From the Chair

31 May 2016

Mr Alexander Dellal and Mr Guy Dellal
Allied Commercial Exporters Limited

Invitation to give oral evidence: BHS

I am writing to invite you to give evidence to the Work & Pensions and Business, Innovation & Skills Committees on the afternoon of 7 June 2016. This is in relation to loans made by Allied Commercial Exporters Limited to Mr Dominic Chappell and Retail Acquisitions Limited.

I also enclose a number of questions, which we would be grateful if you could answer, in writing, by 5 June.

Please confirm your attendance on 7 June as soon as practicable. I am sure you will want to assist the Committees as far as possible in this inquiry.

Best wishes,

Rt Hon Frank Field MP
Chair
Written questions

A: Dominic Chappell

1. When did you first meet Dominic Chappell? How were you introduced to him?

2. When did you first start discussions with Dominic Chappell and Retail Acquisitions Limited about lending them money?

3. Who advised you, as part of your consideration of whether to lend money to Dominic Chappell and Retail Acquisitions Limited for the purchase of BHS?

B: Initial loan

Allied Commercial Exporters (ACE) loaned Dominic Chappell (or Retail Acquisitions Limited) £35 million in order to help him buy BHS. The money was placed in escrow with Olswang.¹

4. Once the sale of BHS was made, did the £35 million transfer back to Allied Commercial Exporters?
   a. If so, on what date did this happen?

5. If the money did not revert back to ACE, how was the loan repaid?
   a. Was the loan £35 million secured against anything? If so, what?
   b. When was the loan repaid?

C: North West House

ACE representatives told the Sunday Times that “those monies were used towards the acquisition of North West House” from Sir Philip Green.²

Two months later ACE sold the building for a reported £6.5 million profit.³

6. Was the sale of North West House part of the terms of the deal to place the £35 million in escrow to secure the BHS sale?
   a. Were there other terms as part of the £35 million loan?

7. What interaction did you have, and when, with Sir Philip Green and Arcadia Group prior to the date of the sale of BHS to Retail Acquisitions Limited and your purchase of North West House?

D: Other loans

¹https://www.theguardian.com/business/2016/may/29/bhs-property-investors-profited-backing-dominic-chappell
²http://www.thetimes.co.uk/article/bhs-owners-help-from-black-jack-heirs-8p8f8dggc
³http://www.thetimes.co.uk/article/chappell-used-secret-backer-to-boost-bhs-bid-mthlbj2j
8. In March 2015, ACE made a £5 million loan to BHS.\textsuperscript{4}
   a. What were the terms of this loan?
   b. What was the purpose of this loan?
   c. Has this loan now been repaid?
   d. When was the loan repaid?

9. In July 2015, ACE made a £25 million loan to BHS.\textsuperscript{5}
   a. What was the purpose of this loan?
   b. What were the terms of this loan?
   c. Has this loan now been repaid?
   d. When was the loan repaid?

10. In March 2016, ACE made a £500,000 loan to BHS.\textsuperscript{6}
    a. What was the purpose of this loan?
    b. What were the terms of this loan?
    c. Has this loan now been repaid?
    d. When was the loan repaid?

\textsuperscript{4}https://www.theguardian.com/business/2016/may/29/bhs-property-investors-profited-backing-dominic-chappell
\textsuperscript{5}http://www.thetimes.co.uk/article/national/drone-related-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-age-