

## Cash Overview - Agreed at Completion and subsequent actual cash flows

	March 2015 "BHS Cash and Facilities" document	Timeline - Actual flows of cash					Total Actual Outcome
		Thurs 12th March (Day 1)	Mon 16th March (Day 3)	Thurs 26th March	26 June 2015 (Framework Agreement)	8th/9th February 2016	
		£m	£m		£m	£m	
Cash received in advance Gift cards/credit notes	6.3	6.3					6.3
VAT collected over Dec - Feb sales	5.5	5.5					5.5
PAYE/NI re February payroll	2.1	2.1					2.1
Insurance - to cover average 1 year claims	1.7	1.7					1.7
<b>Sub-total cash to cover known future liabilities</b>	<b>15.7</b>	<b>15.7</b>					<b>15.7</b>
less cash in transit/early supplier payments	(4.9)	(4.9)					(4.9)
Proceeds from the sale of West Ealing (less fees)	5.8	5.8					5.8
Payment for tax related items	7.0	7.0					7.0
<b>Sub-total cash</b>	<b>23.6</b>	<b>23.6</b>					<b>23.6</b>
less £5m paid to reduce Jersey mortgage	(5.0)	(5.0)					(5.0)
Proceeds from the sale of Northwest House	32.0		25.0				25.0
Proceeds from the sale of Carlisle	4.9		Note 2			4.9	4.9
Proceeds from the sale of Marylebone House	8.5			10.0		Note 5	10.0
				Note 4			0.0
<b>Total after property proceeds</b>	<b>64.0</b>	<b>18.6</b>	<b>25.0</b>	<b>10.0</b>	<b>4.9</b>		<b>58.5</b>
Equity	5.0	5.0					5.0
		Note 1					
<b>Total cash</b>	<b>69.0</b>	<b>23.6</b>	<b>25.0</b>	<b>0.0</b>	<b>10.0</b>	<b>4.9</b>	<b>63.5</b>
<i>Cumulative cash made available (before outgoings)</i>		<b>23.6</b>	<b>48.6</b>	<b>48.6</b>	<b>58.6</b>	<b>63.5</b>	
Net cash available from banking facility	25.0			25.0			25.0
				Note 3			
<b>CASH / FACILITIES AVAILABLE</b>	<b>94.0</b>	<b>23.6</b>	<b>25.0</b>	<b>25.0</b>	<b>10.0</b>	<b>4.9</b>	<b>88.5</b>
<i>Cumulative</i>		23.6	48.6	73.6	83.6	88.5	
							94.0
							(5.5)

as in Taveta Board Minute of 25th March 2015

**EXPECTED**  
**SHORTFALL** (due to NWH £7m offset by additional £1.5m in June)

Note 1: It now appears that RAL obtained this equity injection from a loan by ACE which was then secured by a charge over a Bhs warehouse in Atherstone, which had been an unencumbered property at completion. Arcadia was unaware of this at the time. See generally Linklaters letter to Olswang dated 23 June 2016.

Note 2: £32m due on Day 1. Olswang confirmed £32m in its client account pre-completion of the Bhs sale. Payment chased by Arcadia from Day 1. £25m received Monday 16th March. Remaining £7m not received. Dominic Chappell represented it had been deposited with Bank of China whilst a facility agreement was put in place for Bhs. See generally Linklaters letter to Olswang dated 21 June 2016.

Note 3: HSBC facility agreement signed on 26 March 2015 (guaranteed by Arcadia)

Note 4: Marylebone House sale fell through around 18 March 2015. Arcadia agreed to provide £10m (direct to HSBC) in respect of Marylebone House sale and in settlement of remaining completion obligations

Note 5: Carlisle receipt took significantly longer to come in than anticipated at completion due to planning issues.

Note 6: Value of unencumbered properties available to raise additional funds was £23m at completion but increased to £94m (excluding the £25m security for cash facility shown above - so £119m assets available to act as security in total) as a result of (a) £43m of surplus value released from Noah 2 security package in June and (b) Arcadia agreement to release charges on two properties in Sept/February to allow additional funds to be raised. See separate sheet headed "Properties Available To Raise Funds For BHS".

In total £63.5m cash and £119.1m of properties equals £182.6m, excluding missing £7m. In addition to writing off £216m Arcadia loan, paying £5m pa into the BHS Pension Scheme for 3 years and guaranteeing further property backed facilities to the value of £85m