Rule 2 47

The Insolvency Act 1986

Administrator's progress report

Form 2.24B(CH)

Name of Company	Company number
SHB Realisations Limited (formerly BHS Limited)	00229606

In the High Court of Justice (full name of court)	Court case number 2220 of 2016

(a) Insert full name(s) and address(es) of administrators

I/We (a) Philip Duffy of Duff & Phelps Ltd , The Chancery, 58 Spring Gardens, Manchester, M2 1EW, Benjamin Wiles of Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG, Geoffrey Rowley and Anthony Wright both of FRP Advisory LLP, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

Joint Administrator(s) of the above company attach a progress report for the period

(b) Insert dates

from	to
(b) 25 October 2016	(b) 2 December 2016

Signed _____
Joint Administrator

Dated 28 December 2016

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

Duff & Phelps Ltd
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DUFF & PHELPS

Final Progress Report to Creditors

22 December 2016

SHB Realisations Limited (formerly BHS Limited)

(In Administration)

Joint Administrators' Final Progress Report to Creditors
for the period from 25 October 2016 to 2 December 2016 with a summary of the Administration
pursuant to Rule 2 110 of the Insolvency Rules 1986 (as amended)

Duff & Phelps Ltd
The Shard
32 London Bridge Street
London, SE1 9SG

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	25 April 2016 being the date of appointment of the Joint Administrators
the Agents	SIA Group (UK) London Limited, independent agents who were instructed to value and advise on the sale of the chattel assets located at non store locations and ad hoc matters including clearance of certain properties
Arcadia	Arcadia Group Limited, the holder of a fixed and floating charge over the Company's assets and principal provider of concession goods
Barclays	Barclays Bank Plc with whom the Company banked
SHB Realisations Limited	Formerly BHS Limited (In Administration) company number 00229606
BHS Group	BHS Group Limited the Company's parent holding company, company number 03858895
BHS IL / the Purchaser	BHS International Limited, the purchaser of the International business, trading rights and certain assets of the Company
SHB Properties	SHB Properties Realisations Limited (formerly BHS Properties Limited) (In Administration), which held certain leasehold interests in the Company's trading premises Company number 02139762
Carmen Properties	Carmen Properties Limited a Jersey registered property holding company which held certain leasehold interests in the Company's trading premises
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	SHB Realisations Limited (formerly BHS Limited), Company Number 00229606
Concurrent Administrators	Anthony Wright and Geoffrey Rowley of FRP Advisory LLP, 110 Cannon Street, London, EC4N 6EU
Concurrent Administrators' Appointment Date	22 July 2016 being the date of the appointment of the Concurrent Administrators
CVL	Creditors' Voluntary Liquidation
Davenbush	Davenbush Limited (In Administration) a guarantor to the Company's pension scheme liabilities, Company Number 02341207
DBEIS	The Department for Business, Energy & Industrial Strategy
the Directors	The Directors of BHS Limited namely,

	Dominic Chappell Lennart Henningson (resigned 8 September 2016) Dominic Chandler (resigned 6 July 2016) Darren Topp
DLA	DLA Piper UK LLP, the Joint Administrators instructed legal advisors
EC Regulation	EC Regulation on Insolvency Proceedings 2000
GB Europe	GB Europe Management Services Limited, the holder of fixed charge security in respect of the Bristol Cribbs Causeway property interest
the Group/BHS	BHS Group Limited and its subsidiaries
Grovepoint	Grovepoint Credit Funding 2 Limited, the holder of fixed charge security in respect of certain of the Company's property interests
Hill Dickinson	Hill Dickinson LLP, legal advisors instructed to deal with a specific debtor realisation claim
HMRC	HM Revenue and Customs
HRSL/Retail Agents	Hilco Retail Services Limited, appointed on 2 June 2016 to provide strategic advice at store level
HSBC	HSBC Bank Plc, the holder of fixed charge security within the Group in respect of certain property interests
Ikano	Ikano Bank UK, provided interest free credit facilities to customers as a method of paying for goods purchased in stores
the Joint Administrators	Philip Duffy of Duff & Phelps Ltd , The Chancery, 58 Spring Gardens, Manchester, M2 1EW and Benjamin Wiles of Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG
the Joint Liquidators	Anthony Wright and Geoffrey Rowley of FRP Advisory LLP, 110 Cannon Street, London, EC4N 6EU
Lowland	Lowland Homes Limited (In Administration)
PPF	Pension Protection Fund
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
Progress Report	Progress Report dated 18 November 2016 for the period from 25 April 2016 to 24 October 2016
the Property Agents	Savills Plc and CBRE Limited, independent agents who were instructed to value and advise on the sale of the proprietary interests of the Group
the Proposals	The Joint Administrators' Report and Statement of Proposals dated 6

	June 2016 issued to all known creditors
Protocol	Agreement between the Joint Administrators and the Concurrent Administrators regarding *inter alia*, the delineation of their respective responsibilities and powers
RAL	Retail Acquisitions Limited, the ultimate shareholder of BHS Group
Rates Agents	GL Hearn and Allsops, rating agents appointed by the Company to review the rating liabilities and secure reductions and refunds where appropriate
Reporting Period	The Period from 25 October 2016 to 2 December 2016
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
Secured Creditors	The holders of a fixed and/or floating charge over the Company's assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date
TIS	The Insolvency Service
TPR	The Pensions Regulator
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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6 Form 2 34B (CVL)

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Appointment Summary

Names of Joint Administrators.	Philip Duffy
	Benjamin Wiles
Date of appointment	25 April 2016
Appointed by:	Directors of the Company
Court reference	High Court of Justice no 2220 of 2016
Names of Concurrent Administrators:	Anthony Wright
	Geoffrey Rowley
Date of Appointment	22 July 2016
Appointed by	High Court of Justice
Court Reference	High Court of Justice No 2220 of 2016
Date of Report	18 November 2016

1 Introduction

1 1 The Joint Administrators were appointed on the 25 April 2016 by the Directors of the Company pursuant to paragraph 22 of Schedule B1 to the Act

1 2 The purpose of this final report is to provide creditors with a final account of the progress of the administration for the period from 25 October 2016 to 2 December 2016

1 3 This final report should be read in conjunction with the Proposals, Progress Report and also the Concurrent Administrators' final progress report to provide the detail of the Administration as a whole Copies are attached as an Appendix to this report

1 4 Although asset realisations are ongoing and the remaining trading liabilities are yet to be finalised, at the request of the PPF, the current largest unsecured creditor of the Company, the Joint Administrators have moved the Company into CVL

1 5 Following registration of the necessary documentation by the Registrar of Companies, the Company was formally placed into CVL on 2 December 2016, and the appointment of the Joint Liquidators took effect

1 6 Statutory information on the Company is attached at Appendix 1

2 Joint Administrators' Report and Statement of Proposals

2 1 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting was held at the Park Plaza Westminster Bridge Hotel, 200 Westminster Bridge Road, London SE1 7UT on 23 June 2016 The Joint Administrators' Proposals were approved with modifications at that meeting

2 2 As advised in the Proposals, the Joint Administrators had to perform their functions with the purpose of achieving one of the following objectives

- Rescuing the Company as a going concern, or
- Achieving a better result for the Company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors

2 3 In accordance with Paragraph 49(2) of Schedule B1 to the Act, the Joint Administrators note the following

- The first objective has not been achieved as there were insufficient funds and assets available to enable the Company to be rescued as a going concern
- The Joint Administrators pursued the second objective It is likely that a better result for the Company's creditors as a whole will be achieved than if the Company were wound up without first being in Administration for a number of reasons set out in previous reports

2 4 The third objective should also be achieved as a dividend will be paid to the Secured Creditors As detailed in my previous reports, payments to employees that otherwise would have ranked as Preferential claims of the Company were paid shortly after the appointment

2 3 A copy of the approved Proposals is attached at Appendix 5

3. Progress of the Administration

3 1 The manner in which the affairs and business of the Company have been managed in this reporting period are set out below

Administration Trading Period

3 2 The below should be read in conjunction with the previously circulated Proposals and Progress Report

3 3 The Joint Administrators received further monies in relation to sales receipts in the Reporting Period from Amex (£422,798), Newday (£978,780) and PayPal (£525,847) Consequently, the following amounts continue to be retained by third parties to mitigate refunds exposures and these balances are expected to be released on or before 31 March 2017

- PayPal £10,000
- Amex £77,935
- Worldpay £2,158,000
- Newday £200,000
- Ikano £194,269

3 4 Following final reconciliations in the Reporting Period the Company's Jersey GST account has been finalised along with the post office change order account and the balancing payments and adjustments have been recorded

3 5 Miscellaneous income including a rebate from one of the Company's catering providers in the sum of £23,617 and the post office in the sum of £3,050 has been remitted to the estate No further sums are anticipated in this regard

3 6 The Joint Administrators settled trading expenses in the Reporting Period This has involved contacting all suppliers, landlords, utility providers, councils and general trade suppliers to agree final accounts for the trading period The larger liabilities that have been settled in the Reporting Period can be summarised as follows

- Concessions – Final payments to third party stock providers in respect of stock sales totalled £320,907,

- Customer care – Customer refunds in the sum of £116,224 have been processed and this represents refunds due to customers for purchases during the course of the trading period,

- Store Property Costs – final payments have been made to various councils in respect of rates liabilities totalling £559,603 and utility accounts have been settled in the sum of £19,836 Furthermore final account payments in regard to the completion of the Leeds Trinity and Bexleyheath properties have been recorded

- Employee Pension Contributions – the final pension liability due to Legal & General was paid in the sum of £29,130 Legal & General has also remitted the sum of £48,297 to the estate which comprises sums due to employees who are eligible for short service pension refunds The Joint Liquidators have been provided with the detail and directed to process these refunds accordingly

- Store Trading Costs – final payments totalling £158,327 have been paid in the Reporting Period The Joint Liquidators will continue to settle any final accounts that have not been dealt with

- Professional Fees – The Joint Administrators settled the amount due to Bellrock Property & Facilities Management Limited in the sum of £63,811 in regards to the repairs and maintenance management throughout the trading period and sub-tenant rent collections

- Jersey Income Tax and Social Security – the Joint Administrators settled all sums due to the States of Jersey in regard to Income Tax and Social Security due for the period,

- The Joint Administrators received a refund of £45,148 from IBM in regard to the IT services contract and no further sums are due to the estate in this regard

- ROT Settlement – the final ROT settlement claim was paid in the period in regard to a furniture supplier in the sum of £24,109 No further ROT claims remain outstanding

3 7 The Joint Administrators estimate that the trading period will result in a surplus of approximately £46 0m once all final trading expenses are settled

3 8 This figure does not include the Joint Administrators' or the Concurrent Administrators' time costs in performing their functions This figure is also dependent upon future realisations and final payment of supplier costs

3 9 The Joint Liquidators will settle trading liabilities and the final position will be set out in their future reports to creditors

3 10 The Joint Administrators submitted the final VAT 100 to HMRC for the period 28 August 2016 to 2 December 2016 HMRC will remit the VAT Receivable sums direct to the estate controlled by the Joint Liquidators

International Franchise Debtors

3 11 As detailed in the Progress Report, £6 5m was outstanding at the Appointment Date

3 12 In order to maintain and preserve the international business whilst a sale was pursued, stock with a value of £1 3m at cost was sold to the franchisees

3 13 To date £4 9m has been received of which the sum of £669k has been collected in the Reporting Period and agreements have been secured regarding a further £1 05m

3 14 Debt collection costs/commissions in the sum of £173k have been incurred to date based on current collections The sum of £86k was paid to BIL under the terms of the debt collection agreement in the Reporting Period

3 15 The Joint Liquidators are now handling these matters

Inter-Company Debtors

3 16 As stated in the Progress Report the Company is owed the following amounts from Group companies These amounts are yet to be agreed and there may be significant adjustments

	£'000
Carmen Properties	4,817
BHS Group	48,793
	54,610

3 17 It is currently uncertain whether Carmen Properties will have the ability to repay the above sums owed It is understood that property sales are in process which could provide Carmen Properties with liquidity

3 18 The Company is the sole unsecured creditor of BHS Group It is currently unknown if there will be funds available to the Company from BHS Group which will be dependent upon future realisations from any successful antecedent transaction claim

Other Debtors

3 19 At the Appointment Date amounts were due to the Company from various trading related third parties This was in respect of various items including rebates, concession income and consumable disposals

3 20 To date, amounts totalling £1,086,919 have been collected of which the sum of £84,158 has been collected in the Reporting Period

3 21 Collections are still underway and the files have been passed to the Joint Liquidators

Freehold and Leasehold Property

3 22 The Joint Administrators realised premiums on 4 stores totalling £680,000 and no further leasehold premiums have been realised in the Reporting Period

3 23 The Joint Administrators completed the sale of the property at Carmathen in the sum of £1m plus VAT These funds are currently held by DLA and they will account to the Joint Liquidators for any monies held

3 24 In addition to the lease premiums secured the Joint Administrators negotiated two surrenders as detailed above which has mitigated the sums which would have been submitted as unsecured claims and increased the sums available to unsecured creditors

3 25 In order to achieve the premiums and as a condition of the surrenders, additional site clearance costs of £144,213 were incurred and further security costs of £26,651 were incurred in the Reporting Period

3 26 The Joint Administrators paid accrued insurance liabilities in the sum of £323,887 in the Reporting Period relating to September and October 2016 The remaining insurance liabilities accrued during the Administration are to be settled by the Joint Liquidators

3 27 The Joint Administrators paid the sum of £50,000 plus VAT to CBRE in the Reporting Period in regard to the sale of the Milton Keynes leasehold interest

Store Fixtures and Fittings

3 28 Following a final reconciliation of store fixture and fittings sales, a sum of £116,334 was reallocated in the Reporting Period No further sums are due to in this regard

Sub-Tenant Rent

3 29 As advised in the Progress Report the Company had entered into a number of sub-leases with various occupiers of stores or parts of stores that the business did not use for trading

3 30 Amounts totalling £51,965 have been received in the Reporting Period

3 31 Bellrock Facilities Management who managed the invoice and collection process has been retained to collect outstanding amounts

3 32 A further update will be provided in the next report to creditors

Chattel Assets

3 33 Chattel asset realisations conducted by the Agents in the Reporting Period can be summarised as follows

	£
Chattel Assets	38,104
Furniture & Equipment	3,190
	41,294

There are no further asset realisations expected

Rates Refunds

3 34 As advised in the Progress Report prior to the Appointment Date the Company had appointed independent Rates Agents to review and secure reductions or recover any overpayments in respect of business rates This engagement was continued by the Joint Administrators, and in the Reporting Period the sum of £514,595 has been refunded To date, £1,130,177 has been recovered in respect of 65 properties

3 35 The Joint Administrators engaged Hilco Profit Recovery Limited to complete a second review of the property portfolio, on a contingency fee basis, which is ongoing

3 36 Further refunds are anticipated, however, the quantum is unknown at present

Cash at bank / Foreign Currency Refunds

3 37 An adjustment in the sum of £27,952 has been recorded in the Reporting Period representing foreign currency refunds, no further refunds are anticipated in this regard

3 38 The Company's pre-appointment Bankers, Barclays, currently hold the sum of approximately £119,000 and this will be remitted to the estate in due course less any accrued Bank charges

Utility Bonds

3 39 As previously detailed in the Progress Report, the Company provided bonds totalling approximately £2 9m to its utility providers, to secure the ongoing supply to all stores and head office

3 40 The bonds are subject to deduction for any unpaid amounts at the Appointment Date and any liability arising as a result of the termination of the supply contracts

3 41 The Joint Liquidators will continue to liaise with the suppliers to ensure any deductions are mitigated where possible

Letters of Credit

3 42 As advised in the Progress Report all suppliers have called upon the letters of credit issued and the Joint Administrators have been notified that funds totalling £2 7m are to be returned to the estate as part of the account closure process These funds are due to be remitted to the Joint Liquidators in due course

3 43 DLA have been engaged to review the amounts claimed by suppliers and to assist with the recovery of any over claimed amounts A further update will be provided in future reports

Other Assets

3 44 Gross Bank interest in the sum of £299 has been received in the Reporting Period and the sum of £28,653 has been received to date

3 45 Sundry refunds of £62 has been received in the Reporting Period

4 Investigations

4 1 The Joint Administrators' investigation into the Company's affairs has been handed over to the Joint Liquidators

4 2 Attached at Appendix 7 is the Concurrent Administrators' report to creditors

5 Dividend Prospects / Prescribed Part

Secured Creditors

Arcadia

5 1 The Company granted a debenture, containing a floating charge, to Arcadia covering all assets (excluding certain property assets) and undertaking of the Company The charge was created on 14 April 2015 and registered on 23 April 2015

5 2 The validity of Arcadia's charge has been confirmed by DLA

5 3 Amounts totalling £1,047,963 were deemed distributed under the floating charge security as detailed in the Progress Report following the payment of the liability arising from the voluntary redundancy process, which commenced prior to the Appointment Date These monies were paid direct to the employees

5 4 There are sufficient realisations to ensure any valid secured debt will be repaid in full from floating charge realisations during the CVL

Grovepoint

5 5 The Company granted a legal charge dated 11 September 2015 to Grovepoint over a property portfolio covering freehold and leasehold properties

5 6 Grovepoint's overall indebtedness included further amounts advanced to other Group companies secured by various legal charges over property interests within the Group

5 7 This totalled £18,998,000 at the Appointment Date subject to interest and charges

5 8 All companies party to the Grovepoint facility provided cross-corporate guarantees to secure the Group liabilities

5 9 As detailed in the Progress Report, Grovepoint were paid £10m by the Company following the sale of property and the remaining indebtedness of £10 4m was repaid in full by SHB Properties from a sale of property

GB Europe

5 10 The Company granted a legal charge dated 4 February 2016 to GB Europe over a leasehold property in Bristol This charge secured a principal debt of £9,418,438 as at the Appointment Date, subject to interest and charges

5 11 Following the announcement of the orderly wind-down, GB Europe appointed LPA Receivers who have taken control of the marketing process

5 12 The Joint Liquidators' will provide an update on the position following any sale by the LPA Receiver

Barclays

5 13 The Company has granted three charges over credit balances held on bank accounts to Barclays (dated 1 May 2015) and 4 June 2015

5 14 Barclays has no outstanding amounts due under its security

Preferential Creditors

5 15 Following the appointment, in order to maintain the goodwill of the staff and continue to trade the stores with minimal disruption, the April payroll was honoured in full

5 16 The arrears of pay for the period prior to the Appointment Date totalling £5,266,344 were paid in full Of this amount it is estimated that £4,123,310 would have ranked as a preferential claim

5 17 The holiday year commenced on 1 April 2016 and arrears of holiday pay were calculated in the final payroll and paid as an expense of the Administration These amounts would rank as a preferential claim which would have otherwise be paid in full anyway

5 18 The outstanding preferential liability is estimated at £2,500 in respect of employees made redundant on the Appointment Date

5 19 It is likely that a significant element of the preferential claim will be employees' claims which are mostly subrogated to the Secretary of State, following payment by the RPS

5 20 There will be sufficient realisations to enable any further preferential claims to be paid in full in the CVL

Prescribed Part

5 21 The Company granted a floating charge to Arcadia on 14 April 2015 and the Prescribed Part provisions will apply

5 22 The Prescribed Part will be the statutory maximum of £600k

5 23 Should all secured creditors be repaid in full, the Prescribed Part provisions will not apply

Non-Preferential Creditors

5 24 According to the books and records of the Company, non-preferential creditors total £48 5m, claims received to date total £661m which includes the pension scheme at £571m However, this excludes any landlord claims which were previously estimated based on the CVA

5 25 It is estimated that unsecured creditors are likely to receive a dividend of between 2 and 8 pence in the pound including the Prescribed Part The final figure is dependent on further asset realisations, costs of the Administration and the quantum of creditor claims, once adjudicated

5 26 Creditors who have lodged formal details of their claim (proof of debt) in the Administration, do not need to lodge their claims again in the Liquidation

6. Joint Administrators' Receipts and Payments Account

6 1 A detailed receipts and payments account, for the Reporting Period is shown in Appendix 2

6 2 The Joint Administrators have transferred cash balances of £63,571,862 76 held to the Joint Liquidators

6 3 The Joint Administrators retain a statutory charge on the funds transferred to the Joint Liquidators in respect of any unpaid Administration expenses including the Joint Administrators' outstanding remuneration subject to creditor approval

6 4 A balance of £1,535,248 21 is held by DLA and will be transferred to the Joint Liquidators

7. Pre-Administration Costs

7 1 As previously reported all Pre-Administration costs have been approved and drawn in full

8 Joint Administrators' Costs and Expenses

8 1 The Joint Administrators' basis of remuneration was fixed, at the creditors' meeting held on 23 June 2016, on the basis of the Joint Administrators' time costs which are to be reduced by 15% in relation to Administration & Planning work incurred up to 23 June 2016 and by 15% (based on Duff & Phelps current regional charge-out rates) for all ongoing work undertaken from 23 June through to the end of the Administration These fees are to be drawn with the prior approval of the majority of voting creditors by value

8 2 The Joint Administrators original fee estimate totaled £3,513,095 The Joint Administrators are in negotiations with creditors to agree an increase of £468,622 or 13% to £3,981,717 at an average hourly rate of £277 87, which represents the total time costs incurred after the agreed discount has been applied Of this the sum of £3,321,474 has been drawn at the date of this report

8 3 The Joint Administrators time costs prior to the start of the current period were £4,119,823 27, as previously reported The total time costs incurred by the Joint Administrators to the end of the Administration are £4,365,968 27 representing 14,276 17 hours with an average charge out rate of £305 82 As detailed above, these costs are before the discount agreed by creditors at the meeting on 23 June 2016 is applied

8 4 The time costs charged in the Reporting Period by the Joint Administrators are as analysed at Appendix 3 Time has been charged in six minute units

8 5 The Joint Administrators have incurred disbursements and expenses in dealing with the Administration of the Company and these are detailed in Appendix 3

8 6 In accordance with the resolution approved at the meeting of creditors' on 23 June 2016, the fees paid to DLA were time costs less 10% Consequently, DLA have been paid the sum of £840,432 in the Reporting Period in regard to their fees incurred during the course of the Administration and £14,940 in respect of disbursements incurred

8 7 The Joint Administrators have also applied the 10% discount to the Agent's time costs The Joint Administrators have paid the sum of £93,644 plus VAT which are in relation to the Agent's time costs, and £2,231 in regard to their disbursements

8 8 Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees" This can be viewed and downloaded from the Joint Administrators' website at **http://www duffandphelps com/uk-restructuring/creditor-guides** Should you require a copy, please contact this office

8 9 In accordance with Rule 2 48A of the Rules, Secured Creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured creditor claims or with the permission of the court) may make a request in writing for further information about the remuneration or expenses set out in this progress report This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond

8 10 In addition to the above, any Secured Creditor, or any unsecured creditor (with the support of at least 10% in value of the total unsecured creditors or with the permission of the court) may apply to the court on the grounds that the remuneration or basis fixed for the Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive In accordance with Rule 2 109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs

9 Concurrent Administrators' Costs and Expenses

9 1 The time costs, disbursements and expenses charged in the period since appointment are provided by the Concurrent Administrators at Appendix 7

10. Conclusion and Ending the Administration

10 1 The Joint Administrators ceased to act at the request of the PPF at which point the PPF installed FRP Advisory LLP as Joint Liquidators

10 2 As outlined previously, the documentation was filed at Companies House on 2 December 2016 and the Company was moved to CVL

10 3 The matters that remain to be dealt with in the Liquidation are -

- Balance of funds from the Administration account,
- VAT recoverable in respect of the administration period,
- Trading deposits held as described above,
- International franchise debtors,
- Inter-company debtors and Other debtors,

- Freehold and Leasehold properties,
- Sub-tenant rents,
- Rates refunds,
- Cash at Bank held in the Barclays' account
- Utility Bonds,
- The Letters of credit balances, and
- Investigations

10 4 Creditors have resolved that the Joint Administrators are not discharged from all liability under Paragraph 98 of Schedule B1 to the Act upon filing the end of the Administration or their appointment otherwise ceasing This release will continue to be sought

11. Further Information

11 1 If you have any queries or require any further assistance regarding this report please do not hesitate to contact my colleague Galina Vassilyeva of this office

11 2 All future enquiries should be directed to Patrick Donnan of FRP Advisory LLP on 0203 005 4000 or email Patrick Donnan@frpadvisory com to be handled by the Joint Liquidators

Philip Duffy
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Philip Duffy and Benjamin Wiles of Duff & Phelps Ltd and Geoffrey Rowley and Anthony Wright of FRP Advisory LLP who act as agents for the Company and without personal liability Philip Duffy and Benjamin Wiles are licensed in the UK by the Insolvency Practitioners Association and Geoffrey Rowley and Anthony Wright are licensed in the UK by the Institute of Chartered Accounts in England and Wales All are bound by the Insolvency Code of Ethics

Appendix 1

Statutory Information

Statutory Information	
Date of Incorporation	12 April 1928
Registered Number	00229606
Company Director(s)	Dominic Chandler (resigned 6 July 2016) Dominic Chappell Lennart Henningson (resigned 8 September 2016) Darren Topp
Company Secretary	Emma Reid (resigned 13 July 2016)
Shareholders	BHS Group Limited – 214,530,881 Ordinary Shares
Trading Address	129-137 Marylebone Road London
Registered Office	**Current** c/o Duff & Phelps Ltd The Shard 32 London Bridge Street London **Former** 129-137 Marylebone Road London
Any Other Trading Names	BHS British Home Stores

Appendix 2

Joint Administrators' Receipts and Payments Account

SHB Realisations Limited (formerly BHS Limited) (In Administration)
Joint Administrators' Trading Account

		From 25/04/2016 To 24/10/2016	25/10/2016 To 21/12/2016	From 25/04/2016 To 21/12/2016
Statement of Affairs	POST APPOINTMENT SALES			
	Sales	44 346 369 16	0 00	44 346 369 16
	Credit Card Sales	139 899 667 17	1 930 514 79	141 830 181 96
	Jersey GST	(121 735 90)	1 307 90	(120 428 00)
	Change Orders	(147,250 00)	(5,033 92)	(152 283 92)
	Voucher Income	1 263 031 65	(1 15)	1 263 030 50
	Miscellaneous Income	15 229 94	30 990 38	46 220 32
		185 255 312 02	1,957 778 00	187 213 090 02
	PURCHASES			
	Stock	4 668 933 85	1 552 15	4 670 486 00
	Concessions	28 941 052 58	320 865 14	29 261 917 72
	Duty and Freight	444 750 65	0 00	444 750 65
	Food	982 967 51	0 00	982 967 51
		35 037 704 59	322 417 29	35 360 121 88
	OTHER DIRECT COSTS			
	Warehousing & Logistics	13 595 713 51	1 470 00	13 597 183 51
	Customer Care	93 944 31	116 223 50	210 167 81
		13 689 657 82	117 693 50	13 807 351 32
	TRADING EXPENDITURE			
	Contractors & Freelancers	583 993 20	0 00	583 993 20
	Store Property Costs	34 514 029 68	750 293 74	35 264 323 42
	Charities	232 848 32	0 00	232 848 32
	Employee Pension Contributions	928 378 45	(19 166 74)	909 211 71
	Store Trading Costs	5 415 114 13	158 326 75	5 573 440 88
	Licensing	196,558 87	0 00	196 558 87
	Credit Card Merchant Fees	687 158 60	(944 59)	686,214 01
	Professional Fees	313 473 19	63 811 21	377 284 40
	PAYE/NI	4 677 588 76	18 545 12	4 696,133 88
	Shared Services	1 016 555 04	0 00	1 016 555 04
	Store Consultants Costs	1 285 000 00	0 00	1 285 000 00
	Bank Charges	141 035 57	0 00	141 035 57
	Hire of Equipment	60 266 74	13 62	60 280 36
	Repairs & Maintenance	1,446 90	0 00	1 446 90
	Sundry Expenses	500 00	0 00	500 00
	Cash Collection	79 116 60	0 00	79,116 60
	Vehicle Running Costs	239 880 80	0 00	239 880 80
	Other Staff Costs	114 165 47	(78 78)	114 086 69
	IT Services	5 472 900 52	(43 444 61)	5 429 455 91
	Staff Expenses	279 036 95	0 00	279,036 95
	Employee Wages	24 934 660 26	(5 130 58)	24 929 529 68
	Security Costs	355,991 29	0 00	355 991 29
	Pre-Appointment Insurance	63 050 00	0 00	63 050 00
	Other Payroll	15 907 11	0 00	15 907 11
	PR & Marketing	203 952 45	12 805 87	216 758 32
	ROT Claim Settlement	2 718 210 24	24 109 00	2 742 319 24
	Furniture Deposit Refund	31 664 16	(639 31)	31 024 85
		84 562 483 30	958 500 70	85 520 984 00
	TRADING SURPLUS/(DEFICIT)	**51,965,466 31**	**559,166 51**	**52,524,632 82**

SHB Realisations Limited (formerly BHS Limited) (In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs				
	SECURED ASSETS			
	Leasehold Land & Property	10 000 000 00	1,000 000 00	11 000 000 00
	Goodwill	2 00	0 00	2 00
	Intellectual Property	2,446 057 00	0 00	2 446 057 00
	Gross bank interest - fixed account	408 60	0 00	408 60
	Contracts	1 00	0 00	1 00
	Customer Database	1 00	0 00	1 00
		12 446 469 60	1,000 000 00	13 446 469 60
	COSTS OF REALISATION			
	Agents/Valuers Fees	50 000 00	50 000 00	100 000 00
	Legal Fees	956 00	0 00	956 00
	Site Clearance Costs	146,785 70	26 651 04	173 436 74
	Fixed bank charges	2 55	15 00	17 55
		197,744 25	76 666 04	274 410 29
	SECURED CREDITORS			
	Grovepoint	10 000 000 00	0 00	10 000,000 00
		10,000 000 00	0 00	10 000 000 00
	ASSET REALISATIONS			
	Business Rates refund	615,582 75	519 363 57	1 134 946 32
	Leasehold Premiums	680 000 00	0 00	680 000 00
	Plant & machinery	17 500 00	0 00	17 500 00
	Furniture & Equipment	106 749 82	3 190 34	109 940 16
	Store Fixtures and Fittings	929 896 69	116 334 35	1 046 231 04
	Motor Vehicles	40 000 00	0 00	40 000 00
	Stock	520 478 26	0 00	520 478 26
	Chattel assets	41 67	38 104 19	38 145 86
	Book Debts	1 002 760 96	84 157 65	1 086 918 61
	Letters of Credit Balances	10 468 40	0 00	10 468 40
	International Franchise Book Debts	4 569 929 92	669 368 32	5 239 298 24
	International Equipment	33 995 00	0 00	33 995 00
	Web Assests	19 920 00	0 00	19 920 00
	Foreign Currency Refund	0 00	27 951 51	27 951 51
	Insurance Settlement	2 140 06	0 00	2 140 06
	Cash at Bank	7 976 842 80	(27 950 36)	7 948 892 44
	Cash in Transit & Stores	3 803,131 00	0 00	3,803 131 00
	HMRC Bond	714 657 08	0 00	714 657 08
	Credit Card Cash in Transit	4 586 096 62	0 00	4 586 096 62
	Bank Interest Gross	28 353 75	299 11	28 652 86
	Concession Income in Transit	18 593 71	0 00	18 593 71
	Sundry Refunds	24 390 78	61 56	24 452 34
	Books & Records	0 00	2 00	2 00
	TRADING SURPLUS/(DEFICIT)	51,965 466 31	559 166 51	52,524 632 82
	Subtenant Rent	268 606 10	51 964 97	320 571 07
	Pre-Appointment Lease Surrender Pre	633 136 38	0 00	633 136 38
		78 568 738 06	2 042 013 72	80 610 751 78

SHB Realisations Limited (formerly BHS Limited) (In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs				
	COST OF REALISATIONS			
	Debt Collection Costs	29,083 80	86,582 12	115,665 92
	Security Costs	4,755 00	0 00	4,755 00
	Payments on behalf of group Companies	439 21	0 00	439 21
	Pre Insolvency Remuneration	189 027 50	0 00	189 027 50
	Pre Insolvency Disbursements	6 760 60	0 00	6 760 60
	Refunds and Repayments	49 106 17	0 00	49 106 17
	Joint administrators remuneration	3 321 474 10	0 00	3 321 474 10
	Joint administrators' disbursements	128 590 35	9 286 92	137 877 27
	Agents/Valuers Fees	181 457 69	113 750 75	295,208 44
	Agents/Valuers Disbursements	17 184 88	2 231 47	19,416 35
	Agents' Property Clearance Costs	0 00	144 213 05	144 213 05
	Legal Fees	991 959 53	840 431 66	1 832 391 19
	Legal Disbursements	30 218 45	14 939 64	45,158 09
	Legal fees pre insolvency	126 877 25	0 00	126 877 25
	Investigations Costs - IT Systems	540 465 00	0 00	540 465 00
	Stationery & Postage	26,124 62	32 579 30	58 703 92
	Employment Rights Consultants	193 880 00	0 00	193 880 00
	Storage Costs	35 264 99	19 123 53	54 388 52
	Statutory Advertising	169 20	0 00	169 20
	Insurance of Assets	1 234 734 32	323 886 82	1 558 621 14
	Bank Charges	13 132 20	195 00	13 327 20
	International Tax	24 290 03	0 00	24 290 03
	Concurrent Administrators - Expenses Incurred	0 00	1 051 452 03	1 051 452 03
	Transfer to Liquidation - Joint Administrators	0 00	63 571 862 76	63 571,862 76
	Transfer to Liquidation - Concurrent Administrators	0 00	685 771 84	685 771 84
		7 144 994 89	66 896 306 89	74,041,301 78
	PREFERENTIAL CREDITORS			
	Preferential Claim	4 123 310 02	0 00	4,123,310 02
		4 123 310 02	0 00	4 123 310 02
	FLOATING CHARGE CREDITORS			
	Floating Charge Creditor	1 047 962 54	0 00	1 047,962 54
		1 047 962 54	0 00	1 047 962 54
		68,501,195 96	**(63,930 959 21)**	**4,570,236 75**
	REPRESENTED BY			
	Floating/main current account	65 302,101 36	(63 471 828 59)	1 830 272 77
	Funds Held by DLA	0 00	1 535 248 21	1 535 248 21
	VAT Control Account	0 00	1 204 715 77	1 204 715 77
		65,302,101 36	**(60,731,864 61)**	**4,570,236 75**

Appendix 3

Analysis of Time Charged and Expenses Incurred by the Joint Administrators

69642 - SHB Limited (In Administration)
ANALYSIS OF TIME COSTS FOR THE PERIOD 22/10/2016 to 2/12/2016
ADM Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Costs (£)	Avg Hourly Rate (£)
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	0 00	1 30	0 40	0 00	0 00	1 70	605 50	356 18
IPS set up & maintenance	0 00	0 00	0 00	0 30	0 00	0 30	34 50	115 00
Statutory matters (Meetings Reports and Notices)	0 00	42 20	8 30	3 20	0 00	53 70	20 477 50	381 33
Strategy planning & control	0 00	4 85	1 20	0 00	0 00	6 05	2 499 00	413 06
Tax Compliance/Planning	0 00	0 20	9 70	0 00	0 00	9 90	2 933 50	296 31
Creditors								
Communications with Creditors/Employees	0 00	7 35	27 40	18 90	0 00	53 65	13 763 50	256 54
Non Pref Creditors/Employee claims handling	0 00	28 00	4 70	80 20	0 00	112 90	26 298 50	232 94
Pref claims adjudication and distribution	0 00	10 10	0 00	0 00	0 00	10 10	3 787 50	375 00
Secured Creditors	0 00	1 85	0 40	0 00	0 00	2 25	895 00	397 78
Investigations								
CDDA, reports & Communication	0 00	0 00	0 70	0 00	0 00	0 70	199 50	285 00
FRP Related Matters	26 00	42 40	35 50	0 00	0 00	103 90	43 686 50	420 47
Realisation of Assets								
Book debts	0 00	3 20	20 00	0 00	0 00	23 20	7 238 00	311 98
Freehold & Leasehold Property	0 00	7 50	7 20	71 05	0 00	85 75	19 005 00	221 63
Other Intangible Assets	0 00	0 00	7 30	0 00	0 00	7 30	2 088 50	286 10
Other Tangible Assets	0 00	0 00	0 10	0 00	0 00	0 10	28 50	285 00
Sale of Business	0 00	0 00	0 00	1 30	0 00	1 30	234 00	180 00
Insurance	0 00	0 00	1 45	0 00	0 00	1 45	471 50	325 17
Trading								
Trading Accounting	0 00	41 30	123 20	95 70	0 00	260 20	68 460 50	263 11
Trading - Employees	0 00	17 70	16 00	0 00	0 00	33 70	11 843 50	351 44
Trading - Insurance	0 00	1 50	0 00	0 00	0 00	1 50	621 00	414 00
Trading - Operations	0 00	0 00	19 50	100 10	0 00	119 60	19,657 50	164 36
Trading - Retention of Title Claims handling	0 00	0 00	3 10	2 70	0 00	5 80	1 316 00	226 90
Total Hours	26 00	209 45	286 15	373 45	0 00	895 05		275 01
Total Fees Claimed (£)	13,780 00	57,535 50	85,541 00	33,767 25	0 00		246,144 50	

69642 - SHB Limited (In Administration)
ANALYSIS OF TIME COSTS FOR THE PERIOD 25/4/2016 to 2/12/2016
ADM- Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Costs (£)	Avg Hourly Rate (£)
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	48 00	40 30	21 40	70 00	1 00	180 70	54 085 50	299 31
Cashiering & accounting	0 00	15 00	644 00	213 00	0 00	872 00	105 598 50	121 10
Dealings with Directors and Management	1 00	14 00	0 00	6 00	0 00	21 00	11 948 50	568 98
IPS set up & maintenance	0 00	1 00	1 00	24 30	0 00	26 30	1 248 00	47 45
Statement of affairs	0 00	15 00	0 00	1 00	0 00	16 00	2 494 00	155 88
Statutory matters (Meetings Reports and Notices)	4 00	155 20	48 30	84 20	10 00	301 70	123 782 00	410 28
Strategy planning & control	57 00	74 85	11 20	76 00	0 00	219 05	107 514 25	490 82
Tax Compliance/Planning	2 00	19 20	31 70	8 00	0 00	60 90	17,393 50	285 61
Creditors								
Communications with Creditors/Employees	4 00	104 35	260 40	468 90	8 00	845 65	133 099 00	157 39
Non Pref Creditors/Employee claims handling	2 00	57 00	127 70	271 20	0 00	457 90	128 573 75	280 79
Pref claims adjudication and distribution	0 00	10 10	0 00	55 00	0 00	65 10	10 987 50	168 78
Secured Creditors	10 00	20 85	0 40	2 00	0 00	33 25	28 649 50	861 64
Investigations								
CDDA reports & Communication	4 00	35 00	31 70	20 00	1 00	91 70	66 023 00	719 99
Financial review and investigations (S238/239 etc)	105 00	239 00	178 00	234 00	0 00	756 00	902 379 25	1193 62
FRP Related Matters	27 00	52 40	137 50	1 00	0 00	217 90	77 750 52	356 82
Realisation of Assets								
Book debts	0 00	67 20	216 00	151 00	0 00	434 20	55 779 25	128 46
Freehold & Leasehold Property	0 00	205 37	81 20	511 30	0 00	797 87	349 805 00	438 42
Hire Purchase and Lease Assets	0 00	6 00	0 00	0 00	0 00	6 00	312 00	52 00
Other Intangible Assets	0 00	2 00	35 60	0 00	0 00	37 60	6 819 50	181 37
Other Tangible Assets	0 00	15 00	51 80	10 00	3 00	79 80	29 390 50	368 30
Plant & Machinery & Fixtures & Motor Vehicles	0 00	7 00	4 00	1 00	0 00	12 00	1 179 00	98 25
Insurance	0 00	0 35	1 10	0 00	0 00	1 45	471 50	325 17
Sale of Business	90 00	394 00	355 00	309 30	2 00	1 150 30	410 443 50	356 81
Trading								
Trading - Accounting	0 00	41 30	123 20	95 70	0 00	260 20	68 460 50	
Trading - Employees	14 00	384 70	1897 00	1545 00	0 00	3 840 70	498 811 50	129 88
Trading - Employees (Store Visits)	6 00	269 00	88 00	36 00	34 00	433 00	224 744 75	519 04
Trading - Insurance	0 00	46 50	24 00	7 00	0 00	77 50	15 181 50	195 89
Trading - Operations	30 00	524 00	1055 50	1146 10	12 00	2 767 60	825 055 00	298 11
Trading - Retention of Title Claims handling	0 00	28 00	97 10	140 70	0 00	265 80	107 988 00	406 28
Total Hours	**404 00**	**2,843 67**	**5,522 80**	**5,487 70**	**71 00**	**14,329 17**		**304 69**
Total Fees Claimed (£)							**4,365,968 27**	

BHS Limited (In Administration)
Administrators' Estimated Expenses for the Period of Administration to 2 December 2016

Company (If already instructed)	Activity	Date of Instruction	Fee Basis	Anticipated Total Cost	Revised Estimate	Paid as at 24 October 2016	Sums Paid From 25 October 2016 to 2 December 2016	Sums Paid From 25 April 2016 to 2 December 2016
Professional Advisors				£	£	£	£	£
DLA Piper	Solicitors Assistance with investigations Sale of Business Property disposals and surrenders investigations and data preservation General Administration assistance	Apr 16	Time costs	2 289 670 00	2,500 000 00	919 415 00	840 431 66	1 759 846 66
Carey Olsen	Solicitors Assistance with Jersey Legal matters	May 16	Time costs		23 500 00	20 168 50	0 00	20 168 50
Hill Dickinson	Solicitors Assistance with Collection of Book Debt	Jul-16	Time costs		30 000 00	14 000 00	0 00	14 000 00
Brodies LLP	Solicitors Assistance with the assignment of the Alcohol Licences	Apr 16	Fixed Fee		23 500 00	23,374 00	4 000 00	27 374 00
Harbottle & Lewis LLP	Solicitors Specific Directors Legal Advice		Fixed Fee		3 170 00	3 170 00	0 00	3 170 00
Savills	Valuation of properties and provision of ad-hoc advice	Apr 16	Fixed Fee	70 000 00	100 000 00	100 000 00	0 00	100 000 00
Savills	Joint Agency Sale of Properties	Jun-16	0 5% of property realisations	TBC	180 000 00	0 00	50 000 00	50 000 00
CBRE	Joint Agency Sale of Properties	Jun-16	0 5% of property realisations	TBC	80 500 00	50 000 00	0 00	50 000 00
ERA Solutions	Assistance with dealing with employee claims	Apr 16	Fee of £30 per employee	210 000 00	195 000 00	193,880 00	0 00	193 880 00
GL Hearn	Review of rates payments and obtaining refunds of over-payments	Apr 16	10% of realisations	0 100 000	0 100 000	0 00	0 00	0 00
Altscps	Review of rates payments and obtaining refunds of over-payments	Apr 16	10% of realisations	0 100 000	0 100 000	0 00	0 00	0 00
Smithfields	PR dealing with media enquiries	Apr 16	Time costs subject to 15% discount	100 000 00	120 000 00	114 602 00	12 805 87	127 407 87
Ernst & Young	General Tax advice	Sep-16	Time costs subject to a 30% discount	10 000 00	25 000 00	0 00	0 00	0 00
Ernst & Young	Preparation of Corporation Tax returns	Oct 16	Fixed Fee		75 000 00	0 00	0 00	0 00
SIA Group	Valuation of chattel assets	May 16	Time costs		27 500 00	27 518 75	0 00	27 518 75
SIA Group	Realisation of assets clearance and handover of Atherstone Warehouse and Head office buildings	Jun-16	Time costs subject to 15% discount		100 000 00	86,222 00	93,644 00	179 866 00
Ansarda UK Limited	Sale of Business Set up and hosting of on-line data room services	Apr 16	Fixed fee + Data hosting charges			84 166 04	0 00	84 166 04
TDM	Storage of books and records	Apr 16	Based on volume of storage required		75 000 00	31 649 00	0 00	31 649 00
MAPS	Provision of security services	Jun-16	Time costs	4 000 00		4 755 00	60 393 69	65,148 69
Belrock	Facilities Management	Apr 16	Fixed Monthly Fee £45k per month	45 000 00	270 000 00	0 00	63 811 21	63,811 21
Hilco Profit Recovery	Review of rates payments and obtaining refunds of over-payments	Oct 16	10% of realisations		TBC	0 00	0 00	0 00
Total professional advisor costs				***2 728,670 00***	***3 828,170 00***	***1 652 920 29***	***1 125,086.43***	***2 778 006.72***
Disbursements as at 30 September 2016								
Category 1								
Statutory advertising								
Bond premium								
Travel Costs					56 115 69	55 761	1 826 26	57 587
Hotel					61 270 00	56 030 66	4 765 51	60 796
Sundry					0 00	0 00	551 49	551
Books & Records					0 00	0 00	1 094 66	1 095
Subsistence					16 105 52	16 034 00	149 00	16 183
Total Category 1 disbursements				***0 00***	***133,491 21***	***127 825 35***	***8 386.92***	***136,212 27***
Category 2								
Mileage @ 45p per mile				900 00	1 665 00	765 00	900 00	1 665 00
Total Category 2 disbursements				***900 00***	***1 665.00***	***765.00***	***900 00***	***1 665.00***
Total Estimated Expenses			TOTAL	***£2,729,570 00***	***£3,963,326 21***	***£1,781,510 64***	***£1,134,373.35***	***£2,915,883.99***

Appendix 4

Joint Administrators Fee Estimate to Creditors

DUFF & PHELPS

31 October 2016

Fees and Costs Information to Creditors

SHB Realisations Limited
(Formerly BHS Limited)
(In Administration)

Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester
M2 1EW

BHS Limited (in Administration) ("the Company")
Fee Estimate for the whole period of the Administration
Dated 31 October 2016

Introduction

Philip Duffy and Benjamin Wiles were appointed ("the Existing Administrators") on 25 April 2016 by the directors of the Company subject to Paragraph 22 of Schedule B1 to the Insolvency Act 1986 (as amended)

Geoffrey Rowley and Anthony Wright ("the Concurrent Administrators") were appointed concurrent administrators at the request of the Pension Protection Fund in its capacity as a majority creditor by an order of the High Court on 22 July 2016

The Existing Administrators and the Concurrent Administrators are referred to as the Joint Administrators for the remainder of this report

Since their appointment, the Existing Administrators' continued to trade the business in Administration with all stores ceasing to trade on 28 August 2016 The Existing Administrators are in the process of finalising all trading matters

The Joint Administrators' report to creditors and statement of proposals dated 6 June 2016 proposed the following resolutions in respect of the Joint Administrators' remuneration

13 1 1 That the Joint Administrators' remuneration, where a Creditors' Committee is not established, be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration

13 1 2 That, where a Creditors' Committee is not established, the Joint Administrators' Fee Estimate in the total sum of £3,513,095 is approved

13 1 3 That the Joint Administrators be authorised, where a Creditors' Committee is not established, to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements")

The resolutions above were approved with the following modification at the meeting of creditors on 23 June 2016

- That the current Joint Administrators' time costs are reduced by 15% in relation to Administration & Planning work incurred to date and by 15% (based on their current regional charge-out rates) for all ongoing work undertaken from 23 June through to the end of the Administration These are to be drawn with the prior approval of the majority of voting creditors by value The time costs of DLA are to be reduced by 10% from the commencement of Administration through to the end of the Administration

The Concurrent Administrators obtained creditor approval on 21 October 2016 to increase the Joint Administrators' Fee Estimate to £4,230,228 to incorporate their fees of £717,133 specifically relating to the Concurrent Administrators work stream Separate commentary has been provided by the Concurrent Administrators in respect of this amount

The Existing Administrators have reached their previously approved level of £3,513,095 and herein are seeking to increase the original fee estimate to £4,148,258 This represents the Existing Administrators full time costs since the start of the Administration at the discounted level proposed in the modification approved at the meeting of creditors

A copy of the time report for the Existing Administrators (period 25 April 2016 to 21 October 2016) is included with this report

The resolution is to amend the fee estimate of the Joint Administrators and includes the Concurrent Administrators time cost estimate increase of £717,133 which was recently approved for the duration of the Administration, at the discounted level as per the approved resolutions The increase in the time cost estimate is subject to the agreed discount

Whilst certain time headings may be under the original estimates, commentary on the main time headings where the estimate has been exceeded is provided below The Existing Administrators are happy to provide further commentary on any other area where time has been incurred if required

Estimated Fees

The Joint Administrators are seeking approval of the following resolution,

- An increase in the Joint Administrators' Total Fee Estimate from £ 4,230,228 to £5,278,550 (which will be subject to the agreed discount) is approved

The Existing Administrators are seeking to increase the approval to draw fees to £4,148,258 an increase of £635,163 from the previously agreed fee estimate of £3,513,095 Amounts totalling £3,807,535 at the discounted rates have been incurred to date of which £3,321,474 has been drawn with the approval of creditors

The Joint Administrators are working to bring the Administration to a close at the earliest opportunity The above is provided as an estimate and should matters be concluded earlier than the 30 November 2016 time costs may be lower than revised fee estimate

Should matters continue beyond the 30 November 2016 there may be a requirement for the Existing Administrators to revisit the above fee estimate and seek further approval from creditors

Estimated Return to Creditors

On present information it is likely that there will be sufficient asset realisations to enable a distribution to both secured and non-preferential unsecured creditors, however, the quantum and timing of any distribution is wholly dependent on the outcome of future asset realisations and the deduction of the associated costs of the Administration At this stage the Existing Administrators best estimate of a dividend to non-preferential creditors is in the range of 2p - 8p in the £1 which assumes the pension scheme deficit is estimated at £571m

Strategy

Trading

The Existing Administrators and their staff continued to trade the Company from the appointment date until 28 August 2016 when the last of the 163 stores closed The Existing Administrators are in the process of reconciling the trading accounts and based on current estimates, continuing to trade the business has resulted in a trading surplus of c£50m for the benefit of creditors This does not include professional fees incurred during the trading period

This has required a significant on-site presence at head office to deal with all trading matters including stock, employees, concessionaires and other issues that have arisen

Retail agents were engaged following a competitive tender exercise to assist the Existing Administrators in the orderly wind down process They provided operational expertise at store level and centrally in terms of point of sale and discounting strategy They were predominantly 'hands on' at store level

On present information it is estimated that the Existing Administrators' time costs in trading the business will be increased from £1,532,025 to £1,801,116 of which £1,637,615 has been incurred to 21 October 2016 The increase is required as the Existing Administrators are continuing to reconcile and pay the accrued trading liabilities, finalising any concession and employee queries and working to complete matters as part of the transition to Liquidation

Trading the business has enhanced stock realisations As the orderly wind-down progressed gross product margins held higher than forecast, therefore trading continued longer than originally expected which has contributed to the increase in costs in this area

Continuing to trade also enabled the Existing Administrators to pursue a going concern sale of the business and assets (including property interests) with the objective of maximising realisations for the benefit of creditors

Asset Realisations

Following the Existing Administrators' appointment, the business and assets were marketed for sale The Existing Administrators received significant interest from a number of parties Various offers were received to purchase the business as a whole and the Existing Administrators commenced contract negotiations to complete the sale Unfortunately the prospective purchasers were unable to complete a sale and on 2 June 2016 an orderly wind down of the business was announced

Following the announcement of the orderly wind-down, levels of interest were revisited and a number of offers were actively pursued which resulted in a sale of the international business, worldwide trading rights and the web assets for a consideration of £2 5m

Since a sale of the business as a going concern was not possible, the Existing Administrators instructed agents to realise the freehold and leasehold premises which are subject to various fixed and floating charges Due to the marketing that is currently being undertaken the Existing Administrators are unable to disclose any valuations at this time Sufficient information will be provided to creditors once this process is complete

In addition the Existing Administrators have negotiated lease premiums for the benefit of the estate of £730,000 but equally important, savings in respect of potential rent which would be payable as an expense of the Administration of £2 25m This is in addition to a significant reduction in non-preferential claims against the estate estimated at £80m which increases the return to non-preferential creditors This increase is estimated to be between £1 6m and £6 4m

The Existing Administrators have realised various other residual assets such as book debts, duty deferment bonds, letters of credit, cash balances, bonds held by service providers and contingent assets including realisations from claims against Visa/Mastercard and overpaid business rates

In most areas other than where an independent valuation or specialist skillset such as property agency is required, these assets have been realised without the assistance of agents, however, due to the level of background knowledge and experience of similar situations it has required staff at a minimum grade of manager level to complete this work

It is estimated that the Existing Administrators' time costs under the heading asset realisations will be increased from £611,100 to £878,914 of which £825,164 has been incurred to 21 October 2016 It should be noted of this increase this approximately £200,000 was incurred during the extensive negotiations in respect of the sale of business and freehold and leasehold property

The Existing Administrators are continuing to realise the remaining assets including certain lease premiums, debtor balances and other amounts owed to the Company

Total asset realisations for the period 25 April 2016 to 24 October 2016 will be detailed in the Joint Administrators' 6 month progress report which will be issued before 24 November 2016

Creditors

The Company has c7,500 creditors totaling an estimated £1 3 billion The Existing Administrators are dealing with a large number of creditors who fall into a number of different categories These include insurance creditors, customers with outstanding part-prepaid orders particularly in respect of furniture, the

Pension Protection Fund, employees, concessionaires, trade suppliers both UK and overseas and a number of secured creditors

This work has involved calls and correspondence to creditors to explain the process, answering their questions, providing information to allow claims to be submitted, admitting each claim received and where possible working to agree claims to Company records whilst the financial systems and support remained in place This has reduced the level of work to agree claims in the future

Time costs are estimated to increase from £180,150 to £293,340 of which £264,740 has been incurred to 21 October 2016

The Existing Administrators are continuing to respond to creditor requests and assist creditors with their claims

Investigations

Following the insolvency of the BHS Group there are now a number of high profile public investigations currently underway

- The Insolvency Service ("TIS") has launched an investigation into the extent to which the conduct of the directors of the company led to the Administration It has been widely reported in the media that TIS estimate that due to the complexity of the investigations 10% of their resource is committed to this investigation,
- The Pension Regulator ("TPR") has opened an anti-avoidance investigation in relation to the two defined benefit pension schemes,
- The Business, Innovation and Skills Committee of Parliament has launched an inquiry into the sale of the Companies to Retail Acquisitions Limited in March 2015, and
- The Business, Innovation and Skills Committee and Work and Pensions Committee of Parliament are collating evidence in relation to the pension liabilities of the Company

The Existing Administrators have been asked by The Insolvency Service, TPR and The Pension Protection Fund to provide information about the wider BHS Group for the investigations and reviews they are undertaking TPR has served a Section 72 notice under the Pensions Act 2004 on the Existing Administrators (acting for the Company) seeking copies of Company books and records including electronic media

In addition to being legally required to co-operate with the above investigations, it is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the directors in their management of the Company, and the other Group companies which they have been appointed This involved a broad level of investigation to ensure that best practice standards were met

The Concurrent Administrators were appointed with the remit to carry out additional investigatory work into the Company's affairs and this is on-going

To date the Existing Administrators' work has primarily concentrated on

- Securing and listing key Company books and records,
- Securing mobile phones, laptops, PDAs and other hardware from the directors and senior management and imaging the contents,
- Corresponding with directors and senior management to obtain an understanding of certain transactions and events,
- Arranging meetings and interviewing Directors and senior management,
- Meeting with, and obtaining explanations and copy documentation from, the Company's professional advisers in respect of key transactions entered into by the Company,
- Analysing financial information, books and records,
- Meeting with The Insolvency Service, TPR and the PPF to co-ordinate the various investigations outlined above, and
- Assisting the Concurrent Administrators including the transfer of information and accrued knowledge

The Existing Administrators have involved specialist Forensic IT staff from the Canadian member firm of Duff & Phelps (Duff & Phelps Canada Limited) to undertake collection, imaging and storage of data from Company servers and directors/management electronic devices They are also involved with searching processing and categorising that data as part of the investigations and in providing information to TIS and TPR The Fee Estimate includes the time of these staff members at the regional rates applied by the Existing Administrators agreed by creditors

Specialists have been required to ensure that data collection and preservation meets the strict approved protocol to ensure that any information related to any future claims is admissible as evidence in the investigation and Court if necessary

The Existing Administrators are in the process of transferring the investigatory matters over to the Concurrent Administrators, which involves finalising certain matters with the agreement of the Concurrent Administrators

Much of the investigatory work undertaken to date has no immediately quantifiable financial benefit to creditors, however, in line with the Joint Administrators legal and statutory obligations, contemporaneous data has been preserved to form the basis of future claims, which have the potential to result in significant realisations for the benefit of creditors

Time costs are estimated to increase from £791,700 to £1,077,267 of which £1,002,267 has been incurred to date The complexity of the investigation and the number of legal entities involved has increased as the investigation has progressed which has meant an increased level of work in this area

It should be noted that this includes £100,000 estimated for dealing with matters related to the transfer to the Concurrent Administrators

Statutory Compliance

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law Consequently Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors Such matters will include, but are not restricted to Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, Companies House filing, completion and release of insolvency bond and various Treasury functions

This work aims to ensure that the case is handled efficiently and in accordance with statutory requirements and professional standards Time costs are estimated to increase from £390,120 to £510,781 of which £430,781 has been incurred to date

Due to the high profile nature of the Administration, the complicated Group structure and the complexity of the investigations, the case has required a significant amount of work to be completed by more experienced members of staff including the Existing Administrators Specialist forensic accountants within Duff and Phelps have been brought into the team and senior staffs with specific retail sector expertise were required to trade the business and continue to be heavily involved in the reconciliation of trading matters and the move to liquidation It was originally estimated that the Existing Administrators day to day involvement would be reduced once trading matters ceased but certain issues, for example third party investigations and associated information requests referred to above has meant a continuing senior team involvement

Summary

The original fee estimate presented to creditors and subsequently approved at the meeting of creditors was prepared based on the Existing Administrators experience of dealing with retail administrations

It was difficult to accurately prepare the fee estimate at that time as there have been no similar administrations of complex high profile retailers like BHS since Comet in 2012, when it was reported the

Joint Administrators incurred time costs of c£9m in the first 6 months which is 1 month less than the period covered by the revised fee estimate Further Comet traded for 7 weeks, BHS traded for 17 weeks

The Existing Administrators original estimate could not take full account of the increased level of work required to meet the complex information requests form a number of third parties, the difficulties encountered with trading the business as a consequence of the old inadequate BHS systems and the challenges of conducting a confidential sales process that was played out in the media The Existing Administrators are now in a position whereby the fee estimate can be more accurately estimated based on the current strategy of ending the Administration

The Existing Administrators are requesting an increase of £635,163 to their original fee estimate which has resulting in overall asset realisations to creditors in excess of £70m and an estimated dividend to non-preferential creditors of between 2-8p in the £1

Existing Administrators' Sip 9 & Fee Estimate for the Administration
BHS Limited (In Administration)
Dated 31 October 2016

Administration Post Appointment Analysis

Classification of Work Function	For the Period 25 April 31 May 2016 As per the Joint Administrators Proposals	For the Period 31 May 22 June 2016	Existing Administrators' Sip 9 - 31 October 2016: For the Period 25 April - 22 June 2016	For the Period 23 June - 31 July 2016 (Post Appointment)	For the Period 22 July - 31 August 2016	For the Period 1 September - 30 September 2016	For the Period 1 October - 31 October 2016	Total For the Period 25 April 2016 - 31 October 2016	For the Period 21 October - 30 November 2016	Estimated Total to 30 November 2016	Original Fee Estimate
Admin & Planning											
Case review and Case Diary management	25,333.50	30,954.50	56,288.00	5,413.50	2,892.00	710.00	7,120.50	71,924.00	5,000.00	76,924.00	26,350.00
Cashiering & accounting	40,967.50	64,631.00	105,598.50	0.00	0.00	0.00	0.00	105,598.50	0.00	105,598.50	68,250.00
Dealings with Directors and Management	6,484.00	3,091.00	9,575.00	1,491.50	188.00	714.00	0.00	11,948.50	0.00	11,948.50	22,800.00
Insurance	305.50	0.00	305.50	0.00	393.00	0.00	0.00	698.50	0.00	698.50	2,525.00
IPS set up & maintenance	367.50	218.50	586.00	0.00	514.50	90.00	23.00	1,213.50	0.00	1,213.50	7,175.00
Statement of affairs	461.50	187.50	649.00	1,335.00	510.00	0.00	0.00	2,494.00	0.00	2,494.00	6,000.00
Statutory matters (Meetings, Reports and Notices)	33,832.50	39,169.50	72,802.00	11,175.50	6,125.00	3,186.00	10,466.00	103,754.50	65,000.00	168,754.50	215,450.00
Strategy planning & control	33,765.00	76,876.00	110,641.00	3,650.00	1,599.00	1,478.25	1,332.00	118,699.25	3,500.00	122,199.25	45,600.00
Tax Compliance/Planning	0.00	0.00	0.00	46.00	7,211.00	6,113.50	1,071.50	14,442.00	8,500.00	20,960.00	3,870.00
Total								430,780.75	90,000.00	520,780.75	398,120.00
Creditors											
Communications with Creditors/Employees	14,147.50	38,043.00	52,190.50	12,957.50	25,793.50	22,667.00	13,912.00	127,510.50	25,000.00	152,510.50	55,950.00
Non Pref Creditors/Employee claims handling	9,814.50	39,419.50	49,234.00	115.00	3,081.00	20,600.00	12,100.00	87,130.00	2,500.00	89,630.00	54,950.00
Pref claims adjudication and distribution		1,590.00	1,590.00	8,662.75	8,892.50	3,078.00	3,222.00	22,345.25	0.00	22,345.25	4,000.00
Secured Creditors	5,491.00	13,333.50	18,824.50	6,200.00	1,956.00	714.00	0.00	27,694.50	1,100.00	28,854.50	65,250.00
Total								264,740.25	28,600.00	293,340.25	180,150.00
Investigations											
CDDA, reports & Communication	47,536.50	2,651.50	50,188.00	9,882.00	4,075.00	1,878.50	0.00	65,823.50	0.00	65,823.50	121,000.00
Financial review and investigations (S238/239 etc)	134,413.45	173,859.05	308,272.50	105,269.25	250,474.75	97,094.50	51,288.25	902,379.25	0.00	902,379.25	670,700.00
FRP Related Matters	0.00	0.00	0.00	0.00	10,160.50	21,832.02	2,062.50	34,064.02	75,000.00	109,064.02	0.00
Total								1,002,266.77	75,000.00	1,077,266.77	791,700.00
Realisation of assets											
Book debts	504.00	0.00	504.00	12,728.25	20,504.00	8,114.50	6,690.50	48,541.25	3,750.00	52,291.25	23,450.00
Freehold & Leasehold Property	120,948.75	44,031.50	164,980.25	89,725.75	39,705.00	35,178.50	21,211.00	330,800.50	50,000.00	380,800.50	290,750.00
Hire Purchase and Lease Assets	0.00	312.00	312.00	0.00	0.00	0.00	0.00	312.00	0.00	312.00	4,000.00
Other Intangible Assets	0.00	420.00	420.00	855.50	2,355.50	1,312.50	0.00	4,943.50	0.00	4,943.50	0.00
Other Tangiable Assets	8.00	0.00	8.00	1,060.50	2,920.50	19,852.00	5,308.50	29,149.50	0.00	29,149.50	17,400.00
Plant & Machinery & Fixtures & Motor Vehicles	0.00	819.00	819.00	0.00	18.00	342.00	0.00	1,179.00	0.00	1,179.00	11,100.00
Sale of Business	193,685.00	121,704.25	315,389.25	70,728.75	20,301.50	2,375.50	1,443.00	410,238.00	0.00	410,238.00	264,400.00
Total								825,163.75	53,750.00	878,913.75	611,100.00
Trading											
Trading Accounting	99,981.50	34,033.00	134,014.50	100,899.75	111,405.50	77,237.25	57,311.00	486,868.00	135,000.00	621,868.00	302,250.00
Trading Employees	28,209.00	33,873.00	62,082.00	25,389.00	21,049.00	19,354.50	9,041.00	136,915.50	25,000.00	154,915.50	123,950.00
Trading Employees (Store Visits)				94,829.25		0.00	0.00	94,829.25	0.00	94,829.25	0.00
Trading Insurance	8,161.50	375.00	8,536.50	1,348.50	2,664.50	2,308.00	890.50	13,862.00	1,500.00	15,362.00	16,075.00
Trading Operations	323,813.00	234,943.00	558,756.00	89,360.50	115,801.00	40,078.00	21,875.50	805,369.00	0.00	805,369.00	937,250.00
Trading Retention of Title Claims handling	81,455.50	4,443.00	85,898.50	11,598.00	8,190.00	341.50	638.00	106,672.00	2,000.00	108,672.00	152,500.00
Total								1,637,615.75	163,500.00	1,801,115.75	1,532,025.00
Total Time Costs	1,204,485.20	958,978.30	2,163,464.50	718,881.75	671,789.25	380,956.02	225,475.73	4,160,567.27	400,850.00	4,561,417.27	3,513,095.00
Time Cost Discount limited to Admin & Planning			(53,466.75)					(53,466.75)			
Time Cost Discount Agreed 15%				(107,832.26)	(100,768.39)	(57,143.40)	(33,821.36)	(299,565.42)	(60 127.50)	(413 159.67)	
			2,109,997.75	611,049.49	571,020.86	323,812.62	191,654.37	3,807,535.10	340 722.50	4 148 257.60	

Time Cost Discount limited to Admin & Planning
Time Cost Discount Agreed 15%

Appendix 5

Copy of Approved Proposals

That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect

That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration

That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease

That by 30 June 2016, the current Administrators file an application to court, seeking the appointment of Geoffrey Paul Rowley and Anthony John Wright of FRP Advisory LLP, 110 Cannon Street, London, EC4N 6EU as additional joint Administrators, with a view to the application being heard by 29 July 2016 This is in order to commence additional investigatory work into the Company's affairs, with the current Administrators remaining in office to conclude trading activities and asset realisations ahead of a Creditors' Voluntary Liquidation

In the event that the additional Administrators are not appointed by 30 September 2016 the Administrators will consult with the creditors as to the proposed way forward

It is further proposed that Geoffrey Paul Rowley and Anthony John Wright of FRP Advisory LLP, 110 Cannon Street, London, EC4N 6EU be appointed Joint Liquidators of the company and, that where Joint Liquidators are appointed, any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them

That the current joint Administrators are not discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986 upon filing the end of the Administration or their appointment otherwise ceasing

That the current Joint Administrators' time costs are reduced by 15% in relation to Administration & Planning work incurred to date and by 15% (based on their current regional charge-out rates) for all ongoing work undertaken from 23 June though to the end of the Administration These are to be drawn with the prior approval of the majority of voting creditors by value The time costs of DLA are to be reduced by 10% from the commencement of Administration through to the end of the Administration

That the Joint Administrators be authorised, where a Creditors' Committee is not established, to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements")

Appendix 6

Form 2 34B (CVL)

Rule 2.117A

Form 2.34B

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company	Company number
SHB Realisations Limited (formerly BHS Limited)	00229606

In the High Court of Justice (full name of court)	*For court use only* 2220 of 2016

(a) Insert full name(s) and address(es) of administrators

I/We (a) Philip Duffy of Duff & Phelps Ltd , The Chancery, 58 Spring Gardens, Manchester, M2 1EW, Benjamin Wiles of Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG, Geoffrey Rowley and Anthony Wright both of FRP Advisory LLP, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

(b) Insert name and address of the registered office of company

having been appointed Joint Administrator(s) of (b) SHB Realisations Limited (formerly BHS Limited) of c/o Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London

(c) Insert date of appointment

On (c) 25 April 2016 and 22 July 2016 respectively

(d) Insert name of appointor

(e) Insert name(s) and address(es) of liquidator(s)

hereby give notice that the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Geoffrey Rowley and Anthony Wright both of FRP Advisory LLP, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

will be the liquidator(s) of the company (IP No(s) 8919 and 10870)

Signed _____
Joint Administrator

Dated 18/11/2016

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searches of the public record

Duff & Phelps Ltd
35 Newhall Street
Birmingham
B3 3PU

Tel +44 (0) 121 214 1120

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ **DX 33050 Cardiff**

Appendix 7

Concurrent Administrators' Report to Creditors

FRP Advisory LLP
110 Cannon Street
London
EC4N 6EU
Tel +44 (0)20 3005 4000
Fax +44 (0)20 3005 4400
www frpadvisory com

To All Known Creditors

Your ref.	
Our ref.	B1660LON/AO081/JIG/PD/J
Please Contact	Patrick Donnan
Telephone Number.	0203 005 4000
Email Address.	Patrick Donnan@frpadvisory com
Date.	23 December 2016

Dear Sirs

SHB REALISATIONS LIMITED (FORMERLY BHS LIMITED) (FORMERLY IN ADMINISTRATION) (NOW IN LIQUIDATION) ("THE COMPANY")
In the High Court of Justice, Chancery Division, Companies Court, No. 2220 of 2016

I write further to my appointment, together with Geoffrey Paul Rowley, as additional joint administrators ("the Concurrent Administrators") to the Company on 22 July 2016 pursuant to an order of the High Court on the same date ("the Court Order"), following the original appointment of Philip Duffy and Benjamin Wiles of Duff & Phelps Limited as joint administrators on 25 April 2016 ("the Existing Administrators", together with the Concurrent Administrators being, "the Joint Administrators")

In accordance with the modified and approved proposals, the Company moved to Creditors' Voluntary Liquidation ("CVL") on 2 December 2016 Geoffrey Paul Rowley and I are acting as Joint Liquidators I now provide my final progress report on the administration for the period from 25 October 2016 to 2 December 2016 ("the Period") in accordance with the Insolvency Rules 1986

This report should be read in conjunction with the previous reports and correspondence issued to creditors by both the Existing Administrators and the Concurrent Administrators

I attach.

- Appendix A – Statutory information regarding the Company,
- Appendix B – Form 2 34B, "notice of move from administration to creditors voluntary liquidation";
- Appendix C – Receipts and payments account;
- Appendix D – Details of my firm's time costs and disbursements incurred in the Period and cumulatively, and
- Appendix E – Statement of expenses

1. Progress of the Administration

Receipts and Payments Account

1 1 Please find attached at Appendix C a receipts and payments account All transactions are shown net of VAT which is recoverable and payable in the administration All VAT has been accounted for to HM Revenue & Customs

1 2 Creditors should refer to the receipts and payments account included within the Existing Administrators' final progress report for details of other transactions made during the Period.

Details of the Concurrent Administrators' Work

1.3 Creditors were previously provided with an overview of the work undertaken by the Concurrent Administrators in a letter dated 30 September 2016 and a progress report dated 16 November 2016 For the sake of consistency, I have used the same categories of work as before and comment below

General Work

1 4 Enquiries have been received from former employees, unsecured creditors and landlords regarding the administration and these have been answered or referred to the relevant party dealing with those matters

1 5 As it became apparent that the Company would shortly be moving to CVL, the Concurrent Administrators began to work with the Existing Administrators to gain a better understanding of the Company's affairs This has involved reviewing and understanding certain work product produced by the Existing Administrators and liaising with third parties as appropriate.

Records and Data Collection

1 6 Creditors will recall from the Concurrent Administrators' progress report dated 16 November 2016 that a highly extensive and detailed exercise of data and systems discovery with subsequent collation of a vast amount of data, along with physical records from a number of Company and third party sites had been undertaken

1 7 The Concurrent Administrators had commenced processing and analysing the data available This has involved the utilisation of a data review platform in order to streamline the processing of the available information and identify documents responsive to key word searches before a review of potentially relevant data is undertaken

1 8 During the Period this process has almost been completed and the document review platform is now being utilised to assist with the work stream below

Analysis, Investigation and Enquiry

1 9 The Concurrent Administrators have progressed their enquiries into a number of historic matters of concern and key transactions, including those raised by the Parliamentary Enquiry into the Company's failure, and continued to work with their legal advisers, Jones Day, to determine appropriate avenues of further investigation. This will be a key area of work in the liquidation

1 10 It would not be appropriate to comment in detail on the nature and level of the Concurrent Administrators' investigations at this juncture, however within the parameters of the Court Order, these have included a review of the possible claims and challenges available to an insolvency office holder pursuant to the Companies Act 2006 and Insolvency Act 1986, including those relating to antecedent transactions and wrongful trading. As creditors will be aware, these investigations include an ongoing enquiry into the validity of the security granted by the Company to one of the secured creditors

1 11 The Concurrent Administrators and Jones Day have continued handover discussions during the Period with the Existing Administrators and their solicitors, DLA Piper UK LLP, in order to reduce the possibility of duplication of cost and effort in investigations commenced but not completed prior to the appointment of the Concurrent Administrators and the move from administration to creditors' voluntary liquidation

1 12 The Concurrent Administrators have met and/or been in correspondence with several third party agencies, such as the Insolvency Service, Pension Protection Fund and The Pensions Regulator, as part of their further investigations into the Company's affairs and failure

2. Concurrent Administrators' Pre-Appointment Costs

2 1 The following costs were incurred by the Concurrent Administrators prior to their appointment (which are shown net of VAT, where applicable)

	Fees £	Disbursements £
FRP Advisory LLP	15,401.00	29 32
Stephenson Harwood LLP	39,000 00	18,290 28
Total pre-appointment costs	54,401.00	18,319 60

2 2 The Court Order deemed these costs to be an expense of the administration These costs have been paid from the administration estate during the Period and are reflected on the receipts and payments account at Appendix C

3. Concurrent Administrators' Remuneration, Disbursements and Expenses

3.1 Following circulation of my letter dated 30 September 2016 creditors passed a resolution that the Concurrent Administrators' remuneration, estimated at £717,133 for the period from 22 July to 31 October 2016, should be calculated on a time cost basis. A breakdown of the Concurrent Administrators' time costs incurred during the Period and since appointment are attached at Appendix D. The Concurrent Administrators' time costs resolution covered time costs incurred for the period 22 July 2016 to 31 October 2016 only and the Concurrent Administrators' have drawn the sum of £648,653 during the Period

3 2 The Concurrent Administrators are unable to draw remuneration in relation to time costs incurred from 1 November 2016 until 2 December 2016 without creditors' approval Approval for drawing remuneration for this period is being sought and, if approved, will be drawn from the liquidation estate

3 3 The Concurrent Administrators' disbursements are a recharge of actual costs incurred by the Concurrent Administrators on behalf of the Company Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory LLP at the HMRC approved mileage rate prevailing at the time the mileage was incurred Details of disbursements incurred during the Period are set out at Appendix D

3 4 An estimate of the Concurrent Administrators' estimated expenses was set out in my letter dated 30 September 2016. I attach at Appendix E a statement of expenses that have been incurred during the Period The initial estimate was provided on the understanding that the Company would exit administration by 31 October 2016. The Company exited from administration on 2 December 2016 and therefore the expenses in relation to the Concurrent Administrators' fees and those of their legal advisers have exceeded the estimate originally given

3 5 Creditors have a right to request further information from the Concurrent Administrators and further have a right to challenge the Concurrent Administrators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency Rules 1986 (For ease of reference these are the expenses incurred during the Period as set out in Appendix C only) Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link http://creditors frpadvisory com/feesguide.htm and select the guide for administrations. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note that there is a time limit for requesting information being 21 days following receipt of this progress report There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

If you have any queries about this report or the progress of the administration, please do not hesitate to contact my office.

Yours faithfully
For and on behalf of
SHB Realisations Limited (formerly BHS Limited) (Formerly In Administration)

Tony Wright
Joint Liquidator and Former Joint Administrator
Licensed in the United Kingdom by the Institute of Chartered Accountants in England & Wales and bound by the Insolvency Code of Ethics

The Joint Administrators acted as agents of the Company and without personal liability.

The affairs, business and property of the Company are being managed by the Joint Administrators who were appointed on 25 April 2016 (Duffy & Wiles) and 22 July 2016 (Rowley & Wright)

APPENDIX A

SHB REALISTIONS LIMITED (FORMERLY BHS LIMITED) (FORMERLY IN ADMISTRATION)

STATUTORY INFORMATION

Company Information:

Other trading names.	British Home Stores BHS
Company number.	00229606
Registered office	2nd Floor, 110 Cannon Street, London, EC4N 6EU
Business address.	129-137 Marylebone Road, London, NW1 5QD

Administration Details:

Administrators:	Philip Francis Duffy & Benjamin John Wiles (Duff & Phelps Ltd) Geoffrey Paul Rowley and Anthony John Wright (FRP Advisory LLP)
Address of Administrators:	Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW and The Shard, 32 London Bridge Street, London, SE1 9SG FRP Advisory LLP, 110 Cannon Street, London, EC4N 6EU
Date of appointment of Administrators	Philip Francis Duffy & Benjamin Wiles – 25 April 2016 Geoffrey Paul Rowley & Anthony John Wright – 22 July 2016
Court in which administration proceedings were brought	High Court of Justice, Chancery Division, Companies Court
Court reference	No 2220 of 2016
Appointor details:	Philip Francis Duffy & Benjamin John Wiles – Directors Geoffrey Paul Rowley and Anthony John Wright – Order of the Court
Previous office holders, if any:	N/A
Extensions to the initial period of appointment:	None
Date of approval of Administrators' proposals	23 June 2016 (with modifications)

Rule 2.117A

Form 2.34B

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company	Company number
SHB Realisations Limited (formerly BHS Limited)	00229606

In the	For court use only
High Court of Justice (full name of court)	2220 of 2016

(a) Insert full name(s) and address(es) of administrator(s)

I/We (a) Philip Duffy of Duff & Phelps Ltd , The Chancery, 58 Spring Gardens, Manchester, M2 1EW, Benjamin Wiles of Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG, Geoffrey Rowley and Anthony Wright both of FRP Advisory LLP, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

(b) Insert name and address of the registered office of company

having been appointed Joint Administrator(s) of (b) SHB Realisations Limited (formerly BHS Limited) of c/o Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London

(c) Insert date of appointment

On (c) 25 April 2016 and 22 July 2016 respectively

(d) Insert name of appointor

hereby give notice that the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) Geoffrey Rowley and Anthony Wright both of FRP Advisory LLP, 2nd Floor, 110 Cannon Street, London, EC4N 6EU

(e) Insert name(s) and address(es) of liquidator(s)

will be the liquidator(s) of the company (IP No(s) 8919 and 10870)

Signed _____
Joint Administrator

Dated 18/11/2016

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of public record.

Duff & Phelps Ltd
35 Newhall Street
Birmingham
B3 3PU

Tel +44 (0) 121 214 1120

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

APPENDIX C

SHB Realisations Limited (formerly BHS Limited)
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 02/12/2016

S of A £		£	£
	ASSET REALISATIONS		
	Funding from Duff & Phelps	2,000,000 00	
			2,000,000.00
	COST OF REALISATIONS		
	Administrators' Remuneration	648,652.50	
	Administrators' Disbursements	37,358.11	
	Transfer to liquidation	685,771.84	
	Legal Fees	549,893.85	
	Legal Disbursements	1,067.70	
	Legal fees - Pre-Administration	39,000.00	
	Legal disbs - Pre-Administration	18,040.00	
	Legal disbs - Pre-Admin (non VAT)	250.28	
	Stationery & Postage	4,535.40	
	Joint Administrators' Pre Fees	15,401.00	
	Joint Administrators' Pre Disbs	29.32	
			(2,000,000.00)
			0.00

APPENDIX D

FRP

SHB Realisations Limited (formerly BHS Limited) (In Administration)
Time charged for the period 25 October 2016 to 02 December 2016

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	27 00	19.30	42.45		88 75	32,077 50	361.44
Case Accounting			0 50		0.50	138 00	276.00
Case Control and Review	4 10	8 00	16.20		28.30	9 479 50	334 98
Case Accounting - General			1 50		1.50	345 00	230.00
General Administration	13 40	10 50	17 95		41.85	15 808.00	377 73
Fee and WIP			1 00		1.00	250 00	250.00
Forensic	9 50	0 80	0 30		10.60	5 057 00	477.08
IT – Admin / planning and acquisition			5.00		5.00	1 000 00	200 00
Asset Realisation		10.50	5.50		16 00	5,837 50	364.84
Freehold/Leasehold Property		5 50	3.50		9 00	3 212 50	356 94
Debt Collection		3.00	2.00		5.00	1 775 00	355.00
Legal-asset Realisation		2 00			2 00	850 00	425.00
Creditors	0 80	7 00	15.80		23.60	7 143 50	302 69
Unsecured Creditors	0 60	3 50	3.50		7 60	2,532 00	333 16
Employees			7 50		7.50	1 825 00	243.33
Legal-Creditors	0.20				0 20	99 00	495.00
Landlord		1 00	4 10		5 10	1 450 00	284.31
TAX/VAT - Pre-appointment		2 50	0 70		3 20	1 237 50	386 72
Investigation	52.15	198.00	208 90	27.50	486.55	157 436 75	323.58
Investigatory Work	24 55	180 75	153.05		358.35	117 813 50	328 77
Legal - Investigations	13 60	17 25	14 85		45 70	16 680 75	365.01
IT – Investigations	14 00		41 00	27 50	82.50	22 942 50	278.09
Statutory Compliance	1 00	7 50	10 30		18.80	5,832.50	310.24
Post Appt TAX/VAT			1 00		1.00	250 00	250 00
Statutory Reporting/ Meetings	1 00	6 00	9 30		16.30	4 945 00	303.37
Appointment Formalities		1 50			1 50	637 50	425.00
Trading			0 50		0.50	125 00	250.00
Case Accounting - Trading			0 50		0.50	125 00	250 00
Total Hours	80 95	242.30	283 45	27 50	634.20	208,452.75	328 69
Total Cost £	40,070.25	87,623.25	76,634.25	4,125 00			
Average Hrly Rate £	495.00	361 63	270 36	150 00			

FRP Charge out rates

Grade	From 1st May 2016
Appointment taker / Partner	450-495
Managers / Directors	340-465
Other Professional	200-295
Junior Professional & Support	125-175

Disbursements for the period
25 October 2016 to 02 December 2016

	Value £
Category 1	
Company Search	10 00
Parking	41.60
Prof Services	1,265.00
Subsistance	49.02
Sundries/General	5.08
Taxis	21 00
Travel	505 00
Mobile Telephone	17 56
Computer Consumables	21 854 47
Property	149 00
Category 2	
Car/Mileage Recharge	526 09
Grand Total	24 443.82

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

APPENDIX D

FRP

SHB Realisations Limited (formerly BHS Limited) (In Administration)
Time charged for the period 22 July 2016 to 02 December 2016

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	82.20	108.25	210.45	23.00	423.90	159,521.50	376.32
Case Accounting			0.50		0.50	138.00	276.00
Travel	15.00				15.00	7,425.00	495.00
Case Control and Review	24.30	23.70	28.90		76.90	29,216.00	379.92
Case Accounting - General			2.10		2.10	495.00	235.71
General Administration	31.40	70.50	57.05	23.00	181.95	60,050.50	330.04
Insurance		0.75			0.75	318.75	425.00
Strategy		1.25	1.50		2.75	837.50	304.55
Fee and WIP	2.00		11.10		13.10	3,965.00	302.67
Forensic	9.50	12.05	0.30		21.85	9,275.75	424.52
IT – Admin / planning and acquisition			109.00		109.00	47,800.00	438.53
Asset Realisation	8.70	10.50	9.30		20.50	7,134.00	348.00
Asset Realisation	0.20				0.20	99.00	495.00
Freehold/Leasehold Property		5.50	7.30		12.80	4,162.50	325.20
Debt Collection		3.00	2.00		5.00	1,775.00	355.00
Legal-asset Realisation	0.50	2.00			2.50	1,097.50	439.00
Creditors	10.60	19.10	52.80	22.30	104.80	28,579.75	272.71
Unsecured Creditors	10.00	9.85	19.90	12.30	52.05	15,044.00	289.03
Employees	0.40	5.75	27.50	10.00	43.65	10,599.25	242.82
Legal-Creditors	0.20				0.20	99.00	495.00
Pensions			0.60		0.60	150.00	250.00
Landlord		1.00	4.10		5.10	1,450.00	284.31
TAX/VAT - Pre-appointment		2.50	0.70		3.20	1,237.50	386.72
Investigation	507.00	340.80	782.10	131.80	1,681.70	601,598.00	357.73
Investigatory Work	180.15	279.55	325.15	12.50	797.35	278,481.00	349.26
Legal - Investigations	78.60	61.25	22.45		162.30	66,500.75	409.74
IT – Investigations	248.25		354.50	119.30	722.05	256,616.25	355.40
Statutory Compliance	4.55	10.50	14.20	11.50	40.75	11,234.75	275.78
Post Appt TAX/VAT			1.00		1.00	250.00	250.00
Statutory Compliance - Genera	2.55		1.40		3.95	1,587.25	401.84
Statutory Reporting/ Meetings	1.50	6.00	11.80	10.30	29.60	7,057.50	238.43
Appointment Formalities	0.50	4.50		1.20	6.20	2,340.00	377.42
Trading	9.50		0.50		10.00	4,827.50	482.75
Case Accounting - Trading			0.50		0.50	125.00	250.00
IT – Trading / Sale support	9.50				9.50	4,702.50	495.00
Total Hours	614.55	489.15	989.35	188.60	2,281.65	812,895.50	356.28
Total Cost £	304,202.75	178,350.00	303,448.75	26,894.00			
Average Hrly Rate £	495.00	364.61	306.71	142.61			

FRP Charge out rates

Grade	From 1st May 2014
Appointment taker / Partner	450-495
Managers / Directors	340-465
Other Professional	200-295
Junior Professional & Support	125-175

Disbursements for the period 22 July 2016 to 02 December 2016

	Value £
Category 1	
Company Search	12.00
Congestion Charge	22.00
Delivery	210.54
Insurance	1,350.00
Parking	110.29
Postage	11,026.86
Prof Services	1,265.00
Subsistance	267.62
Sundries/General	5.08
Taxis	52.00
Travel	1,122.40
Mobile Telephone	45.84
Computer Consumables	38,572.39
Property	173.00
Consultancy	2,059.50
Category 2	
Car/Mileage Recharge	919.39
Stationary	15.41
Grand Total	57,330.32

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

APPENDIX E

SHB Realisations Limited (formerly BHS Limited) (In Administration)
Statement of expenses for the period ended
2 December 2016

Expenses	Period to 2 December 2016 £	Cumulative period to 2 December 2016 £
Office Holders' remuneration (Time costs)	208,453	812,896
Office Holders' disbursements	24,444	57,330
Office Holders' Pre Appointment Costs	-	15,401
Office Holders' Pre Appointment Disbs	-	29
Legal Fees - Pre Appointment Costs	-	39,000
Legal Fees - Pre Administration Disbs	-	18,290
Legal Fees	232,111	898,717
Legal Disbursements	-	1,068
Stationary & postage	4,535	4,535
Total	**469,543**	**1,847,267**