern sale of the business to Manchester-based PFI Group, which intends to continue operations in Aberdeen, maximising the realisations for creditors whilst saving jobs.



Monetisation of surplus IP addresses, generating a seven figure return for unused internet number resources originally allocated to the organisation free-of-charge in the 1990s.



Hilco were instructed by the administrators of Intu Properties Plc to dispose of head office assets from the former retail property giant. Our disposition process included organising three online auctions and various private treaty sales for wide range of Server, IT, Comms Equipment, AV Systems and open plan office furniture from the former head office in London while observing the requirements of the administrators and retention of key employees as part of the process.

## THOMAS COOK IPv4 SALES

Monetisation of niche IP address resources which generated a six figure return for creditors from internet number resources which were originally allocated free-of-charge and now have value on a secondary market Hilco helped create. We coordinated the break up and sale of certain Thomas Cook IP addresses through Hilco's innovative IPv4.Global online auction platform. Our team navigated claims of competing ownership and a complex transfer process in structuring a transaction in relation to a large block of 'legacy' IP addresses.



We received instructions from the Administrators in January 2021 to provide market valuation advice for the business assets throughout the estate of Arcadia Group Limited which included offices, distribution centres and third-party data centres. Following submission of our report which we completed in a tight timeframe, we were instructed to organise sales at each of the facilities within the group against the backdrop of the requirements for the buyers of the brands to continue to operate as part of SPA arrangements. We operated four one- and two-day online auctions which achieved total website views of c. 80,000+ and several private treaty sales. These successfully concluded without any disruption to ongoing working requirements and within times and budgets agreed.



## HILCO WIN ASSET VALUER / AUCTIONEER OF THE YEAR AT 2021 TURNAROUND, RESTRUCTURING & INSOLVENCY AWARDS

After a challenging year, we are delighted to see the hard work of our team recognised by the industry by winning **Asset Valuer / Auctioneer of the Year** at the 2021 Turnaround, Restructuring & Insolvency Awards. Over the last year we have navigated numerous complex engagements and delivered outstanding results for our clients. Hilco strives to deliver **multi-asset class valuation and disposal solutions** and winning this prestigious award underlines the expertise of our team and the hard work they put in.



Congratulations to all the TRI Awards winners and finalists for their achievements within the industry over the last year.

### STAFF WELCOME

Our Intellectual Property team continues to grow as we are delighted to welcome **Jordan Sherlock** as the newest member of our team. Jordan joins us from Metis Partners and has previously worked as an Associate at PwC.

### TMA 2021 CONFERENCE SPONSORSHIP

We were delighted to be a sponsor of the **TMA UK Annual Conference** which took place on Thursday 18th November 2021. It was great to see people at face-to-face events again and catch up with current trends within the industry.

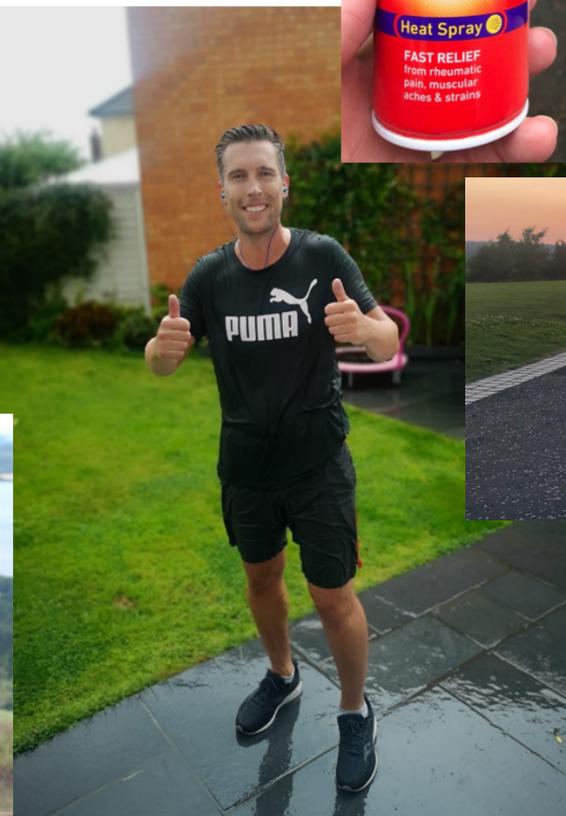
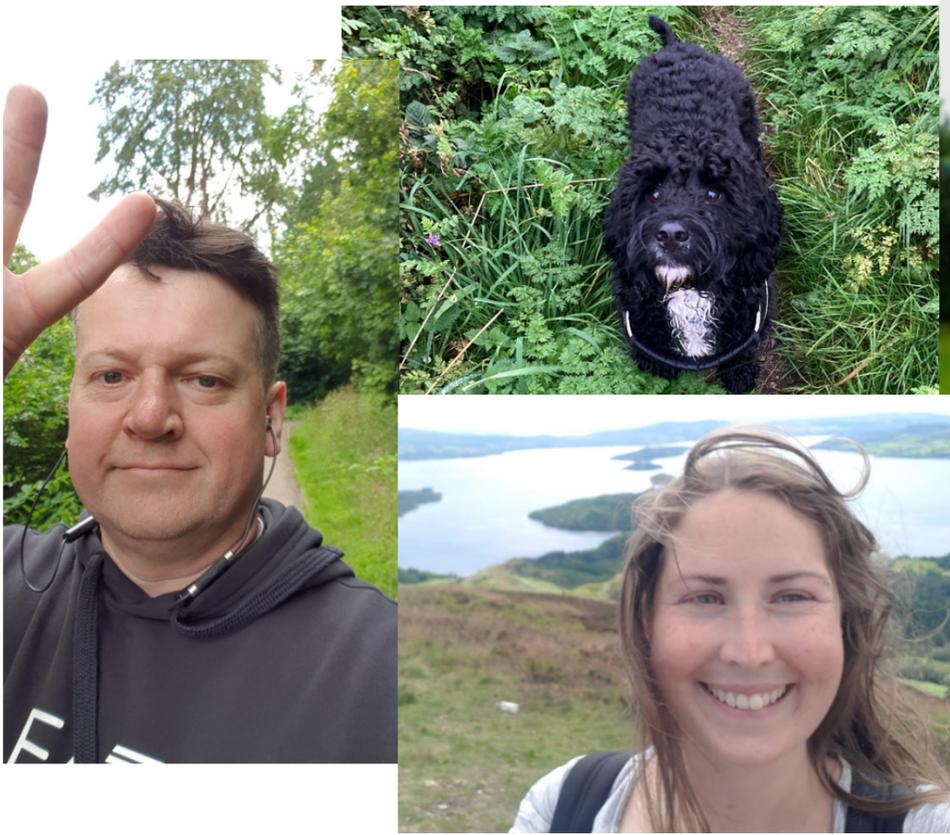
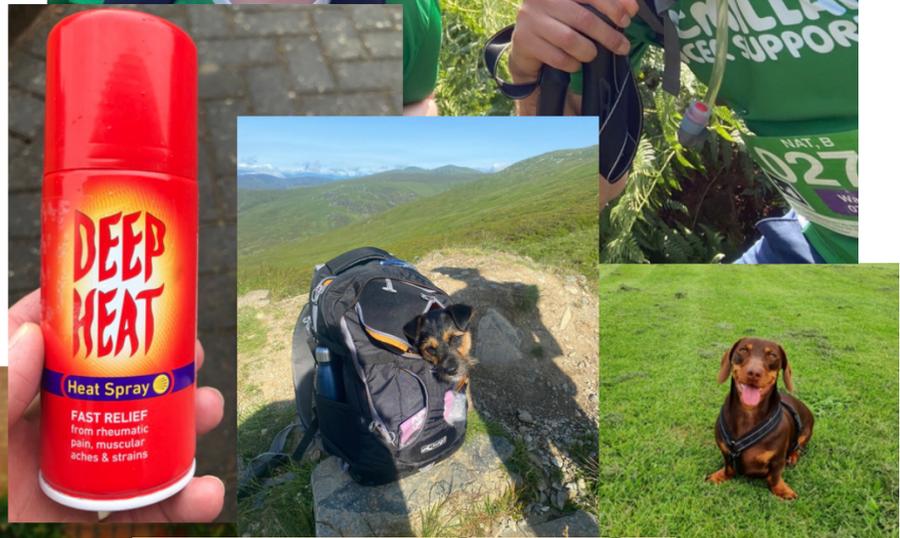
### SUPPORTING UKNOF AS A PATRON

The **United Kingdom Network Operators Forum (UKNOF)** is a national non-profit organisation that connects network engineers and operators across the UK whom we are proud to **support as a patron in 2022**.

# COMPANY NEWS

## A YEAR OF CHARITY FUNDRAISING AT HILCO

Over the last year, our team in the UK have been taking part in exercise challenges raising **£3,500 for charity**. Over each challenge, we smashed every target we collectively set together and raised funds for **Dementia UK, The Donkey Sanctuary, The Proud Trust** and finally, **our new charity partner, Peniwells Group**, who we will be continuing to support over the next year. Whilst completing the challenge Hilco team members took to the Scottish mountains, Snowdonia and all over England to get their miles in with four-legged friends. Members of our team also took part in the **Mighty Hike for Macmillan Cancer Support** along Rob Roy Way – third time lucky after two cancellations due to bad weather in 2019 and Covid-19 in 2020!



Peniwells Group provide disabled people with the opportunity to ride to benefit their health and wellbeing.

