



1 Company details

Company number 01024575
Company name in full Blue Group UK Group Properties Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Zelf
Surname Hussain

3 Administrator's address

Building name/number PricewaterhouseCoopers LLP
Street 7 More London
Riverside
Post town London
County/Region
Postcode SE12RT
Country

4 Administrator's name ①

Full forename(s) Peter David
Surname Dickens

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number PricewaterhouseCoopers LLP
Street 1 Hardman Square
Post town Manchester
County/Region
Postcode M33EB
Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report


6 Period of progress report

From date	d 3 d 0	m 0 m 6	y 2 y 0 y 2 y 0	
To date	d 2 d 9	m 1 m 2	y 2 y 0 y 2 y 0	

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
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8 Sign and date

Administrator's signature	Signature X  X	
Signature date	d 2 d 7	m 0 m 1 y 2 y 0 y 2 y 1

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ①
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Yulia

Surname

Marshall

3 Insolvency practitioner's address

Building name/number

7

Street

More London Riverside

Post town

London

County/Region

Postcode

S E 1 2 R T

Country

United Kingdom

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Sian Barraclough**

Company name **PricewaterhouseCoopers LLP**

Address **Level 8, Central Square**

29 Wellington Street

Post town **Leeds**

County/Region

Postcode **L S 1 4 D L**

Country **United Kingdom**

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint administrators' progress report from 30 June 2020 to 29 December 2020

**Blue Group - certain companies in
administration**

27 January 2021

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The following table shows the companies that are the subject of this report. Also shown are the court references, company registration numbers and abbreviations we may use to describe them. In all cases, the relevant court is the High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD).

Company		Abbreviation	Court reference	Company number
Blue Group UK Furniture Limited		BGUF	CR-2020-002918	02237159
Blue Group Hold Co Limited		BGHC	CR-2020-002915	12040448
Blue Group UK Beds Limited	*	BGUKB	CR-2020-002902	08431253
Blue Group UK Manufacturing Limited	*	BGUKM	CR-2020-002897	04209321
Blue Group UK Retail Limited	*	BGUKR	CR-2020-002906	00040754
Blue Group UK Group Properties Limited	*	BGUKGP	CR-2020-002903	01024575
Formation Furniture Limited	* *	FFL	CR-2020-002905	03223063
Homestyle Group Operations Limited	*	HGOL	CR-2020-002904	03130486
Property Portfolio (No 1) Limited		PP1	CR-2020-002919	00281055
Property Portfolio (No 2) Limited		PP2	CR-2020-002917	03511999
Property Portfolio (No 7) Limited		PP7	CR-2020-002922	00548337
Property Portfolio (No 8) Limited		PP8	CR-2020-002921	02347258
Property Portfolio (No 11) Limited		PP11	CR-2020-002923	02236968
Property Portfolio (No 14) Limited		PP14	CR-2020-002926	02910567
Property Portfolio (No 15) Limited		PP15	CR-2020-002925	00884341
Property Portfolio (No 17) Limited		PP17	CR-2020-002924	02287644
Wellington Group Limited (formerly Relyon Group Limited)	*	WGL	CR-2020-002901	00859590
Wellington Realisations Limited (formerly Relyon Limited)	*	WRL	CR-2020-002899	00470381
Serais Investments Limited	*	SIL	CR-2020-002908	01264703
Unitrans UK Limited	*	UUK	CR-2020-002896	05523545
Unitrans Logistics (UK) Limited	*	ULUK	CR-2020-002898	05523550
Unitrans Limited	*	UL	CR-2020-002900	01372780

** only these companies have granted security over their business and assets by way of a debenture.*

The current registered office of each company (with the exception of BGUKR) is Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL

The registered office of BGUKR is 3rd Floor, The Globe Centre, 1 St James Square, Accrington, Lancashire, England, BB5 0RE

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Joint Administrators / we / us / our	Zelf Hussain, Peter David Dickens and Yulia Marshall in respect of all the Companies except Formation Furniture Limited Zelf Hussain, Peter David Dickens, Yulia Marshall and Ross David Connock in respect of Formation Furniture Limited
BDO	BDO LLP
Alteri	Alteri Investors
Blue Group / the Companies	All of the companies listed on page 3
BEIS	Department for Business, Energy & Industrial Strategy
CAPA	Consultiam Property Limited, trading as CAPA
CJRS	Coronavirus Job Retention Scheme
ERS	European Retail Solutions II Ltd, agents engaged to assist with Harveys stock disposal
FCA	Financial Conduct Authority
Group	The Blue Group Hold Co Limited and its subsidiaries (see Group Structure at Appendix E)
HMRC	HM Revenue & Customs
Hilco	Hilco Valuation Services
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
IRS	AUA Insolvency Risk Services Limited, trading as Insolvency Risk Services
JCP	Jobcentre Plus, part of the Department for Work and Pensions
the Licence / LTO	Licence to occupy leasehold premises
Pre-pack sale	The sale of certain of the Companies' business and assets, completed immediately following our appointment as joint administrators. The transaction largely related to the Bensons for Beds business and is explained more fully in our Proposals.
Preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003

Abbreviation or definition	Meaning
Proposals	Joint administrators' proposals for achieving the purpose of administration dated 8 July 2020
the Relyon Purchaser	Relyon Beds Limited (formerly Michco 2001 Limited)
the Bensons Purchasers	Bensonsforbedsretail Limited, Bensonsforbedsmanufacturing Limited and BlueGroup Propco Limited
the Purchasers	together, the Bensons Purchasers and the Relyon Purchaser
PwC	PricewaterhouseCoopers LLP
ReACT	ReACT is a partnership between Careers Wales, Jobcentre Plus and the Welsh Government. It is aimed at assisting individuals impacted by redundancies to gain new skills, overcome obstacles and improve their chances of returning to work as quickly as possible.
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996.
Secured Creditor	A creditor with security in respect of their debt, in accordance with Section 248 IA86. The only secured creditor of the Companies is Alteri.
Shoosmiths	Shoosmiths LLP (a law firm)
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
Bensons SPA	Sale and purchase agreement: The agreement for the sale and purchase of the business and assets dated 30 June 2020 and made between the Companies (excluding Blue Group Hold Co Limited) and the Bensons Purchasers.
Relyon SPA	Sale and purchase agreement: the agreement for the sale and purchase of the business and assets date 3 August 2020 and made between RL, the Relyon Purchaser and certain other third party entities.
Steinhoff	Steinhoff International Holdings NV
TSA	Transitional Service Agreement
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured Creditors	Creditors who are neither secured nor preferential

This report has been prepared by Zelf Hussain, Peter Dickens, Yulia Marshall and Ross Connock as joint administrators of the Companies, solely to comply with their statutory duty to report to creditors under IR16 on the progress of the administrations of the Companies, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Companies.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the joint administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the joint administrators' previous reports issued to the Companies' creditors, which can be found at pwc.co.uk/bluegroup. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain, Peter David Dickens and Yulia Marshall have been appointed as joint administrators of Blue Group Hold Co. Limited, Blue Group UK Retail Limited, Blue Group UK Group Properties Limited, Blue Group UK Furniture Limited, Serais Investments Limited, Homestyle Group Operations Limited, Blue Group Furniture Limited, Blue Group UK Manufacturing Limited, Wellington Group Limited, Wellington Realisations Limited, Blue Group UK Beds Limited, Unitrans UK Limited, Unitrans Logistics (UK) Limited, Unitrans Limited, Property Portfolio (No 1) Limited, Property Portfolio (No 11), Property Portfolio (No 14) Limited, Property Portfolio (No 15) Limited, Property Portfolio (No 17) Limited, Property Portfolio (No 2) Limited, Property Portfolio (No 7) Limited and Property Portfolio (No 8) Limited to manage their affairs, business and property as their agents and act without personal liability.

Zelf Hussain, Peter David Dickens, Yulia Marshall and Ross David Connock have been appointed as joint administrators of Formation Furniture Limited to manage its affairs, business and property as its agents and act without personal liability.

The joint administrators are licenced in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The joint administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the joint administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

We're writing to update you on the progress of the administrations of the Companies (listed in page 3 of this report) in the six months since our appointment as joint administrators on 30 June 2020. Collectively the administrations are large and complex and therefore this report provides only a high-level overview of the key matters in each case; it does not attempt to report fully on the detail and extent of our work. The key messages for creditors are set out below.

How much creditors may receive

The following table summarises the range of possible outcomes for creditors across all of the administrations, based on what we currently know. We set out further below the position in respect of each of the Companies individually.

Class of creditor	Current estimates %
Secured creditors	86 - 93
Preferential creditors	0 - 100
Unsecured creditors	1 - 15

Secured creditors

As advised in our Proposals, the Secured Creditor was owed £42m at the time the Companies entered into administration. On page 3 of this report we indicated which Companies had granted security over their assets to the Secured Creditor. The effect of the pre-pack sale on 30 June 2020 (as detailed in our Proposals and summarised in this report), immediately reduced the Secured Creditor's indebtedness by £23m.

Further interim distributions of £13.2m have been made to the Secured Creditor during the period of this report and future recoveries are expected from the remaining assets.

We currently estimate that the Secured Creditor's overall recovery from the administrations will be in the region of 86% to 93%.

Preferential creditors

We expect there to be sufficient funds available to pay the employee preferential claims in BGUKR, WRL and FFL only, with no dividend paid to preferential creditors of UUK.

Distributions to preferential creditors are expected to be made once the RPS has finished paying the statutory elements of these claims and all claims have been agreed. We are engaging proactively with the RPS to finalise this.

Unsecured creditors

We do not expect there will be a dividend to unsecured creditors (from the prescribed part or otherwise) in relation to these Companies: BGHC, BGUF, UUK, ULUK, UL, SIL, PP1, PP2, PP7, PP8, PP11, PP14, PP15 and PP17. In the table on the next page, we set out our current expectations on the dividend prospects in relation to all other Companies.

Please note that where dividends are available, these are expected to be from the statutory prescribed part funds only. The following table is illustrative at this stage. The estimated value of the net property and therefore dividend to unsecured creditors, may reduce in future once the basis of the Administrators fees has been approved.

Company	Estimated value of net property (£k)	Estimated prescribed part (£k)	% dividend	Timing
BGUKR	30,611	600	1-2	6-12 months
BGUKP	3,393	600	0-1	6-12 months
HGOL	56	14	0-1	6-12 months
FFL	1,504	304	8-12	6-12 months
BGUKM	351	73	1-2	6-12 months
WGL	289	61	5-10	6-12 months
WRL	1,914	386	3-6	6-12 months
BGUKB	5,988	600	10-15	6-12 months

What you need to do

If you are a creditor of one of the Companies shown in the table above (and if you haven't already done so), please send your claim to us so that we can agree it in principle:

Our preferred method for creditors to submit claims and supporting documents is via the Turnkey (IPS) online portal, as this is the most efficient and cost effective way for us to deal with your claim and also allows you to better track its status, so we recommend the use of the online portal for claim submission. In the event you have yet to receive your login details, please email us with your postal address at uk_bluegroup_creditors@pwc.com.

Please note that should you wish to vote in relation to any decision procedure during the administrations or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Background and circumstances leading to our appointment

As detailed in our Proposals, the Group was a vertically integrated UK retailer that operated a multi-channel strategy through stores, online and telesales. The principal activities of the Group were the manufacture, distribution and retail of beds, mattresses and home furniture products.

The retail group operated under the brands of:

- Bensons for Beds, a leading UK bed retailer selling a comprehensive assortment of leading brands; and
- Harveys, a leading home retail specialist in the UK focusing on upholstery, dining and living room furniture.

The Group was supported by divisions which included manufacturing, warehousing and logistics and distribution:

- Wellington Realisations Limited (formerly Relyon Limited) - a bed and mattress manufacturer;
- Blue Group UK Beds Limited - a bedding manufacturer;
- Formation Furniture Limited (formally Steinhoff UK Upholstery Limited) - an upholstery manufacturer; and
- Unitrans Limited - providing warehousing and logistics.

The Group traded across 262 retail stores in the UK and employed 3,469 people.

Geographically, the Group was situated throughout the UK, with head offices for key business units located in Accrington and Dartford, a national distribution centre at Magna Park (Rugby); alongside four other distribution centres and five outbase sites. There were four manufacturing sites located in England and Wales.

Since 2017, the Group had experienced a combination of challenges including the financial performance of its previous ultimate parent entity, a difficult economic environment and global events which disrupted trading.

Following an extensive sale process contracts for a sale of the Group to Alteri were exchanged. Completion of this transaction was subject to FCA approval were exchanged in November 2019 and FCA approval was granted in February 2020. Completion then took place on 26 February 2020. As part of this transaction, Alteri also acquired the £40m secured loan facility from the Group's previous lenders.

Due to ongoing trading underperformance and the initial impacts of the COVID-19 pandemic, the Group forecast a significant funding requirement and ongoing breaches of covenants in relation to its lending facility. The shareholders and lenders to the Group were not prepared to provide additional funding or reset covenants and so the Group was marketed for sale by BDO in March 2020.

No offers were received from any of the third parties contacted. Due to COVID-19 pandemic and resultant restrictions imposed by the UK government, the business was mothballed in late March 2020. In June 2020, with the gradual re-opening of the UK retail sector, Alteri submitted an offer for certain elements of the Group's business and assets.

Given no other offers had been received during the marketing exercise led by BDO, and as the Alteri offer represented the best value for creditors in the circumstances, it was accepted. Whilst we were not directly involved in the sale process conducted by BDO on behalf of the Group, we are satisfied as to the adequacy of the marketing undertaken.

Our overriding objective was to achieve the best possible outcome for creditors and in this case we concluded that the best outcome for creditors was to pursue an immediate sale of the Bensons for Beds business and assets to the Bensons Purchasers. The transaction included certain elements of the retail manufacturing, warehousing and distribution divisions.

A detailed narrative explanation and justification of why a pre-packaged sale was undertaken and alternatives considered can be found in our SIP 16 disclosure, a copy of which can be found on our website at www.pwc.co.uk/bluegroup.

Immediately following the pre-packaged sale of the Bensons for Beds business we focussed on the following areas:

- Deploying staff to all non-retail sites in order to protect and control the businesses from day one;
- Trading the Harveys retail business and manufacturing sites whilst we explored options to achieve a sale of all or certain divisions;
- Where applicable, delivering TSA's as part of transactions agreed during the administration;
- Ensuring adequate insurance in place and liaising with insurers;
- Dealing with high volumes of creditor, customer and employee enquiries;
- Pursuing asset realisations, including debtor collections and potential rates refunds; and
- Dealing with property matters including LTO's and payments of rent.

Further information on these matters can be found within the 'Trading' section of this report.

For further information on the key areas of work done immediately following our appointment please see the Proposals, a copy of which can be downloaded from www.pwc.co.uk/bluegroup.

Progress since our appointment

Business and asset sales

The following table highlights the key work undertaken for each company within the Blue Group since our appointments, in order to sell (or otherwise deal with) their businesses and assets:

Name of Company	Work undertaken in the period
BGUF, BGUKP, HGOL, PP1, PP2, PP7, PP8, PP11, PP14, PP15, PP17	<ul style="list-style-type: none"> • Dealing with properties under LTO • Instructing agents to conduct property reviews • Recovery of sundry assets and refunds • Review and recovery of intercompany claims
BGHC, SIL, UUK, ULUK, WGL	<ul style="list-style-type: none"> • Dealing with ROT claims queries and assessing validity • Review and recovery of intercompany claims • Recovery of sundry assets and refunds
BGUKB	<ul style="list-style-type: none"> • Collection of third party book debts • Recovery of sundry assets and refunds • Review and recovery of intercompany claims
BGUKM	<ul style="list-style-type: none"> • Dealing with properties under LTO • Recovery of sundry assets and refunds • Review and recovery of intercompany claims
BGUKR	<ul style="list-style-type: none"> • Trading the business in administration to sell Harveys stock through the retail store network • Dealing with properties under LTO • Recovery of sundry assets and refunds • Review and recovery of intercompany claims
FF	<ul style="list-style-type: none"> • Trading the business in administration • Managed wind down and sale of assets ex-situ • Recovery of sundry assets and refunds
WRL	<ul style="list-style-type: none"> • Trading the business in administration • Successfully negotiating and completing a sale of business and assets, including transfer of employees under TUPE
UL	<ul style="list-style-type: none"> • Trading the business in administration • Managed wind down and sale of assets ex-situ • Recovery of sundry assets and refunds

Bensons for Beds (all Blue Group entities collectively formed part of the Bensons for Beds business)

As previously set out, we concluded that the best outcome for creditors would include an immediate sale of the Bensons for Beds business and assets to the Bensons Purchasers. The transaction included certain elements of the retail manufacturing, warehousing and distribution divisions and consequently impacts on the estates of various of the Companies in administration.

A pre-packaged sale was undertaken for the following reasons:

- There were no offers to acquire the Group (or any part of it) on a solvent basis. Given the Group's financial position, this lack of offers confirmed that it was insolvent and an insolvency process was inevitable.
- The lack of offers other than that from Alteri (for £23m), also strongly indicated that continuing to trade the businesses during an administration process (if funding could be secured) would be unlikely to generate any new or better offers.

- Our assessment showed that a pre-packaged sale to Alteri, in combination with the realisation of the assets excluded from the sale, would generate better value for creditors than the break-up value of the assets.
- In addition to acquiring the ongoing Bensons for Beds business, the Bensons Purchasers committed to fulfilling or refunding both Bensons and Harveys customer orders which were open at the date of administration. In relation to these orders, customers had paid deposits totalling £27m plus VAT. Therefore, fulfillment of the orders would significantly mitigate the value of BGUKR's unsecured creditors resulting in a higher dividend to the remaining unsecured creditors from the prescribed part due to there being a reduced creditor pool.
- The Secured Creditor of the Companies supported the transaction.
- The sale resulted in the transfer of 1,899 people to the purchasing companies (representing 55% of the overall workforce) thereby mitigating preferential and unsecured creditor claims. The anticipated formal transfer of a large portion of the Companies' retail store network would also reduce or mitigate significant claims from landlords.

Harveys Furniture (BGUKR)

Following the administration appointment, we sought as a priority to re-engage with parties who had been contacted previously to ascertain whether they had any interest in purchasing all or part of the Harveys Furniture business. We contacted 49 parties in total, made up of parties who had previously been involved in sales processes and those who our corporate finance colleagues considered would be potential buyers. We rapidly prepared and provided information to all parties who expressed an interest in the business.

Unfortunately, after a period of five weeks it became apparent that none of these parties wished to proceed with a transaction to acquire the business. Interest fell away or became focussed on a purchase of stock at a significantly discounted value. As the Harveys Furniture stores continued to trade in administration, we considered that better value for creditors could be achieved by a sale of stock in the normal course of business.

Formation Furniture Limited (FFL)

After entering administration, the Bensons Purchasers required ongoing production from FFL to manufacture products for customer orders which they had committed to fulfilling. The Bensons Purchasers committed to meeting the short term costs of this trading period. Trading through this period of time also allowed us to undertake a marketing process and also ultimately generated a trading surplus for the benefit of FFL's creditors.

A number of interested parties were approached and several met with management whilst we continued trading the business. Following five weeks of marketing and supporting some detailed due diligence from potential buyers, we were unable to secure any offers. As a result, from 12 August 2020 and as the order book was almost completed, we adopted a managed wind down process and sought to maximise the value of assets on an ex-situ basis.

We retained an agent to assist with the sale of plant and machinery assets from the site. A number of potential buyers had made themselves known to us as part of the business marketing exercise. Their interest was followed up and eventually we sold the majority of assets directly without incurring agents fees and therefore maximising returns to creditors.

The majority of employees were made redundant on 18 August 2020, with a small number retained to assist the buyers with removing their assets.

Wellington Realisations Limited (formerly Relyon Limited)

On entering administration, WRL had an existing order book made up of orders from a range of customers. Our strategy was to contact the customers to reconfirm their orders, provide assurances that the orders would be honoured and to receive the cash upfront.

A rapid assessment of the business was also required to ensure we could operate the business efficiently and effectively. As a result of the financial circumstances, a collaborative approach was taken with management to identify how to rightsize the business following the impact of administration and new ongoing requirements of the business. Regrettably, 82 roles were identified as being no longer required as part of that process and these roles were made redundant.

Following this assessment and confirmation that a sufficient number of customers had committed to their orders, we had the confidence to undertake a marketing process with the aim of selling the business as a going concern. A number of interested parties were approached and several met with management whilst we continued trading the business.

Micho 2001 Limited, a newly established company set up by former Relyon Chief Executive, Ian Topping, and other private investors, emerged as the preferred bidder. On 3 August 2020, a sale was completed for £1.78m and 281 jobs were transferred with the business.

Trading

Following the pre-packaged sale of the Bensons for Beds business noted above, the Companies' retained certain business and assets which related primarily to the Harveys business. We considered that the best outcome for creditors would be achieved by allowing the business to continue to trade under our supervision, rather than affecting an immediate shutdown of stores. As explained above, we also continued to trade the FFL and WRL manufacturing sites whilst we explored options to achieve a sale of those specific divisions.

The Harveys retail business initially traded from 20 standalone (Harveys branded) stores and 119 stores which were shared with the Bensons Purchasers (where the Bensons Purchasers occupied the stores under a Licence to Occupy agreement). There were also two warehousing and distribution sites primarily operated for the Harveys business.

In order to protect and control the business from day one, we deployed PwC staff to all of the non-retail sites. Due to the number and spread of the retail stores and in order to oversee day-to-day trading as efficiently as possible whilst maximising value, we appointed agents (ERS) to assist us. The fee structure agreed with ERS incentivised them to drive sales at competitive prices whilst keeping trading costs as low as possible, aligning their outcome with the outcome for the creditors of the administration estates.

Throughout the trading period we held regular meetings with ERS for the purpose of:

- Reviewing management information;
- Continually assessing the viability and benefit of our ongoing trading strategy; and
- Adapting our strategy as required, to improve the outcome for creditors.

To facilitate orderly trading and continuity of funding, we had discussions with merchant services (credit card machine) providers to ensure the timely release of funds held by them. We had similar conversations with pre-administration bankers and consumer finance providers.

We also liaised with the Companies' key service providers, such as hauliers and warehousing suppliers in order to ensure that the business was able to trade without any unnecessary or prolonged disruption. We authorised purchase orders and undertakings to a number of suppliers in order to safeguard supply.

Over the course of our trading period, we implemented a phased store closure plan as and when stock levels were diminished. Our flexible closure plan to collapse the network in an effective manner allowed us to extend our trading at those locations where trading performance was better and quickly close stores where it was not viable to continue. It is anticipated that all remaining stock will be sold in this manner by early 2021.

Our trading period was temporarily suspended in both England and Wales due to the Government's COVID-19 restrictions placed on non-essential retail stores at various times. Since the closure plan had largely been completed at this point, we were operating a residual store portfolio of three stand-alone Harveys stores and a further six stores shared with Bensons Purchasers.

We applied for financial support under the CJRS during this period, in order to minimise trading costs, whilst ensuring we retained the ability to trade out residual stocks via our store network once the restrictions came to an end.

We have included at Appendix A a statement of receipts and payments relating to the trading business. This shows cash from sales of £22,533,727 and payments of £16,035,255, giving a present surplus balance of £6,498,472. As this is prepared on a cash basis, it does not necessarily reflect the actual or final trading position.

Trading is ongoing at the date of this report and we will continue to finalise various accounts to ensure that all duly authorised liabilities and obligations which arose during our trading period have been agreed and settled. The final account will be included in our next report.

Properties occupied by the Purchasers under licence

As you may recall from our Proposals, on appointment we granted the Bensons Purchasers a Licence to Occupy certain properties for an initial period of six months to 29 December 2020. During the period of this report, the Bensons Purchasers have made progress with landlords, resulting in the inception of 46 new leases and 89 offers to surrender for leases no longer required, and 29 properties are operating under rent concession agreements. LTOs which were due to expire on 31 December 2020 were extended by the Bensons Purchasers for a further six month period.

Total stores	Stores surrendered / novated to date	Stores currently under LTO	Stores with a rent concession in place
248	143	105	29*

**This number is also included within the number of stores currently under LTO.*

The large volume of properties (and therefore landlords) in the portfolio has been the principal factor for the relatively low proportion of leases assigned or surrendered during the period, though this is a significant aspect of our work. We continue to provide the necessary assistance to the Bensons Purchasers and relevant landlords as they take steps to deal with property matters.

Until such time as the leases are assigned or properties vacated, the Companies will continue to pay rent to landlords for the periods of beneficial occupation. We have attempted to contact all known landlords and facilitate ongoing rent payments.

During the Administration trading period, the Companies retained a sales presence in some of the stores and contributed to the rental expense during that period.

Properties wholly occupied by the Companies - retail

As part of our trading strategy for the Harveys retail business, we retained 20 stand-alone retail stores at the date of appointment. We engaged CAPA to negotiate the terms of our occupation with landlords and they were able to agree one discounted and six rent free periods to date, at sites where the commercial viability of ongoing trade was uncertain.

In addition, the Bensons Purchasers agreed that Harveys could continue to share floor space and initially trade from 119 retail stores which had been taken by the Bensons Purchasers under the licence.

Properties occupied by the Companies - manufacturing, distribution and logistics

In order to provide logistical support for both trading the Harveys business and the Bensons Purchasers' trading, we retained leases for a large distribution centre at Magna Park and an outbase at Bristol. We also retained a lease for a factory at Bridgend which was operated by FFL and entered into a Licence to Occupy a manufacturing site at Wellington which was required for the trading of WRL.

Finally, a small number of offices and outbases were initially retained for a short period to allow us to secure assets and Companies' records.

Our requirement for the manufacturing, distribution and logistics businesses has come to end and accordingly all leases have been transferred or an offer for surrender made to the relevant landlords.

Employees

Employment

We have set out in the following table a summary of the number of employees within each of the employing entities.

Entity name	Total employees on appointment	TUPE	Leavers (Redundancy/Resignation)	Employed at 29 December 2020
BGUKR	2,859	1,899	940	20
FFL	244	-	242	2
WRL	366	281	85	-
Total	3,469	2,180	1,267	22

Whilst a number of transactions ensured the transfer of employment for 2,180 employees via TUPE, regrettably we were unable to secure continued employment for 1,267 employees, due to redundancy, leavers of their own accord or resignation.

Leavers have been given details of how to make claims to the RPS for statutory amounts owed to them. We have been liaising with both claimants and the RPS to deal with any queries. Although we have promptly reported employee data, some employees have experienced delays in getting claims paid as the data has not been recognised by the RPS systems. This has meant that employees have had to wait for longer to receive their payments than we anticipated, as well as additional Administrators' time costs being incurred in dealing with both the employees and the RPS. We have resolved this issue by uploading data from company records for each of the claimants for whom the RPS system had not recognised the initial submission.

We liaised with Jobcentre Plus (JCP) at a national level so that they were able to brief local colleagues to support those affected by redundancy. We also provided each redundant employee with factsheets from JCP.

Leavers may have residual preferential and unsecured claims if the RPS has not fully met their claims due to statutory limits.

A number of redundant employees in BGUKR, FFL and WRL have submitted claims to the Employment Tribunal claiming that there was insufficient collective consultation in relation to their redundancies. We are working to reduce the timeframe for resolving these claims so that claimants can receive funds from the RPS and the process to start a claims agreement process (where applicable) can begin.

There are also a number of unresolved Employment Tribunal claims from staff who left prior to the administrations. We will review these claims and agree a strategy for dealing with them which takes into account the costs and impact on the administrations.

Payroll, employee engagement and CJRS claims

Throughout the trading period we have worked closely with the Bensons Purchasers' payroll team to ensure that pay was accurately calculated and paid to retained staff and that any queries were resolved.

Weekly consultation forums were held throughout the trading period with elected representatives. This allowed us to understand employee's concerns and to answer questions that they had regarding the impact of the administrations on their ongoing employment, as well as operational matters.

We also set up a dedicated helpline to support current and former employees. To date this has received almost 3,000 enquiries across a wide range of topics including payroll queries, redundancy entitlements and residual claims.

As a result of the Government's COVID-19 restrictions, a number of staff were furloughed before our appointment. Claims were made by the Companies before our appointment which were not received until after the appointment. We asked a specialist team to review the data used to support the claims being made under the CJRS so that any risks of HMRC not paying claims or seeking to reclaim funds were minimised.

The following table summarises the claims made during the period of trading by the Joint Administrators.

Entity name	Total ee's for whom CJRS applied	CJRS funding paid by HMRC
BGUKR	30	£94,228.85
FFL	112	£256,996.93
WRL	201	£226,721.67

Blue Group UK Retail Limited

We dealt with a number of individual challenges from employees who had been associated with the Harveys brand and so were not in scope to transfer under TUPE to the Bensons Purchasers.

We also identified that there was circa £1.1m in unpaid commission earned by employees in respect of pre-administration sales where the order was committed to be delivered by the Purchasers. Having reviewed the policy and taken legal advice, we concluded that this commission was not contractual and so the liability to pay amounts earned would not become an expense of the administration.

We withdrew the existing scheme and implemented a new post administration scheme. Employees were notified that they would be able to claim amounts earned as an unsecured claim and shared the value of amounts owed so staff could accurately lodge their claims.

We have quantified the value of commission earned on sales made during the administration and reported those values for payment in final salary. Understandably this has been an area of focus for employees and we have dealt with a number of queries regarding the calculation of commission and the process for claiming legacy amounts.

There were some historic amounts owed to employees who worked for Cantors (a predecessor Harveys company) in the late 1980's. We have worked with the Bensons Purchasers' HR department to deal with queries arising as company records did not fully reflect which employees were owed these historic amounts.

We identified that the logistics employees were employed by BGUKR and not UUK as was initially explained to us. A small number of employees had continuous service dates which were not correctly reflected in the employee data. As this impacted the employee claims for notice and redundancy pay we worked with the Bensons Purchasers' HR team to resolve these errors.

We have supported ERS in dealing with a number of potential employee disciplinary matters during the course of the trading period, which have included cash being removed from an instore safe and stock irregularities.

We implemented a retention scheme for retail staff who were each paid £375 on redundancy. The Bensons Purchasers funded an incentive for logistics staff to support them with the delivery of customer orders.

Formation Furniture Limited

After a short period of trading and having identified that it would not be possible to conclude a sale of the FFL business, the employees were notified in August 2020 that a wind down of operations would commence. We engaged with the local GMB Union official (even though there was no Union recognition agreement) to support members as well as with Jobcentre Plus and ReACT. The support offered by the Union has been effective in supporting individuals in making their claims online. We also engaged with the local Welsh Assembly Member to ensure that the local Government was fully briefed on the closure of the operations.

Following the closure announcement, nine staff were retained to assist with the initial employee queries and the decommissioning of the site. As the level of work to complete has diminished, we have made further redundancies where roles were no longer required. We anticipate that the final redundancies will take place by the end of January 2021. The timing of the final redundancies will coincide with the safe closure and clearance of the site at which point the lease can be surrendered to the landlord and the premises vacated.

During the decommissioning process, the Welsh Government announced a two week lockdown period. We considered carefully how to treat the retained staff and whether or not it would be cost effective to place them on furlough. We concluded that the cost of implementing a further period of furlough and making a claim for CJRS funding would likely outweigh the benefit and so all staff were asked to remain at home for two weeks for which they were paid in full.

Former employees may be preferential creditors if they were on furlough over the bank holidays in April and May 2020 and did not have their pay topped up to 100% of pay for these holidays.

Wellington Realisations Limited (formerly Relyon Limited)

As reported earlier, following our appointment a rapid assessment of the business was required to ensure we could operate the business efficiently and effectively. As a result of the financial circumstances, a collaborative approach was taken with management to identify how to rightsize the business following the impact of administration and new ongoing requirements of the business. Regrettably, 82 roles were identified as being no longer required as part of that process and these roles were made redundant.

All other employees were transferred under TUPE as part of the sale of the business.

The company recognised the GMB Union and so we engaged with the Full Time Officials and had a number of telephone meetings with them to update them as well as listening and responding to their concerns about the redundancy process.

We supported the new owner when they were arranging BACS facilities to allow wages to be transmitted electronically. We also supported a French national with accessing the French RPS equivalent following their redundancy.

Former employees may be preferential creditors if they were on furlough over the bank holidays in April and May 2020 and did not have their pay topped up to 100% of pay for these holidays.

Realisation of other assets

Ex-situ plant and machinery sales

To date we have realised £0.78m from the sale of plant and machinery. This includes £0.57m in FFL, comprising a plant and machinery sale for £0.43m, a sale of two remaining pieces of niche machinery for £0.1m and the sale of unused stock items for a further £43k. The remaining realisations arose in BGUKR, specifically £0.21m relating to the sale of furniture trolleys as well as the sale of damaged Harveys stock back to the Bensons Purchasers.

Other assets

Merchant services and consumer finance providers to BGUKR held deposits in the region of £4.5m at the date of appointment. This included amounts owed by Worldpay of £2m which have been recovered in full following an assignment to the Bensons Purchasers for full value.

Paypal holds cash of £0.2m, whilst Creation and V12 hold provisions of £1.6m and £0.3m respectively. We are taking steps to recover these funds and will provide an update in our next progress report.

We are continuing to progress potential recoveries of a number of other assets and an update will be provided in our next progress report.

Business rates and service charge refunds

We instructed our agents, CAPA, to perform a business rates and service charge review to determine whether any refunds were due in respect of the Companies' premises. To date we have received £0.08m in business rates refunds with a further £0.05m confirmed as being due to be refunded. In addition, CAPA are currently liaising with the relevant local authorities in respect of potential further business rates refunds of £0.02m.

Information pertaining to the service charge review is currently being collated and once the relevant information has been acquired, CAPA will be in a position to liaise with the requisite agents to enquire as to whether any refunds are due. At this present time, it is not possible to advise as to what the expected outcome may be.

Third party and leased assets

As at the date of our appointment, several of the companies (BGUKR, BGUKB, WRL, FFL and UL) held a number of leased assets including commercial and employee vehicles and IT equipment. Immediately on our appointments, we began the process of identifying which assets were leased and which parties held a legal or valid economic interest in these assets.

Where leased assets were still required by the business, we provided commitments to pay for the ongoing costs. Where leased assets were not required, we liaised with the Bensons Purchasers to novate assets they wished to utilise, resulting in 63 vehicles being novated. To date, 38 vehicles have been surrendered to the suppliers, as they were determined to not be required by either party.

Book debts

At the date of appointment, WRL, BGUKB and BGUKGP had book debts totalling £1.9m. During the period we have worked with the Companies' staff to assist with the collection of these debts and in the first six months of the administrations, some £1.3m has been collected.

The remaining £0.6m balance is not believed to be recoverable as it relates to specific customers with significantly aged debt, inaccuracies in the historic debtors balance or where the customer has entered into an insolvency process. Customers also raised debit notes against aged book debts, which we have been liaising with the Companies staff to investigate. Due to the COVID-19 pandemic and low value of these transactions, the recoverability of these balances are deemed remote and have therefore been included in the £0.6m non-recoverable balance above.

Intercompany debtors and creditors

We are completing a review of the intercompany debtors and creditors position. Claims will be submitted and subsequently adjudicated upon, in the relevant entities where distributions are available for unsecured creditors in due course.

Post sale matters

We have spent a significant amount of time during the period assisting the Purchasers of the key assets of the Blue Group with post-sale matters, as described below.

Services provided by the Companies under the TSAs

The Companies' shared head office and central support functions, including logistics, IT, HR and customer services. As part of our initial trading strategy, we reviewed the shared services and agreed with the purchasers the ongoing basis on which this arrangement would continue. TSAs were agreed between the various businesses in order to limit disruption for the Purchasers and to provide adequate support to the Administrators during the Harveys trading period.

A key service provided by UL to the Bensons Purchasers was the warehousing and distribution of Bensons for Beds stock held at the former key distribution centre at Magna Park, which ceased to operate on 9 October 2020.

We have worked with the Purchasers and suppliers to reconcile and agree the value of recharges under the TSAs. This process is ongoing but should be finalised at the date of our next report.

Pre-appointment bank accounts

From the date of our appointment, we agreed with the Purchasers that their trading sale receipts could continue to be paid into the Companies' pre-administration bank accounts until alternative facilities could be arranged. New cash receipts into the pre-administration bank account would be transferred into the administration estates and paid to the Purchasers following a reconciliation to identify and segregate any amounts due to the Companies.

In addition, the Bensons Purchasers provided us with £6.5m of cash which had been acquired as part of the pre-pack transaction as an initial working capital facility. It was agreed that we would use these funds to make payments for the Bensons Purchasers on their instruction until such time as they had arranged alternative facilities.

This process has now ended, with the accounts reconciled and net funds transferred to the Bensons Purchasers.

Monitoring the Purchasers' fulfillment of the customer orders

As noted above, in addition to acquiring the Bensons for Beds business, the Bensons Purchasers also committed to fulfilling customer orders which were unfulfilled at the date of administration. As at the administration date there were more than 58,000 customers who had paid deposits totalling £25.7m plus VAT. Out of these customer orders, cash in respect of orders totalling £11.7m plus VAT was held on trust. Where orders could not be fulfilled, full deposit refunds would be given.

During the period covered by this report, the Bensons Purchasers have completed c.52,800 orders which has mitigated the value of outstanding customer deposits by £22.7m plus VAT. Of those deposits held on trust, the Bensons Purchasers identified a further c.3,200 orders which were impracticable to fulfil, with refunds of c.£2.1m being returned to these former customers by the Bensons Purchasers during the period.

The residual order book consists of c.2,000 unfulfilled customer orders, with deposits totalling c.£0.9m plus VAT, still awaiting completion or a refund paid by the Bensons Purchasers. The Bensons Purchasers are endeavouring to fulfill the remaining customer orders and continue to take steps to complete them, notwithstanding challenges in the supply chain. If required, we will update the residual customers in subsequent progress reports.

As customer orders were fulfilled, the Purchasers periodically requested remittances of deposits relating to the fulfilled orders where we were holding the deposits. To gain comfort over order fulfillment, we would sample individual orders, inspecting evidence of documentation including system screenshots, delivery notes and if applicable, proof of refunds for cancelled orders. Samples specifically for cancelled or part-cancelled orders failed on a number of occasions because proof could not be obtained that a refund was delivered to the customer, or for the amount not cancelled for an order, that this element was fulfilled. The Purchasers ultimately were able to provide us with sufficient evidence of a refund after some time.

Customer communications

Despite our best efforts to provide clear communication and instructions on our dedicated webpage, a significant amount of time continues to be spent by our team in communicating with current and former customers of Bensons for Beds and Harveys. We have previously managed customer communications via a dedicated call centre, our case team and through monitored mailboxes. The dedicated call centre was discontinued in October 2020 due to the reduced volume of calls being received, however, we continue to receive calls to PwC's Central Switchboard in London. These calls are now being emailed over to the case team via our monitored mailboxes. A total of 3,329 calls had been received by our dedicated call centre up to the date of its closure with a further 15,443 customer emails having been received to date, of which 15,417 have been reviewed and dealt with. Our dedicated team are continuing to respond to customers and, whilst the number of queries being received on a daily basis has significantly reduced, we have retained one member of staff from the case team to deal with these queries for a number of months.

Contract novations and supplier settlements

We have novated a number of the Companies' pre-appointment contracts to the Purchasers. Time has been spent corresponding with suppliers and the Purchasers, including legal reviews of agreements, commercial negotiations and proposed amendments from certain suppliers before final agreements were reached.

Bensons SPA amendments

Following completion of the transaction to the Bensons Purchasers, a number of amendments were required to the Bensons SPA, including updates to schedules of property assets following a full reconciliation of the portfolio following our appointment. Our solicitors, Shoosmiths, acted on our behalf for the required amendments.

Connected party transactions

As advised in our Proposals, the Bensons Purchasers (who have acquired certain business and assets of the Companies) are connected parties due to having a common ultimate parent (Alteri). Certain directors of the Companies are also involved in the management of the Bensons Purchasers and may have provided post administration services to the Companies as part of the TSA agreements. We refer you to our Proposals for further details and explanation on why we believe this transaction was in the best interests of creditors.

On 3 August 2020, we completed a sale of the business and assets of WRL to Michco 2001 Ltd, which is connected to WRL, FFL, BGUKM and BGUKB due to the common directorship of Alan Charles Addison Chapman.

Alternatives to the sales to a connected party were considered, including the continuation of trading, refinancing the Group, CVA, liquidation and a full trading administration. However, none of these alternatives were considered to be in the best interest of the creditors as a whole because:

- further funding was not available to allow continued trading;
- refinancing of the Group had previously been explored and exhausted;
- a CVA would only be able to compromise unsecured liabilities and would require either the Secured Creditor to continue to fund the businesses or new lenders to be found;
- a shutdown of the business via liquidation would have had a greater negative impact on the value of the Group's assets and increased creditor liabilities; and
- a full trading administration was unlikely to result in enhanced asset values.

A full explanation and further details can be found in our SIP16 report.

It was therefore considered that the sale to the connected party was the best possible outcome given that there were no other offers to acquire the Group (or any part of it) on a solvent or insolvent basis and a pre-packaged sale to Alteri, in combination with the realisation of assets excluded from the sale, would generate better value for creditors than the break-up value of the assets. The Purchaser also confirmed an intention to honour open customer orders, thus mitigating unsecured creditor claims.

In addition, the Secured Creditor of the Companies supported the transaction, 55% of the workforce would be transferred to the purchasing companies, thereby mitigating preferential and further unsecured creditor claims and the formal transfer of a large portion of the Companies' retail store network would reduce or avoid significant claims from landlords.

BGUKR subsequently assigned a deposit held by Worldpay to the Bensons Purchasers in consideration for its full value of £2m, which maximised realisations for creditors as compared to attempting to recover directly from Worldpay.

Finally, as we explained above, it was common for there to be transactions between the Companies prior to the administrations in respect of recharges for shared services. In order to facilitate ongoing trading for the administrations, the Bensons Purchasers and Relyon Purchaser, certain transactions have continued in the form of settlements due under TSAs.

Other matters

Retention of Title ("RoT")

We have been contacted by 43 creditors claiming retention of title over goods supplied to BGUKR, BGUKB, BGUKGP, HGOL, WRL and FFL. RoT claim forms have been provided to all creditors who requested one.

In order to process the claims efficiently, we assigned a dedicated team specifically to respond to queries, liaise with the Companies' staff (including the identification of goods) and review the validity of claims.

Where claims were submitted and agreed, suppliers were contacted by members of the operations team to arrange collection of their goods or financial settlement. To ensure the identification and collection process was performed in a safe, orderly manner, we had to consider a number of logistical challenges including:

- Ensuring parties were invited to count stock in a coordinated approach, in order to ensure the smooth running of counts physically and logistically;
- Availability of our staff and Companies' representatives to facilitate the visit and answer questions; and
- Locating stock, even where stock information was poor.

All claims to our knowledge have been concluded, or will be concluded shortly.

Books and records

Due to the size of the Group, a high volume of records were held, some of which we are required to retain by law. It was necessary to perform visits to some sites to review the records and ensure all relevant records, required by statute and for administration purposes, were retained and those not required, were securely disposed of.

Iron Mountain, a third party agent, was engaged to arrange collection and storage of records that needed to be retained. So far this process has involved the collection of approximately 1,800 boxes across 116 stores and sites.

Record collection from the few remaining trading stores will be completed following the cessation of trading.

Insurance

Immediately upon our appointments we notified our brokers, IRS, that insurance cover was required for all entities within the Blue Group. The insurance covered stock, motor vehicles (including fleet vehicles), material damage for property, cash, employers' liability, and public and property liability.

We have continued to liaise with IRS on a regular basis due to the evolving situation regarding the trading of the businesses and the necessary site closures. Our insurance requirements have changed due to this and we have, and continue to, monitor and liaise with IRS at regular intervals to ensure the insurance in place is suitable and sufficient for the administration requirements of each entity and each site.

In addition, IRS have identified insurance claims that could possibly generate financial returns for the estate and we are currently awaiting further details in respect of the current status of these claims.

We also looked into whether we could claim for a Local Restrictions Support Grant (for closed businesses) in relation to the three stand-alone Harveys stores. This is a grant the Government is offering for businesses that were open as usual and were then required to close due to local Tier 2 or Tier 3 restrictions during the November 2020 lockdown. Unfortunately the stores were not eligible for the grant as PP14, BGUKGP and HGOL are in administration.

Rates and utilities

The Companies continued to occupy a number of premises for a varying number of weeks (and in some cases months), following our appointments. This meant that the Companies continued to be responsible for the payment of electricity, gas, water and telephone supplies as an expense of the administrations, in totality for stand-alone stores and partially for joint stores, from the date of our appointment to the date that stores were vacated.

On appointment we ensured that information in relation to the utility providers was obtained from the Companies' records. An exercise is currently ongoing to make payments to suppliers of each store for the period of occupation. However, given the quantity of stores and suppliers, and the volume of information involved, this exercise will take some time to complete.

Under the Government's business rates holiday, the Companies have not incurred rates costs on retail stores.

As mentioned earlier in this report, CAPA are in the process of investigating potential rates refunds due in respect of the Companies' premises and are continuing to liaise with the relevant local authorities in this regard.

Statutory and compliance

During the period covered by this report we have continued to comply with our statutory obligations. These included preparing and delivering our Proposals and initial notices following our appointments, statutory filing of documents, drafting this periodic report to creditors and internal controls to ensure the administration strategies continue to be appropriate and outstanding matters are being progressed on a timely basis.

Tax

Work has concentrated on bringing the corporation tax compliance for the administration entities up to date. Tax returns are not required for BGUF, PP1, PP2, PP7, PP8, PP11, PP14, PP15 and PP17 as these have been registered as dormant.

BGHC, BGUKGP, BGUKR, HGOL, SIL, UL, BGUKB, BGUKM, FFL, WRG, WRL ULUK and UUK have differing tax return periods. The first post appointment tax returns for the entities will cover the period from 30 June 2020 to 27-30 September 2020 and will be due for submission to HMRC by 27-30 September 2021.

VAT

The first post appointment VAT return, for the period 30 June 2020 to 26 December 2020, is due for submission by 31 January 2021. To date, we have conducted a review of the supplies made and received by the Companies, as well as how these are recorded on our internal systems to ensure we have the relevant information to be able to prepare and submit the first post appointment VAT return.

Approval of our Proposals

We issued our Proposals (dated 8 July 2020) to creditors on 9 July 2020.

We said in our Proposals that we thought the Companies do not have enough assets to pay a dividend to unsecured creditors other than (in certain of the Companies) from the prescribed part. This meant that we did not have to seek a decision from creditors regarding the approval of our Proposals and our Proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request a decision be sought, our Proposals were treated as approved on 22 July 2020.

Investigations and actions

We have complied with our duties under the Company Directors' Disqualification Act 1986 and SIP 2. During the period covered by this report, we have filed our submissions to the BEIS as required.

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administrations from 30 June 2020 to 29 December 2020.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

Pre-administration costs

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our Proposals.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by contacting us at uk_bluegroup_creditors@pwc.com.

What we still need to do

The following is a summary of the key areas of our work that we need to finalise before the administrations can be concluded:

- Obtain formal approval for the pre-administration costs, our remuneration and disbursements from the relevant fee approving body;
- Subject to the availability of funds, make further distributions to the Secured Creditor under the terms of its fixed and floating charge security;
- Distribute funds to the preferential creditors of BGUIR, WL and FFL;
- Finalise trading of the remaining stores;
- Ensure completion of order book and deposit refunds;
- Finalise sales of remaining assets and the collection of book debts;
- Where sufficient funds are available, review and adjudicate upon unsecured claims and distribute funds to the unsecured creditors by virtue of the prescribed part;
- Review and submit the Companies' post-appointment VAT returns to HMRC;
- Review and submit the Companies' post-appointment tax returns, and seek clearance when appropriate; and
- Deal with closure matters, including drafting and issuing our final progress report, closure of our internal systems and clearances from other third parties as might be required.

Next steps

We are currently considering the best strategy for extending the administrations of a number of the entities, taking into account the work still to be completed, costs and tax implications.

Our exit routes will depend on the outcome of the administrations. At the moment we think that the most likely exit routes are as set out below.

As we've said previously, we think there will be a dividend for unsecured creditors from the prescribed part for certain of the Companies. If that is the case, once we've paid the prescribed part dividend and we've finished our work, we'll file notices with the Registrar of Companies and the Companies will be dissolved three months later.

In the very unlikely event that funds become available to pay a distribution other than from the prescribed part, we will apply to the court for permission to pay any surplus to the unsecured creditors. Should this be granted, once we have paid the dividend and finished our work, we will end the administrations by filing notices with the Registrar of Companies and the Companies will be dissolved three months later.

If we don't get permission to pay the dividend, we'll put the relevant company into creditors' voluntary liquidation, or comply with any Court order if different. If that happens, we propose that Zelf Hussain, Peter David Dickens, Yulia Marshall and Ross Connock (in relation to FFL) are appointed as joint liquidators and that any act required or authorised to be done by the joint liquidators can be done by either or all of them.

We anticipate that a small number of the administrations can be closed in the near future as there are no assets to realise and no distributions to make to either preferential or unsecured creditors. Where no dividends are available to unsecured creditors, it is mostly likely that we'll file notices with the Registrar of Companies and the companies will be dissolved three months later.

If necessary to achieve the objective of any administration and complete our work, we may seek an extension to the period of the administration (beyond the statutory period of one year), by consent of the appropriate class of creditor, or by an order of the Court.

We'll be discharged from liability in respect of any of our actions as joint administrators at a time set by consent of the appropriate class of creditors, or by an order of the Court.

Please note that the administrations may end in different ways and at different times.

We expect to send our next report to creditors at the end of the administrations or in about six months, whichever is the sooner.

If you've got any questions, please get in touch with Sian Barraclough at uk_bluegroup_creditors@pwc.com.

Yours faithfully
For and on behalf of the Companies

A handwritten signature in black ink, appearing to read 'Zelf Hussain', with a stylized flourish at the end.

Zelf Hussain
Joint administrator

Appendix A: Receipts and payments

The receipts and payments accounts below shows the amount(s) paid in the period and total to date.

The following notes apply throughout:

- A. All items stated are net of VAT.
- B. Funds are held in an interest bearing account.
- C. Trading statements do not include reconciliations to all pre appointment bank accounts. A full reconciliation of pre appointment bank accounts will feed into the receipts and payment account in the next progress report.
- D. Where there are no assets subject to a fixed charge, this section of the Receipts and Payments account has not been presented.

Blue Group UK Furniture Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	£
	Receipts	
-	Bank Interest Gross	0.04
-	Total receipts	0.04
	Payments	
	Total payments	-
	Property related control account	1 551,865.25
	VAT control account	110,373.00
	Net floating charge realisations	662,238.29
	Total cash in hand	662,238.29

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of payments to Landlords under the LTO's will be transferred back to the Purchasers.

Blue Group Hold Co Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020
£	£
Assets subject to a floating charge	
Receipts	
- Total receipts	-
Payments	
Total payments	-
Net floating charge realisations	-
Total cash in hand	-

Blue Group UK Beds Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a fixed charge	£
	Receipts	Notes
1,352,000	Freehold Property	1 2,000,000.00
1,352,000	Total receipts	2,000,000.00
	Payments	
	Secured creditor distribution	(2,000,000.00)
	Total payments	(2,000,000.00)
	Net cash position	-
	Assets subject to a floating charge	
	Receipts	
	Plant, Property and Equipment	2,352,000.00
	Goodwill	1,439,459.00
411,776	Stock	281,697.00
420,141	Book debts	301,161.68
164,456	Grants and subsidies	179,324.34
2,017,528	Balance at bank	2 1,728,358.50
3,013,901	Total receipts	6,282,000.52
	Payments	
	Bank interest & charges	(151.82)
	Secured creditor distribution	(5,273,156.00)
	Total payments	(5,273,307.82)
	Net floating charge realisations	1,008,692.70
	Total cash in hand	1,008,692.70

Notes

1 Freehold property subject to fixed charge of £43,343,114.

2 The realisable value of cash at bank in the Statement of Affairs included an expected amount due from the cash pooling agreement. After seeking Counsel's advice on the beneficiaries' entitlement of the cash pool funds, it was identified that the original calculation was inaccurate and therefore it was adjusted. The adjustment resulted in a redistribution of the cashpool funds across the entities, creating differences between the Statement of Affairs expected realisable value, and actual receipts into estates.

Blue Group UK Manufacturing Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	Notes
	Receipts	
-	Book debts	54,648.40
490,921	Cash at bank	2 354,906.40
-	Monetary assets - cash pool split	1, 2 37,796.24
490,921	Total receipts	447,351.04
	Payments	
	Secured creditor distribution	(350,958.00)
	Total payments	(350,958.00)
	Net floating charge realisations	96,393.04
	Total cash in hand	96,393.04

Notes

1 The group cash pooling agreement stated that on expiry of the pooling period, the total amount in the cash pooling account shall be returned promptly to the Group Companies bank accounts' prorated on the basis of the net contributions of those group companies which have a positive net contribution on expiry of the pooling period. This amount reflects the above entities proportion of the cash pool.

2 The Statement of Affairs expected realisation accounts for the combination of 'Balance at Bank' and 'Monetary assets - Cash Pool Split'.

The realisable value of Cash at bank in the Statement of Affairs included an expected amount due from the cash pooling agreement. After seeking Counsel's advice on the beneficiaries' entitlement of the cash pool funds, it was identified that the original calculation was inaccurate and therefore it was adjusted. The adjustment resulted in a redistribution of the cashpool funds across the entities, creating differences between the Statement of Affairs expected realisable value, and actual receipts into estates.

Blue Group UK Retail Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	£
	Receipts	
	- Finance Income	2,670,850.71
728,586.74	Equipment	432,084.07
	- Bank Interest Gross	3.38
	- Trade debtors	952,189.00
	- Goodwill	6,027,239.00
	- Leasehold properties	15,000.00
2,894,000.00	Grants & Subsidies	2,922,450.65
10,622,253.80	Balance at Bank	8,841,924.10
7,764,636.85	Stock	5 2,746,255.00
18,386,890.65	Total receipts	24,607,995.91
	Payments	
	Secured creditor distribution	(26,884,904.50)
	Statutory advertising	(664.00)
	Finance / Bank interest & charges	(2,470.00)
	Total payments	(26,888,038.50)
	Property related control account	1 68,300.46
	Other Control Accounts	2 306,529.81
	VAT Control Account	3,303,670.35
	Trading profit/(loss)	10,176,469.15
	Net floating charge realisations	11,574,927.18
	Total cash in hand	11,574,927.18

From 30 June 2020 to
29 December 2020

Trading Account		£
Receipts	Notes	
Trading sales - Cash	5.	17,606,770.61
TSA Fees		2,276,929.94
Total receipts		19,883,700.55
Payments		
Suppliers		(893,001.63)
Duress payments		(5,759.38)
Trading Irrecoverable VAT		(1,807.32)
Wages & Salaries		(2,893,049.19)
PAYE/NIC and Pension Deductions		(981,104.39)
Employee/Subcontractor Costs & Expenses		(8,541.45)
TSA Costs		(189,863.78)
Contribution to property costs	4	(2,551,207.82)
Professional fees		(1,706,610.19)
Payments Made for Group companies	3	(476,286.25)
Total payments		(9,707,231.40)
Net trading receipts/(payments)		10,176,469.15

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

2 Amounts held in this account reflect deposits held on trust that are due to Purchasers as well as pre appointment balance transfers that are owed to the Purchasers. Deposit amounts will be transferred to the Purchasers on receipt of evidence that the associated orders have been fulfilled. Pre appointment balances will be transferred to the purchasers on receipt of evidence that they reflect the Purchasers activity, and should not remain within the Administration.

3 Payments made for group companies relate to BGUK Retail paying amounts on behalf of Formation Furniture Limited. These amounts will be settled leaving amounts owed via intercompany as nil by the next progress report.

4 Contributions to other entities in the administration to allow payment of property costs. Any surplus remaining following the finalisation of trading and rental periods will be transferred back to Blue Group UK Retail Limited.

5 The Statement of Affairs expected realisation accounts for the combination of 'Stock' floating realisations in addition to 'Trading sales - Cash'.

Blue Group UK Group Properties Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	Notes
		£
Receipts		
502,817	Fixed Assets	4 -
-	Equipment	5,575.00
-	Leasehold properties	45,000.00
17,501	Book debts	-
69,118	Sundry debts & refunds	138,881.98
-	Rental income	3,600.00
3,337,930	Monetary assets - cash pool split	2 3,504,446.11
-	Cash at bank	2,621,343.18
3,927,366	Total receipts	6,318,846.27
Payments		
	Secured creditor distribution	(5,002,731.00)
	Total payments	(5,002,731.00)
	Property related control account	1 1,006,375.63
	VAT control account	1,073,110.02
	Trading profit/(loss)	352,028.11
	Net floating charge realisations	3,747,629.03
	Total cash in hand	3,747,629.03

Trading Account		£
Receipts		Note
Contribution to costs	3	1,104,145.93
Total receipts		1,104,145.93
Payments		
Suppliers		(3,848.54)
Storage Costs		(14,240.28)
Bank interest/charges		(180.00)
Rent		(715,984.00)
Service Charges		(7,232.00)
Property Insurance		(393.00)
Professional fees		(1,440.00)
Legal settlements		(7,500.00)
Legal costs		(1,300.00)
Total payments		(752,117.82)
Trading profit/(loss)		352,028.11

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

2 The group cash pooling agreement stated that on expiry of the pooling period, the total amount in the cash pooling account shall be returned promptly to the Group Companies bank accounts' prorated on the basis of the net contributions of those group companies which have a positive net contribution on expiry of the pooling period. This amount reflects the above entities proportion of the cash pool.

3 Contributions from Blue Group UK Retail Limited to allow payment of property costs. Any surplus remaining following the finalisation of trading and rental periods will be transferred back to Blue Group UK Retail Limited.

4 The realisable value of floating charge 'Fixed Assets' denoted in the Statement of Affairs is not comparable to the receipts and payments account. This is currently under review and an update on this will form part of the next progress report.

Formation Furniture Limited - in Administration

Receipts and payments account for the period from 30 June 2020 to 29 December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020	
£	Assets subject to a floating charge	£
	Receipts	Notes
-	Book Debts	20,904.00
200,000.00	Equipment	541,666.67
887,826.59	Stock	3 24,030.22
219,407.27	Grants & Subsidies	444,607.18
1,056,286.31	Balance at Bank	4 362,396.03
-	Monetary assets - Cash Pool Split	2, 4, 5 378,852.03
2,363,520.17	Total receipts	1,772,456.13
	Payments	
	Secured creditor distribution	(998,213.00)
	Total payments	(998,213.00)
	VAT Control Account	285,727.20
	Trading profit/(loss)	270,108.76
	Net floating charge realisations	1,330,079.09
	Total cash in hand	1,330,079.09

From 30 June 2020 to
29 December 2020

Trading Account		£
Receipts	Note	
Trading sales - Cash	3	908,948.79
Intercompany Transactions		65,460.00
Total receipts		974,408.79
Payments		
Suppliers		(52,622.41)
Duress payments		(876.08)
Trading Irrecoverable VAT		(8,191.53)
Wages & Salaries		(429,658.89)
PAYE/NIC and Pension Deductions		(180,666.00)
Finance / Bank interest & charges		(35.12)
Professional fees		(32,250.00)
Total payments		(704,300.03)
Trading profit/(loss)		270,108.76

Notes

1 The Intercompany Transactions relate to BGUK Retail transferring monies to help Formation Furniture settle its trading costs. These amounts will be settled, leaving amounts owed via intercompany as nil by the next progress report

2 The group cash pooling agreement stated that on expiry of the pooling period, the total amount in the cash pooling account shall be returned promptly to the Group Companies bank accounts' prorated on the basis of the net contributions of those group companies which have a positive net contribution on expiry of the pooling period. This amount reflects the above entities proportion of the cash pool.

3 The Statement of Affairs expected realisation accounts for the combination of 'Stock' floating realisations in addition to 'Trading sales - Cash'.

4 The Statement of Affairs expected realisation accounts for the combination of 'Balance at Bank' and 'Monetary assets - Cash Pool Split'.

5 The realisable value of Cash at bank in the Statement of Affairs included an expected amount due from the cash pooling agreement. After seeking Counsel's advice on the beneficiaries' entitlement of the cash pool funds, it was identified that the original calculation was inaccurate and therefore it was adjusted. The adjustment resulted in a redistribution of the cashpool funds across the entities, creating differences between the Statement of Affairs expected realisable value, and actual receipts into estates.

Homestyle Group Operations Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	Notes
		£
	Receipts	
10,623	Cash at bank	10,622.80
10,623	Total receipts	10,622.80
	Payments	
	Total payments	-
	Property related control account	1 1,822,249.01
	VAT control account	446,094.46
	Trading profit/(loss)	406,994.10
	Net floating charge realisations	2,685,960.37
	Total cash in hand	2,685,960.37

From 30 June 2020
to 29 December
2020

Trading Account	Notes	£
Receipts		
Contribution to Costs	2	683,492.10
Total receipts		683,492.10
Payments		
Bank interest/charges		(30.00)
Rent		(257,236.00)
Service Charge		(19,102.00)
Insurance		(130.00)
Total payments		(276,498.00)
Net trading receipts/(payments)		406,994.10

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

2 Contributions from Blue Group UK Retail Limited to allow payment of property costs. Any surplus remaining following the finalisation of trading and rental periods will be transferred back to Blue Group UK Retail Limited.

Property Portfolio (No 1) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	Notes
		£
	Receipts	
-	Sundry debts & refunds	76,039.22
-	Total receipts	76,039.22
	Payments	
	Total payments	-
	Property related control account	1 654,788.57
	VAT control account	158,515.48
	Trading profit/(loss)	137,788.91
	Net floating charge realisations	1,027,132.18
	Total cash in hand	1,027,132.18

From 30 June 2020 to 29 December 2020		
Trading Account	Notes	£
Receipts		
Contribution to costs	2	194,912.91
Total receipts		194,912.91
Payments		
Rent		(55,529.00)
Service Charges		(1,362.00)
Property Insurance		(233.00)
Total payments		(57,124.00)
Net trading receipts/(payments)		137,788.91

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

2 Contributions from Blue Group UK Retail Limited to allow payment of property costs. Any surplus remaining following the finalisation of trading and rental periods will be transferred back to Blue Group UK Retail Limited.

Statement of Affairs

**From 30 June 2020 to
29 December 2020**

Notes

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Property Portfolio (No 7) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

**Statement
of Affairs**

**From 30 June 2020 to
29 December 2020**

£	Assets subject to a floating charge	£
	Receipts	
	Total receipts	
	Payments	
	Total payments	-
	Property related control account	7,348.77
	VAT Control Account	1,469.75
	Net floating charge realisations	8,818.52
	Total cash in hand	8,818.52

Property Portfolio (No 8) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020	
£	Assets subject to a floating charge	Notes	£
	Receipts		
	Total receipts		-
	Payments		
	Total payments		-
	Property related control account	1	81,155.77
	VAT control account		16,231.16
	Net floating charge realisations		97,386.93
	Total cash in hand		97,386.93

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

Property Portfolio (No 11) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020	
£	Assets subject to a floating charge	£
	Receipts	
	Total receipts	-
	Payments	
	Total payments	-
	Property related control account	1 4,475.91
	VAT Control Account	2,991.24
	Trading profit/(loss)	10,480.31
	Net floating charge realisations	17,947.46
	Total cash in hand	17,947.46

From 30 June 2020 to
29 December 2020

Trading Account		£
Receipts		Note
Contribution to costs	2	10,480.31
Total receipts		10,480.31
Payments		
Total payments		-
Net trading receipts/(payments)		10,480.31

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

2 Contributions from Blue Group UK Retail Limited to allow payment of property costs. Any surplus remaining following the finalisation of trading and rental periods will be transferred back to Blue Group UK Retail Limited.

Property Portfolio (No 14) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	Notes
	Receipts	
-	Total receipts	-
	Payments	
	Total payments	-
	Property related control account	1 211,122.93
	VAT control account	55,853.42
	Trading profit/(loss)	68,144.24
	Net floating charge realisations	335,120.59
	Total cash in hand	335,120.59

From 30 June 2020
to 29 December
2020

Trading Account		£
Receipts		Note
Contribution to costs	2	156,019.24
Total receipts		156,019.24
Payments		
Rent		(84,959.00)
Service Charge		(2,093.00)
Property Insurance		(823.00)
Total payments		(87,875.00)
Net trading receipts/(payments)		68,144.24

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

2 Contributions from Blue Group UK Retail Limited to allow payment of property costs. Any surplus remaining following the finalisation of trading and rental periods will be transferred back to Blue Group UK Retail Limited.

Property Portfolio (No 15) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	£
	Receipts	
-	Sundry debts & refunds	6,915.95
-	Total receipts	6,915.95
	Payments	
	Total payments	-
	Property related control account	1,222,436.73
	VAT control account	233,859.93
	Trading profit/(loss)	(53,152.34)
	Net floating charge realisations	1,410,060.27
	Total cash in hand	1,410,060.27

From 30 June 2020 to
29 December 2020

Trading Account		£
Receipts		Note
Contribution to Costs	2	402,440.66
Total receipts		402,440.66
Payments		
Bank interest/charges		(15.00)
Rent		(435,239.00)
Service Charge		(18,740.00)
Property Insurance		(1,599.00)
Total payments		(455,593.00)
Net trading receipts/(payments)		(53,152.34)

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

2 Contributions from Blue Group UK Retail Limited to allow payment of property costs. Any surplus remaining following the finalisation of trading and rental periods will be transferred back to Blue Group UK Retail Limited. Any shortfall will be covered by Blue Group UK Retail Limited via a further contribution.

Property Portfolio (No 17) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020
£	Assets subject to a floating charge	£
	Receipts	
-	Total receipts	-
	Payments	
	Total payments	-
	Net floating charge realisations	-
	Property related control account	1 84,327.68
	VAT control account	16,865.56
	Total cash in hand	101,193.24

Notes

1 Amounts held in this account are amounts held for LTO properties. Any surplus remaining following the finalisation of LTO's will be transferred back to the Purchasers.

Wellington Realisations Group Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020	
£	Assets subject to a floating charge		£
	Receipts		
288,886.54	Monetary Assets - Cash Pool Split	1,2	643,474.90
-	Cash at bank	2	1,208.68
288,886.54	Total receipts		644,683.58
	Payments		
	Secured creditor distribution		(400,000.00)
	Legal fees and Expenses		(10.00)
	Total payments		(400,010.00)
	Net floating charge realisations		244,673.58
	Total cash in hand		244,673.58

Notes

1 The group cash pooling agreement stated that on expiry of the pooling period, the total amount in the cash pooling account shall be returned promptly to the Group Companies bank accounts' prorated on the basis of the net contributions of those group companies which have a positive net contribution on expiry of the pooling period. This amount reflects the above entities proportion of the cash pool.

2 The SOA balance is a combination of the 'Monetary Assets - Cash Pool Split' and 'Cash at bank'.

Wellington Realisations Limited - in Administration

**Receipts and payments account for the period from 30 June 2020 to 29
December 2020**

Statement of Affairs	From 30 June 2020 to 29 December 2020		
£	Assets subject to a fixed charge		£
	Receipts	Notes	
400,000.00	Freehold Property	1	400,000.00
400,000.00	Total receipts		400,000.00
	Payments		
	Secured creditor distribution		(400,000.00)
	Total payments		(400,000.00)
	Net cash position		-
£	Assets subject to a floating charge		£
	Receipts		
352,480.18	Book Debts	4	496,986.70
468,523.35	Stock	3	99,704.12
300,000.00	Equipment		358,333.33
-	Monetary assets - Cash Pool Split	2, 5	236,787.00
780,045.30	Balance at Bank	5	640,717.99
589,475.10	Grants & Subsidies		636,493.61
2,138,043.75	Total receipts		2,469,022.75
	Payments		
	Secured creditor distribution		(1,242,422.00)
	Total payments		(1,242,422.00)
	Suspense Account		4,049.01
	VAT Control Account		157,425.98
	Trading profit/(loss)		(585,594.28)
	Net floating charge realisations		802,481.46
	Total cash in hand		802,481.46

From 30 June 2020 to
29 December 2020

Trading Account		£
Receipts	Note	
Trading sales - Cash	3	894,965.38
Total receipts		894,965.38
Payments		
Suppliers		(524,014.63)
Distribution Costs		(4,446.00)
Duress Payments		(103,033.20)
Trading Irrecoverable VAT		(9,539.87)
Wages & Salaries		(739,821.46)
PAYE/NIC and Pension Deductions		(47,152.00)
Employee/Subcontractor Costs & Expenses		(5,233.00)
Finance / Bank interest & charges		(168.00)
Professional fees		(47,151.50)
Total payments		(1,480,559.66)
Trading profit/(loss)		(585,594.28)

Notes

1 Freehold property subject to fixed charge of £43,343,114.

2 The group cash pooling agreement stated that on expiry of the pooling period, the total amount in the cash pooling account shall be returned promptly to the Group Companies bank accounts' prorated on the basis of the net contributions of those group companies which have a positive net contribution on expiry of the pooling period. This amount reflects the above entities proportion of the cash pool.

3 The Statement of Affairs expected realisation accounts for the combination of Stock floating realisations in addition to trading sales.

4 The Statement of Affairs expected realisation accounts for realisations of book debts on both GBP and EUR debtors. The receipts and payments statement for Wellington Realisations Limited EUR is illustrated in Appendix A.

5 The Statement of Affairs expected realisation accounts for realisations of Balance at bank includes 'Monetary assets - Cash Pool Split', in addition to the balance at bank for Wellington Realisations Limited EUR. The receipts and payments statement for Wellington Realisations Limited EUR is illustrated in Appendix 1.

Wellington Realisations Limited EUR Account - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020
€	€
Assets subject to a floating charge	
Receipts	
- Book Debts	120,040.40
- Balance at Bank	372,289.92
- Total receipts	492,330.32
Payments	
- Total payments	-
Trading profit/(loss)	(46,990.75)
Net floating charge realisations	445,339.57
Total cash in hand	445,339.57

**From 30 June
2020 to 29
December
2020**

Trading Account	€
Receipts	
Total receipts	-
Payments	
Suppliers	(44,683.92)
Wages & Salaries	(2,234.86)
Finance / Bank interest & charges	(71.97)
Total payments	(46,990.75)
Net trading receipts/(payments)	(46,990.75)

Notes

WRL (EUR) - GBP Equivalent - £402,659.65 with an exchange rate of 0.904 used as at 29/12/20

Wellington Realisations Limited USD Account - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020
\$	\$
Assets subject to a floating charge	
Receipts	
- Bank Interest Gross	0.02
- Balance at Bank	85.15
- Total receipts	85.17
Payments	
- Total payments	-
Net floating charge realisations	85.17
Total cash in hand	85.17

Notes

WRL (USD) - GBP Equivalent - £63.44 with an exchange rate of 0.740 used as at 29/12/20

Serais Investments Limited - in Administration

Receipts and payments account for the period from 30 June 2020 to 29 December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020
£	£
	Assets subject to a floating charge
	Receipts
-	Total receipts
	Payments
	Total payments
	Net floating charge realisations
	Total cash in hand

Unitrans (UK) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs		From 30 June 2020 to 29 December 2020	
£	Assets subject to a floating charge	Notes	£
	Receipts		
8,159	Cash at bank	1	-
8,159	Total receipts		-
	Payments		
	Total payments		-
	Net floating charge realisations		-
	Total cash in hand		-

Notes

1 The realisable value of cash at bank in the Statement of Affairs included an expected amount due from the cash pooling agreement. After seeking Counsel's advice on the beneficiaries' entitlement of the cash pool funds, it was identified that the original calculation was inaccurate and therefore it was adjusted. The adjustment resulted in a redistribution of the cash pool funds across the entities, creating differences between the Statement of Affairs expected realisable value, and actual receipts into estates.

Unitrans Logistics (UK) Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 29
December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020
£ Assets subject to a floating charge	
Receipts	
- Monetary assets - cash pool split	1 37,885.90
- Total receipts	37,885.90
Payments	
Total payments	-
Net floating charge realisations	37,885.90
Total cash in hand	37,885.90

Notes

1 The group cash pooling agreement stated that on expiry of the pooling period, the total amount in the cash pooling account shall be returned promptly to the Group Companies bank accounts' prorated on the basis of the net contributions of those group companies which have a positive net contribution on expiry of the pooling period. This amount reflects the above entities proportion of the cash pool.

Unitrans Limited - in Administration

Receipts and payments account for the period from 30 June 2020 to 29 December 2020

Statement of Affairs	From 30 June 2020 to 29 December 2020	
£	Assets subject to a floating charge	
	Receipts	
98,629.95	Equipment 1	2,000.00
9,812.59	Balance at Bank	8,722.10
108,442.54	Total receipts	10,722.10
	Payments	
	Total payments	-
	VAT Control Account	(400.00)
	Net floating charge realisations	11,122.10
	Total cash in hand	11,122.10

Notes

1 The realisable value of Equipment denoted in the Statement of Affairs was not achieved as the assets were deemed commercially irrecoverable by the Administrators.

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as joint administrators from the estate and include our fees, but exclude distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

Description - Disbursements	BGUKF			BGHCO			BGUKB			BGUKM			BGUKR			BGUKGP		
	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£
Photocopying - At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying, creditors and other bulk copying.																		
Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)																		
Courier																		
Archiving																		
Bordereau																		
Postage																		
Advertising																		
Description - Expenses																		
Suppliers																		
Storage Costs																		
Bank interest/charges																		
Rent																		
Service Charges																		
Property Insurance																		
Legal settlements																		
Duress payments																		
Trading Irrecoverable VAT																		
Wages & Salaries																		
PAYE/NIC and Pension Deductions																		
Employee/Subcontractor Costs & Expenses																		
TSA Costs																		
Contribution to property costs																		
Payments Made for Group companies																		
Printing																		
Legal fees																		
Professional fees																		
Insurance																		
Agents fees																		
	33.88	110.52		225.00	127.20		376.82	458.40		225.00	116.08		9,820,078.26	5,205.56		757,654.80	1,147.28	
Paid to date	0.00	0.00		0.00	0.00		151.82	0.00		0.00	0.00		9,710,365.40	0.00		752,117.82	0.00	

	PP1			PP2			PP7			PP8			PP11			PP14			PP15			PP17		
	Costs incurred	Estimated Future Costs	£	Costs incurred	Estimated Future Costs	£	Costs incurred	Estimated Future Costs	£	Costs incurred	Estimated Future Costs	£	Costs incurred	Estimated Future Costs	£	Costs incurred	Estimated Future Costs	£	Costs incurred	Estimated Future Costs	£	Costs incurred	Estimated Future Costs	£
Description - Disbursements																								
Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying, creditors and other bulk copying.																								
Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)																								
Other Travel																								
Courier																								
Archiving																								
Bordereau	225.00			225.00			225.00			225.00			225.00			225.00								
Postage		31.92			7.60						7.60						18.24							
Advertising		31.00			31.00						31.00						31.00							
Description - Expenses																								
Rent	55,529.00															84,959.00			435,239.00					
Service Charges	1,362.00															2,093.00			18,740.00					
Property Insurance	233.00															823.00			1,599.00					
Bank interest/charges																		15.00						
Legal fees																								
Insurance	575.89																							
Agents fees																								
	57,924.89	146.92		326.83	118.60		258.88			360.51	118.60		258.88			88,438.77	130.24		457,083.55	230.12		33.88		114.56
Paid to date	57,124.00	0.00		0.00	0.00		0.00			0.00	0.00		0.00			87,875.00	0.00		455,593.00	0.00		0.00		0.00

Description - Disbursements	FFL			HGOL			SIL			WRGL			WRL			WRL (EUR)			WRL (USD)		
	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	£	Costs Incurred	Estimated Future Costs	EUR	Costs Incurred	Estimated Future Costs	\$
Photocopying - At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying, creditors and other bulk copying.																					
Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	966.01		120.00		117.00			78.00			82.00			143.00							
Courier																					
Archiving																					
Bordereau	225.00			225.00																	
Postage	516.88	129.20			107.92			1.52			22.80			294.88							
Advertising		62.00			62.00			31.00			62.00			62.00							
Description - Expenses																					
Rent				257,236.00																	
Service Charge				19,102.00																	
Suppliers	52,622.41													524,014.63				44,683.92			
Distribution Costs														4,446.00							
Duress payments	876.08													103,033.20							
Trading Irrecoverable VAT	8,191.53													9,539.87							
Wages & Salaries	429,658.89													739,821.46				2,234.86			
Employee/Subcontractor Costs & Expenses														5,233.00							
PAYE/NIC and Pension Deductions	180,666.00													47,152.00							
Finance / Bank interest & charges	35.12			30.00										168.00				71.97			
Other Travel	412.37																				
Wages and salaries																					
Legal fees	TBC	TBC		TBC	TBC			TBC			TBC			TBC				TBC			TBC
Professional fees	32,250.00	TBC		TBC	TBC			TBC			TBC			47,151.50				TBC			TBC
Insurance	8,658.34	TBC		1,789.93	TBC			TBC			TBC			59,748.73				TBC			TBC
Agents fees	TBC	TBC		TBC	TBC			TBC			TBC			TBC				TBC			TBC
	715,278.63	311.20		278,382.93	286.92			110.52			166.80			1,540,308.39				46,990.75			0.00
Paid to date	704,300.03	0.00		276,498.00	0.00			0.00			10.00			1,480,559.66				46,990.75			0.00

Notes

Printing, postage and advertising costs in relation to the Proposals have been incurred across all Companies but are currently attributed to BGUKR. The costs will be split across the relevant Companies and reflected in our next report.

Bonding is in place for all Companies, however, the bordereau cost has not yet been posted to all Companies.

Future estimated insurance figures are not yet known but are likely to decrease over time.

Legal and professional costs have been incurred across all Companies but are currently attributed to BGUKR. The costs will be split across the relevant Companies and reflected in our next report.

WRL (EUR) - GBP Equivalent - £42,487.35 with an exchange rate of 0.904 used as at 29/12/20

	UL		ULUK		UUK	
	Costs incurred	Estimated Future Costs	Costs incurred	Estimated Future Costs	Costs incurred	Estimated Future Costs
Description - Disbursements	£	£	£	£	£	£
Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying, creditors and other bulk copying.	-	79.00	-	78.00	-	-
Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-	-	-	-	-	-
Courier	-	-	-	-	-	-
Archiving	-	-	-	-	-	-
Bordereau	-	-	-	-	-	-
Postage	-	4.56	-	1.52	-	-
Advertising	-	31.00	-	31.00	-	31.00
Description - Expenses						
Rent	-	-	-	-	-	-
Service Charge	-	-	-	-	-	-
Suppliers	-	-	-	-	-	-
Distribution Costs	-	-	-	-	-	-
Duress payments	-	-	-	-	-	-
Trading Irrecoverable VAT	-	-	-	-	-	-
Wages & Salaries	-	-	-	-	-	-
Employee/Subcontractor Costs & Expenses	-	-	-	-	-	-
PAYE/NIC and Pension Deductions	-	-	-	-	-	-
Finance / Bank interest & charges	-	-	-	-	-	-
Other Travel	-	-	-	-	-	-
Wages and salaries	-	-	-	-	-	-
Legal fees	TBC	TBC	TBC	TBC	TBC	TBC
Professional fees	TBC	TBC	TBC	TBC	TBC	TBC
Insurance	53,774.31	TBC	-	TBC	TBC	TBC
Agents fees	TBC	TBC	TBC	TBC	TBC	TBC
	53,774.31	114.56	0.00	110.52	0.00	31.00
Paid to date	0.00	0.00	0.00	0.00	0.00	0.00

Notes

Printing, postage and advertising costs in relation to the Proposals have been incurred across all Companies but are currently attributed to BGUKR. The costs will be split across the relevant Companies and reflected in our next report.

Bonding is in place for all Companies, however, the bordereau cost has not yet been posted to all Companies.

Future estimated insurance figures are not yet known but are likely to decrease over time.

Legal and professional costs have been incurred across all Companies but are currently attributed to BGUKR. The costs will be split across the relevant Companies and reflected in our next report.

WRL (EUR) - GBP Equivalent - £42,487.35 with an exchange rate of 0.904 used as at 29/12/20.

Appendix C: Remuneration update

At this time we're still discussing the quantum and basis of fees with Alteri, as the secured creditor / party with the principal financial interest in the administrations.

We will shortly be seeking fee approval in respect of certain entities (PP1, PP2, PP8, PP14, PP15, PP17). A remuneration report will be made available to the creditors of these entities in due course. We will be seeking a fixed fee and will explain our rationale for this within the remuneration report. It will be for the unsecured creditors of those companies to vote on the fees basis and quantum proposed.

We will issue another remuneration report to creditors of the other entities in due course, setting out the proposed basis of fees in those estates. For those companies, it will be for the secured creditor and (if appropriate) the preferential creditors, to agree the fee basis proposed.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administrations. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administrations (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 hours). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administrations.

Grade	Up to 30 June 2020 £/hour	From 1 July 2020 £/hour
Partner	910	955
Director	800	840
Senior Manager	515	585
Manager	405	475
Senior Associate - Qualified	310	390
Associate	210	245
Support Staff	120	125

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	From 1 July 2020 £/hour
Partner	1,600
Director	1,465
Senior Manager	1,355
Manager	630
Senior Associate/Consultant	605
Associate/Assistant Consultant	325
Support Staff	230

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

We have not made any payments to associates of our firm and we do not expect to.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy and planning	<ul style="list-style-type: none"> Preparing fee budgets for all companies within the group; Running weekly reports for each company within the group to monitor costs; UK Company analysis of the companies; and Holding team meetings not relating to trading and discussions regarding status of administrations. 	<ul style="list-style-type: none"> Assist in the timely, structured and efficient completion of the administrations and return to creditors (where appropriate). 	<ul style="list-style-type: none"> No direct financial benefit, however the work is necessary to ensure correct management and oversight of the administrations.
Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals; Carrying out bank reconciliations and managing funds; Corresponding with the bank regarding specific transfers from the pre appointment bank accounts to the administration account; and Reconciliations to identify and segregate any amounts due to the Companies 	<ul style="list-style-type: none"> To ensure correct management of the estate accounts 	<ul style="list-style-type: none"> No direct financial benefit, however the work is necessary to ensure correct management of the accounts and safeguarding of funds.

Property	<ul style="list-style-type: none"> • Carrying out title searches and securing relevant property records • Securing possession of properties • Collect licence fees from Purchasers and pay ongoing rent from appointment • Liaising with landlords and their managing agents to seek surrenders of leases; and • Paying, service charge and insurance on all properties. 	<ul style="list-style-type: none"> • To ensure proper management of the property portfolio and to enable trading to continue. 	<ul style="list-style-type: none"> • Mitigate claims against the administrations and comply with our obligations under the sale agreement. Negotiations with landlords will lead to reductions in rental payments, resulting in greater potential recoveries for creditors.
Other assets	<ul style="list-style-type: none"> • Assisting company staff in collection of book debts. • Dealing with sale of niche machinery and sale of unused stock • Dealing with sales in BGUKR in respect of furniture trolleys and damaged Harveys stock to Bensons Purchasers 	<ul style="list-style-type: none"> • To ensure maximum realisation of potential assets 	<ul style="list-style-type: none"> • Enhanced asset realisations for the administrations
Secured creditors	<ul style="list-style-type: none"> • Preparing reports to the secured creditor; • Responding to the secured creditor's queries; • Providing regular updates to the secured creditor • Calculating the secured creditor position regarding dividend prospects; and • Making distributions in accordance with security entitlements. 	<ul style="list-style-type: none"> • For the proper management of the secured claims and payment of funds. 	<ul style="list-style-type: none"> • Direct benefit to the secured creditor through payment of distributions and provision of information.
Preferential creditors	<ul style="list-style-type: none"> • Preparing, issuing and receiving employee preferential claim agreement forms; and • Corresponding with the RPS regarding proof of debt. 	<ul style="list-style-type: none"> • For the proper management of preferential claims 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of distributions (where available).
Unsecured creditors	<ul style="list-style-type: none"> • Receiving and following up high volume of creditor enquiries via telephone, email and post; • Reviewing and preparing correspondence to creditors and their representatives; and • Receipting and filing 	<ul style="list-style-type: none"> • To ensure creditors receive necessary communications, deal with creditor claims efficiently 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of dividends (where available) and provision of information.

	proofs of debt when not related to a dividend.		
Employees and Pensions	<ul style="list-style-type: none"> • Holding weekly consultation forums with company representatives; • Dealing with TUPE matters; • Liaising with employees and RPS in respect of claims; • Operating an employee helpline to deal with employee queries; • Dealing with Employment Tribunal matters and unfair dismissal claims; and • Pursue potential refund from annual premium paid for group life assurance scheme. 	<ul style="list-style-type: none"> • To ensure all employee and pension matters are dealt with efficiency and as per statute 	<ul style="list-style-type: none"> • Benefit to creditors in relation to the potential distribution.
Investigations	<ul style="list-style-type: none"> • Conducting investigations for purposes of director conduct reports for all companies; and • Preparing and filing director conduct reports for all companies within the group 	<ul style="list-style-type: none"> • To comply with statutory and other obligations. 	<ul style="list-style-type: none"> • As required by statute
Trading	<ul style="list-style-type: none"> • Deployment of staff to non-retail sites to assist with control of the business; and • Regular meetings with agents deployed to retail sites to monitor sales and issues; • Discussions with suppliers; • Cash flow reviews and updating Estimated Outcome Statements projections • Raising and reviewing of purchase orders; • Tracking payment requests; • Reviewing ongoing supplier requirements. 	<ul style="list-style-type: none"> • To ensure the efficient management of the business during the trading period. 	<ul style="list-style-type: none"> • Enhanced asset realisations for the administrations and a benefit to the secured creditor via increased distributions.
Tax and VAT	<ul style="list-style-type: none"> • Review initial tax information; • Prepare pre-appointment tax returns; • Review initial VAT information; • Prepare for the first VAT return. 	<ul style="list-style-type: none"> • To comply with statutory and other obligations. 	<ul style="list-style-type: none"> • As required by statute

Statutory and compliance	<ul style="list-style-type: none"> • Preparing and circulating proposals and SIP 16 report; • Filing documents at Companies House; • Preparing and sending initial notices following our appointment; • Updating and managing internal diary systems; and • Reviewing and taking custodianship of Companies' books and records. 	<ul style="list-style-type: none"> • To comply with statutory and other obligations. 	<ul style="list-style-type: none"> • As required by statute.
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Our future work

The key areas of our ongoing and future work are summarised in the following table:

Area of work	Work undertaken	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy and planning	<ul style="list-style-type: none"> • Preparing fee budgets and monitoring costs; and • Holding team meetings to agree and monitor strategies. 	<ul style="list-style-type: none"> • No direct financial benefit, however the work is necessary to ensure correct management of the administrations.
Accounting and treasury	<ul style="list-style-type: none"> • Continue to deal with receipts, payments and journals; • Carrying out bank reconciliations and managing of funds; and • Corresponding with the bank regarding specific transfers. 	<ul style="list-style-type: none"> • No direct benefit, however, the work is necessary to ensure the correct management of the estate accounts.
Property	<ul style="list-style-type: none"> • Deal with ongoing property matters as they arise including queries and legal disputes; • Liaise with landlords and management agents in respect of leases; • Liaising with solicitors regarding the novation of leases; • Pay rent, service charges and insurance as appropriate. 	<ul style="list-style-type: none"> • Efficient management of the property portfolio will mitigate any claims against the administrations, resulting in a potential greater return to creditors.
Other assets	<ul style="list-style-type: none"> • Dealing with the remaining furniture trolleys and damaged Harveys stock to Bensons Purchasers debts; • Recovery of funds from merchant providers; • Recovery of potential business rates and service charge refunds. 	<ul style="list-style-type: none"> • Enhanced asset realisations in the administrations
Secured creditors	<ul style="list-style-type: none"> • Preparing reports to the secured creditor; • Responding to the secured creditor's queries; and • Making distributions in accordance with security entitlements. 	<ul style="list-style-type: none"> • Direct benefit to the secured creditor through payment of distributions and provision of information.
Preferential creditors	<ul style="list-style-type: none"> • Corresponding with employees regarding dividend; • Corresponding with the RPS 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of distributions and provision of information.

	<ul style="list-style-type: none"> regarding proof of debt; • Calculating dividend rate and preparing dividend file; • Advertising dividend notice; • Preparing and paying distribution; and • Ensuring PAYE/NIC is deducted and remitted to HMRC. 	
Unsecured creditors	<ul style="list-style-type: none"> • Continuing to liaise with creditors in respect of queries • Calculating dividend rate and preparing dividend file; • Advertising dividend notice; • Preparing and paying distribution; and • Ensuring PAYE/NIC is deducted and remitted to HMRC. 	<ul style="list-style-type: none"> • Direct benefit to creditors through payment of distributions and provision of information.
Employees and Pensions	<ul style="list-style-type: none"> • Ensure claims for unpaid pre-appointment pension contributions are paid by the Redundancy Payments Service. 	<ul style="list-style-type: none"> • Benefit to creditors in relation to the potential distribution.
Investigations	<ul style="list-style-type: none"> • Identifying potential asset recoveries; and • Instructing and liaising with solicitors regarding recovery actions if necessary. 	<ul style="list-style-type: none"> • Benefit to creditors in relation to potential enhanced asset realisation.
Trading	<ul style="list-style-type: none"> • To finalise trading of all sites and deal with any matters arising from the wind-down. 	<ul style="list-style-type: none"> • Benefit to creditors in relation to potential enhanced asset realisation.
Tax and VAT	<ul style="list-style-type: none"> • Preparing tax computations for the post-appointment periods as they fall due; • Liaising with HMRC; • Liaise with and comply with the Senior Accounting Officer obligations; and • Preparing VAT returns by way of a VAT 426. 	<ul style="list-style-type: none"> • As required by statute.
Statutory and compliance	<ul style="list-style-type: none"> • Conducting case reviews after the first month, then every six months; • Preparing and issuing periodic progress reports to creditors and the Registrar; • Making applications to creditors or court for the extension of the administrations and filing relevant notices; • Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administrations; • Issuing notices and associated documentation for seeking decisions of creditors; • Dealing with records in storage; • Sending job files to storage; • Filing of documents; • Updating checklists and diary management system; • Preparing and circulating final report; 	<ul style="list-style-type: none"> • No direct benefit but is required by statute.

- and
- Completing internal and statutory closure procedures.

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

The following disbursements arose in the period of this report:

		BGUKF	BGHCO	BGUKB	BGUKM	BGUKR	BGUKGP
		Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred
Category	Description	£	£	£	£	£	£
2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying, creditors and other bulk copying.	-	-	-	-	75.57	-
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-	-	-	-	737.35	-
1	Other Travel	-	-	-	-	16.08	-
1	Courier	-	-	-	-	1,406.79	5.83
1	Archiving	-	-	-	-	212.98	631.24
1	Bordereau	-	225.00	225.00	225.00	225.00	225.00
1	Postage	-	-	-	-	3,736.60	-
1	Printing	-	-	-	-	8,598.08	-
1	Advertising	-	-	-	-	664.00	-
		0.00	225.00	225.00	225.00	15,672.45	862.07
	Paid to date	0.00	0.00	0.00	0.00	664.00	0.00

		PP1	PP2	PP7	PP8	PP11	PP14	PP15	PP17
		Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred
Category	Description	£	£	£	£	£	£	£	£
2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying, creditors and other bulk copying.	-	-	-	-	-	-	-	-
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-	-	-	-	-	-	-	-
1	Other Travel	-	-	-	-	-	-	-	-
1	Courier	-	-	-	-	-	-	-	-
1	Archiving	-	-	-	-	-	-	-	-
1	Bordereau	225.00	225.00	225.00	225.00	225.00	225.00	-	-
1	Postage	-	-	-	-	-	-	-	-
1	Printing	-	-	-	-	-	-	-	-
1	Advertising	-	-	-	-	-	-	-	-
		225.00	225.00	225.00	225.00	225.00	225.00	0.00	0.00
	Paid to date	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

		FFL	HGOL	SIL	WRGL	WRL	UL	ULL	UUK
		Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred	Costs Incurred
	Description	£	£	£	£	£	£	£	£
2	Photocopying – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying, creditors and other bulk copying.	-	-	-	-	-	-	-	-
2	Mileage – At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	966.01	-	-	-	-	-	-	-
1	Other Travel	412.37	-	-	-	-	-	-	-
1	Courier	-	-	-	-	-	-	-	-
1	Archiving	-	-	-	-	-	-	-	-
1	Bordereau	225.00	225.00	-	-	-	-	-	-
1	Postage	516.88	-	-	-	-	-	-	-
1	Printing	-	-	-	-	-	-	-	-
1	Advertising	-	-	-	-	-	-	-	-
		2,120.26	225.00	0.00	0.00	0.00	0.00	0.00	0.00
	Paid to date	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administrations where the relationship could give rise to a conflict of interest.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: Appointment related matters; Advice on RoT claims; Sale of business contracts; and Property related matters.	<ul style="list-style-type: none"> Shoosmiths LLP 	<ul style="list-style-type: none"> Industry expertise 	<ul style="list-style-type: none"> Time costs and disbursements
Chattel agents and valuers	<ul style="list-style-type: none"> Hilco Capital 	<ul style="list-style-type: none"> RICS asset/property valuers with industry expertise 	<ul style="list-style-type: none"> Contingent fee based on asset realisations
Property agents and others	<ul style="list-style-type: none"> CAPA Brownlow Utilities Ltd 	<ul style="list-style-type: none"> Industry specialists and/or with prior knowledge of the property portfolios 	<ul style="list-style-type: none"> Contingent fee based on cost savings and/or asset realisations
Subcontractors and others	<ul style="list-style-type: none"> European Retail Solutions II Ltd 	<ul style="list-style-type: none"> Retail trading specialists approved by the secured creditor 	<ul style="list-style-type: none"> Part fixed and part contingent fee based on an administration trading surplus

Appendix D: Pre-administration costs

At the date of our appointment as joint administrators, the unpaid pre-administration costs were as shown below:

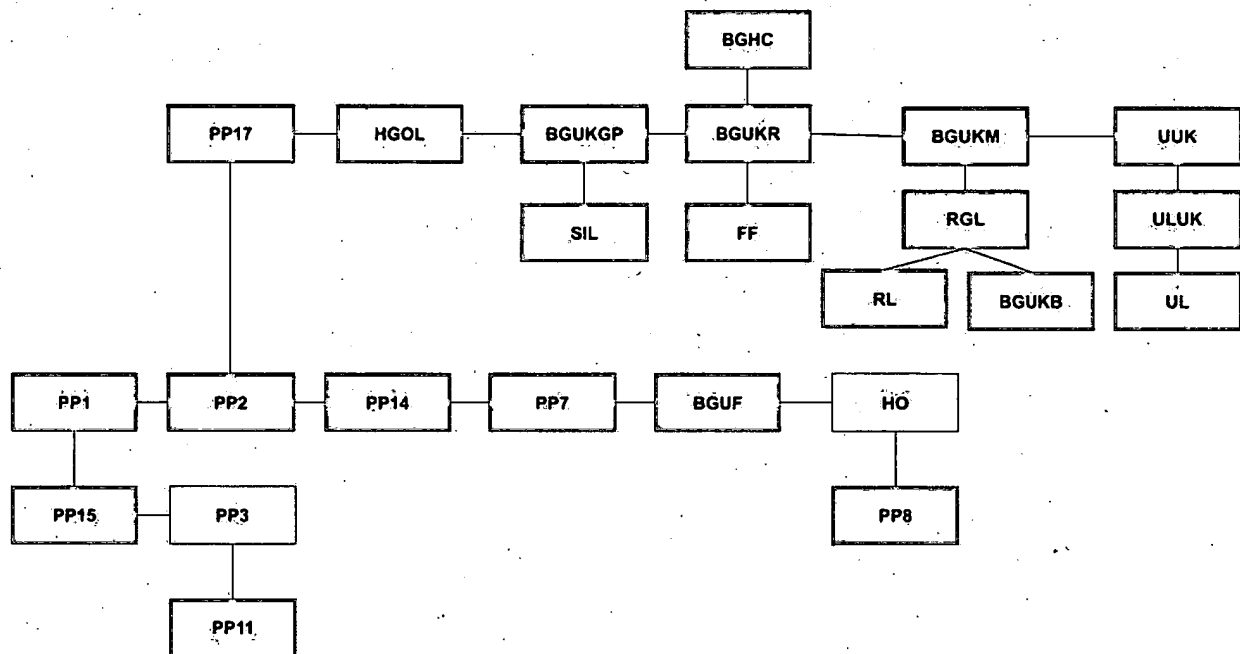
Firm	Services	Amount unpaid (£)
PwC	Administrators-in-waiting	606,943
Shoosmiths	Sale and purchase agreement and administration planning	360,000
BDO	Marketing and sale process	50,000
Hilco	Valuation services	38,127
Total		1,055,070

For further details on these pre-administration costs, please see the Proposals which can be downloaded from www.pwc.co.uk/bluegroup.

Pre-administration costs will be paid (subject to approval), by either or a combination of a) the Secured Creditor under a separate funding agreement, or b) from asset realisations as an expense of the administrations. Where unpaid pre-administration costs exist, we expect only the Secured Creditor to have a financial interest in the amount to be paid.

We have said that we think the Companies don't have enough assets to pay anything to unsecured creditors other than via the prescribed part (in certain cases), therefore it will be for the Secured Creditor and (where appropriate) the preferential creditors to approve the costs. We will seek approval from those classes of creditors in due course. In those Companies where there are no secured or preferential creditors, these costs would need to be approved by the creditors or failing that, the Court.

Appendix E: Group Structure



Notes

All subsidiaries are 100% owned by its immediate parent company.

PP3 - Property Portfolio (No3) Limited

HO - Homestyle Operations Limited

Appendix F: Other information

Court details for the administrations:	High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD)
Company's registered name:	All Companies listed on Page 3
Trading names:	Bensons for Beds Harveys / Harveys Furniture Formation Furniture Relyon
Registered number:	Company numbers listed on Page 3 for all companies
Registered address:	Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4D BGUKR - 3rd Floor, The Globe Centre, 1 St James Square, Accrington, Lancashire, England, BB5 0RE
Date of the joint administrators' appointment:	30 June 2020
Joint administrators' names, addresses and contact details:	In relation to all the Companies except Formation Furniture Limited: Zelf Hussain of PwC, 7 More London, Riverside, London, SE1 2RT Peter David Dickens of PwC, 1 Hardman Square, Manchester, M3 3EB Yulia Marshall of PwC, 7 More London, Riverside, London, SE1 2RT In relation to Formation Furniture Limited: Zelf Hussain of PwC, 7 More London, Riverside, London, SE1 2RT Peter David Dickens of PwC, 1 Hardman Square, Manchester, M3 3EB Yulia Marshall of PwC, 7 More London, Riverside, London, SE1 2RT Ross David Connock of PwC, 2 Glass Wharf, Bristol, BS2 0FR Contact: uk_bluegroup_creditors@pwc.com
Extension(s) to the initial period of appointment:	N/A