

# Completed acquisition by Topps Tiles Plc of certain assets of Tildist Realisations Limited (formerly CTD Tiles Limited)

**Directions issued on 17 October 2024 pursuant to  
paragraph 10 of the Initial Enforcement Order imposed  
by the Competition and Markets Authority on Topps  
Tiles Plc and Tiles4Less Limited on 3 October 2024**

1. Whereas:
  - (a) On 19 August 2024, Topps Tiles Plc, through its subsidiary Tiles4Less Limited, acquired 30 stores, together with all supporting infrastructure (including intellectual property, assets, employees and goodwill) (the **Target**), from Tildist Realisations Limited (formerly CTD Tiles Limited) (the **Transaction**).
  - (b) On 3 October 2024, the Competition and Markets Authority (**CMA**) issued an Initial Enforcement Order (the **Order**) addressed to Topps Tiles Plc and Tiles4Less Limited (together, the **Addressees**) in accordance with section 72(2) of the Enterprise Act 2002 (the Act) to prevent pre-emptive action. The Order is still in force.
  - (c) The CMA now issues written directions under paragraph 10 of the Order that, for the purpose of securing compliance with the Order, the Addressees must appoint a monitoring trustee (**MT**) in accordance with the terms provided for in Annex A and must comply with the obligations set out in Annex A.

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Competition and Markets Authority  
17 October 2024

# ANNEX A: DIRECTIONS TO APPOINT A MONITORING TRUSTEE

## 1. INTERPRETATION

1. In these directions:

**the Act** means the Enterprise Act 2002;

**the Addressees** means Topps Tiles Plc and Tiles4Less Limited, and their respective subsidiaries;

**an affiliate** of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

**business** has the meaning, unless otherwise stated, given by section 129(1) and (3) of the Act;

**CMA** means the Competition and Markets Authority;

**'Commencement Date'** means 3 October 2024;

**'Derogations'** means any derogations granted whether before or after the appointment of the MT by the CMA by which the Addressees may undertake certain actions that derogate from the Order;

**Order** means the initial enforcement order made by the CMA on 3 October 2024 and addressed to the Addressees;

**Topps** means Topps Tiles Plc, a company registered in England and Wales with company number 03213782 (and **the Topps business** shall be construed as meaning the business of Topps and its subsidiaries but excluding the Target business, carried on as at the Commencement Date);

**Target** or **Target business** means the businesses carried on at or from the 30 stores, together with all supporting infrastructure (including intellectual property, assets, employees and goodwill), and all other business activities, formerly of Tildist, which were acquired by Tiles4Less Limited on 19 August 2024;

**MT** means the monitoring trustee appointed in accordance with these directions;

**subsidiary** has the meaning, unless otherwise stated, given by section 1159 of the Companies Act 2006 (and **subsidiaries** shall be construed accordingly); and

**Transaction** means the completed acquisition of the Target by Topps.

2. Terms and expressions defined in the Order have the same meaning in these directions, and the singular shall include the plural and vice versa, unless otherwise specified or the context requires otherwise.

## 2. APPOINTMENT

3. The Addressees must appoint a MT in order to ensure their compliance with the Order, in particular to:
  - (a) monitor and report to the CMA on compliance by the Addressees with the Order; and
  - (b) support the CMA taking any action to ensure compliance with the Order and maintain the Topps and Target businesses as going concerns.
4. The MT must act on behalf of the CMA and be under an obligation and duty of care to the CMA to carry out its functions to the best of its abilities.
5. The Addressees must cooperate fully with the MT, in particular as set out below, and must ensure that the terms and conditions of appointment of the MT reflect and give effect to the functions and obligations of the MT and the obligations of the Addressees as set out in these directions.

## 3. GENERAL

6. The MT must possess appropriate qualifications and experience to carry out its functions.
7. The MT must neither have, nor become exposed to, a conflict of interest that impairs its objectivity and independence in discharging its duties under these directions, unless it can be resolved in a manner and within a timeframe acceptable to the CMA.
8. The Addressees shall remunerate and reimburse the MT for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the MT's independence or ability to effectively and properly carry out its functions.
9. The Addressees must appoint the MT as soon as is reasonably practicable and in any event by **5pm on 24 October 2024** (or such longer period as the CMA may reasonably agree in writing, including via email) and the MT will continue to act until the CMA has finally determined the reference (within the meaning of section

79 of the Act), has revoked the Order, or has otherwise directed that the MT is no longer required.

10. The appointment of a MT by the Addressees is subject to the approval of the CMA as to the identity of the MT and the terms and conditions of appointment in their entirety and:
  - (a) the name and contact details of the proposed MT and a second proposed MT in reserve (should the CMA not approve the first proposed MT) must be notified to the CMA as soon as is reasonably practicable and in any event by **5pm on 21 October 2024** (or such longer period as the CMA may reasonably agree in writing, including via email);
  - (b) the draft terms and conditions of appointment must be notified to the CMA as soon as is reasonably practicable and in any event by **5pm on 21 October 2024** (or such longer period as the CMA may reasonably agree in writing, including via email); and
  - (c) once the MT has been approved by the CMA and appointed, the Addressees must forthwith provide the CMA with a copy of the agreed terms and conditions of appointment.

## 4. FUNCTIONS

11. The functions of the MT will be to:
  - (a) ascertain and report to the CMA in relation to the current level of compliance by the Addressees with the Order;
  - (b) assess and report to the CMA in relation to the arrangements made by the Addressees for compliance with the Order and what changes to those arrangements, if any, are necessary to preserve the possibility of the CMA taking any remedial action, if required;
  - (c) identify and supervise if necessary the arrangements made by the Addressees for ensuring compliance with the Order;
  - (d) monitor compliance by the Addressees with the Order;
  - (e) assist the CMA with the consideration of any derogation requests made by the Addressees, and monitor compliance by the Addressees with any derogations granted by the CMA; and
  - (f) without prejudice to the right of the Addressees to directly contact the CMA, respond to any questions which the Addressees may have in relation to compliance with the Order, in consultation with the CMA.

12. The MT must take such steps as it reasonably considers necessary in order to carry out its functions effectively, including requiring the provision of information or the production of documents relating to communications within and between the Topps business and the Target business, such as written and electronic communications, telephone conversations and meetings as may be required.
13. The MT must comply with any requests made by the CMA for the purpose of ensuring the full and effective compliance by the Addressees with the Order.

## 5. OBLIGATIONS OF THE ADDRESSEES

14. The Addressees, and their respective affiliates and their employees, officers, directors, advisers and consultants must cooperate fully with the MT, in particular by providing the MT with all cooperation, assistance and information as the MT may reasonably require in order to discharge its functions, including but not limited to:
  - (a) the provision of full and complete access to all personnel, books, records, documents, facilities and information of the Topps business and the Target business as the MT may reasonably require; and
  - (b) the provision of such office and supporting facilities as the MT may reasonably require.
15. If the Addressees are in any doubt as to whether any action or communication would infringe the Order, they are required to contact the MT for clarification. However, for the avoidance of doubt, the MT has no authority, express or implied, to consent to any derogation or variation of the obligations in the Order, and any opinion of the MT regarding an action or communication does not bind the CMA nor indicate that the CMA has approved or sanctioned the action or communication. Derogations can only be granted by the CMA, and will always be granted in writing.
16. If any of the Addressees have any reason to suspect that the Order may have been breached, it must notify the MT and the CMA immediately.

## 6. REPORTING FUNCTIONS

17. The MT is required to provide an initial report to the CMA no later than **31 October 2024** (or such longer period as the CMA may reasonably agree in writing, via email), giving details of any arrangements which have been, or should be, put in place to ensure compliance with the Order, and including among other things:
  - (a) details of the current extent of compliance with the Order by the Addressees;

- (b) a description of the current arrangements made for the operation of the Topps business and the Target business and for the preservation of the assets required to operate each business; and
  - (c) recommendations as to what changes to those arrangements, if any, are necessary.
18. In addition to providing the initial report referred to in paragraph 17 above, the MT must provide a statement to the CMA every two weeks thereafter (or otherwise as required by the CMA) stating whether or not, in the MT's view, the Addressees have complied with the Order. At the same time, the MT must provide the CMA with a report setting out the following:
- (a) the basis for the MT's view that the Order has or has not, as the case may be, been complied with and in particular whether:
    - (i) anything has caused the MT to be concerned as to whether the Addressees have complied with the Order, and if it has, whether those concerns have been resolved and why;
    - (ii) the MT has any remaining doubts or uncertainties as to whether the Addressees have complied with the Order; and
    - (iii) anything causes the MT to be concerned about a possible future breach of the Order (whether deliberate or inadvertent);
  - (b) details of the performance of the Topps business and the Target business, including any factors that might indicate asset deterioration;
  - (c) whether appropriate steps are being taken to maintain the Topps business and the Target business as separate businesses and as going concerns;
  - (d) the extent to which the Addressees have cooperated with the MT in its task of monitoring their compliance with the Order and details of any aspects of the cooperation of the Addressees that the MT considers could be improved;
  - (e) the extent to which the MT considers that it is in an appropriate position to monitor the Addressees' compliance with the Order and if there is anything that the MT considers would assist it in monitoring compliance;
  - (f) any current or anticipated requests for consent to vary, or to seek a derogation from, the Order; and
  - (g) the information the MT used to compile the report.
19. When providing reports to the CMA, the MT must ensure that it does not disclose any information or documents to the CMA which the Addressees would be entitled

to withhold from the CMA on the grounds of legal privilege and nothing in these directions requires the Addressees to produce any information or documents to the MT which are privileged.

20. The MT must immediately notify the CMA in writing if it forms a reasonable suspicion that the Order has been breached, or if the MT considers that it is no longer in a position to effectively carry out its functions. In that situation, the MT must give reasons for this view, including any supporting evidence available (unless doing so would infringe the obligations referred to in paragraph 19 above).
21. All communications between the MT and the CMA (including the statements and reports referred to in paragraphs 17 and 18) are confidential and should not be disclosed to any of the Addressees, save with the prior written consent of the CMA. The MT shall not disclose such communications to third parties.