

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

WEDNESDAY



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10/01/2018

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COMPANIES HOUSE

### 1 Company details

Company number 0 5 5 6 5 2 5 9

Company name in full Lowland Homes Limited

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Please complete in typescript or in  
bold black capitals.

### 2 Court details

Court name High Court of Justice

Court case number 0 0 2 2 2 4 2 0 1 6

### 3 Administrator's name

Full forename(s) Philip Francis

Surname Duffy

### 4 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester M2 1EW

County/Region

Postcode

Country


## AM22

Notice of move from administration to creditors' voluntary liquidation

<b>5</b>	<b>Administrator's name •</b>		
Full forename(s)	Benjamin John		<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Wiles		
<b>6</b>	<b>Administrator's address ②</b>		
Building name/number	The Shard		<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	32 London Bridge Street		
Post town	London		
County/Region			
Postcode	S E 1 9 S G		
Country			
<b>7</b>	<b>Appointor/applicant's name</b>		
	Give the name of the person who made the appointment or the administration application.		
Full forename(s)	Directors		
Surname			
<b>8</b>	<b>Proposed liquidator's name</b>		
Full forename(s)	Anthony John		
Surname	Wright		
Insolvency practitioner number	1 0 8 7 0		
<b>9</b>	<b>Proposed liquidator's address</b>		
Building name/number	110		
Street	Cannon Street		
Post town	London		
County/Region			
Postcode	E C 4 N 6 E U		
Country			

AM22

Notice of move from administration to creditors' voluntary liquidation

<b>10</b>	<b>Proposed liquidator's name<sup>1</sup></b>	
Full forename(s)	Geoffrey Paul	
Surname	Rowley	
Insolvency practitioner number	8 9 1 9 [ ] [ ] [ ] [ ]	
		<b>Other liquidator</b> Use this section to tell us about another liquidator.
<b>11</b>	<b>Proposed liquidator's address<sup>2</sup></b>	
Building name/number	110	
Street	Cannon Street	
Post town		
County/Region	London	
Postcode	E C 4 N 6 E U [ ]	
Country		
		<b>Other liquidator</b> Use this section to tell us about another liquidator.
<b>12</b>	<b>Period of progress report</b>	
From date	<div> <div>d</div> <div>2</div> <div>d</div> <div>5</div> <div>m</div> <div>1</div> <div>m</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>1</div> <div>y</div> <div>7</div> </div>	
To date	<div> <div>d</div> <div>2</div> <div>d</div> <div>9</div> <div>m</div> <div>1</div> <div>m</div> <div>2</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>1</div> <div>y</div> <div>7</div> </div>	
<b>13</b>	<b>Final progress report</b>	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.		
<b>14</b>	<b>Sign and date</b>	
Administrator's signature	<div> <div>Signature</div> <div>X</div> <div></div> <div>X</div> </div>	
Signature date	<div> <div>d</div> <div>[ ]</div> <div>d</div> <div>[ ]</div> <div>m</div> <div>[ ]</div> <div>m</div> <div>[ ]</div> <div>y</div> <div>[ ]</div> <div>y</div> <div>[ ]</div> <div>y</div> <div>[ ]</div> <div>y</div> <div>[ ]</div> </div>	

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# **Final Progress Report to Creditors**

29 December 2017

**BHS Group Limited  
Davenbush Limited  
Lowland Homes Limited  
(All In Administration)**

*Joint Administrators' Final Progress Report to Creditors  
for the period from 25 October 2017 to 29 December 2017  
with a summary of the Administration*

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

## Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	25 April 2016 being the date of appointment of the Joint Administrators
Arcadia	Arcadia Group Limited
Barclays	Barclays Bank Plc with whom the Companies banked
BHS	SHB Realisations Limited (formerly BHS Limited) (In Administration)
BHS Group / the Group	BHS Group Limited and its subsidiaries
BHS Group Limited	BHS Group Limited (In Administration)
SHB Properties	SHB Properties Realisations Limited (formerly BHS Properties Limited) (In Administration)
Carmen	Carmen Properties Limited, a subsidiary of the BHS Group, not in Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Companies	BHS Group Limited (Company Number: 03858895) Davenbush Limited (Company Number: 02341207) Lowland Homes Limited (Company Number: 05565259)
CVL	Creditors' Voluntary Liquidation
Davenbush	Davenbush Limited (In Administration)
DBEIS	The Department for Business, Energy & Industrial Strategy
the Directors	

	BHS Group Ltd	SHB Properties Realisations Ltd	Davenbush Ltd	Lowland Homes Ltd
Dominic Chandler	Yes*	Yes*	Yes*	Yes*
Dominic Chappell	Yes	Yes	Yes	Yes
Lennart Henningson	Yes**	Yes**	Yes**	Yes**
Keith Smith	Yes	No	No	No
Darren Topp	Yes	No	No	No

\*Dominic Chandler resigned from office on 6 July 2016

\*\*Lennart Henningson resigned from office on 8 September 2016

DLA	DLA Piper UK LLP, the Joint Administrators' instructed legal advisors
Duff & Phelps	Duff & Phelps Ltd.
EC Regulation	EC Regulation on Insolvency Proceedings 2000
EPOCH	EPOCH Properties Limited, a subsidiary of the BHS Group not in Administration
EY	Ernst & Young
Grovepoint	Grovepoint Credit Funding 2 Limited
HMRC	HM Revenue and Customs
HSBC	HSBC Bank Plc
the Joint Administrators	Philip Duffy of Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW and Benjamin Wiles of Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG
the Joint Liquidators	Anthony Wright and Geoff Rowley of SHB Realisations Limited (Formerly BHS Limited) (In Liquidation) of FRP Advisory LLP, 110 Cannon Street, London EC4N 6EU and proposed Liquidators of Lowland Limited and BHS Group Limited
Lowland	Lowland Homes Limited (In Administration)
the PPF	The Pension Protection Fund
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
Previous Progress Reports	The Joint Administrators' Progress Report to Creditors for the period 25 April 2016 to 24 October 2016, the Joint Administrators' Progress Reports dated 31 March 2017, 18 May 2017 and 3 November 2017
the Property Agents	Savills Plc and CBRE Group Inc., both independent agents who have been instructed to advise on the sale of the properties of the Companies
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 13 June 2016
RAL	Retail Acquisitions Limited
the Reporting Period	25 October 2017 to 29 December 2017

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the Revised Proposals	<p>The Proposals as revised in relation to Davenbush Limited on 30 June 2016.</p> <p>The Proposals as revised in relation to BHS Group Limited and Lowland Homes Limited and deemed approved on 1 December 2017.</p>
the Rules	The Insolvency Rules 2016 (as amended)
Secured Creditors	The holders of a fixed and/or floating charge over the Companies' assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Companies' financial position as at the Appointment Date
TPR	The Pensions Regulator

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## **1. Introduction**

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Directors of the Companies pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by either of the Joint Administrators.
- 1.3 The Court References are:
- BHS Group Limited (High Court of Justice No: 002221)
  - Davenbush Limited (High Court of Justice No: 002222)
  - Lowland Homes Limited (High Court of Justice No: 002224)
- 1.4 The purpose of this final progress report is to provide creditors with a final account of the progress of the Administration for the Reporting Period with a summary of the Administration. The report should be read in conjunction Previous Progress Reports and the Proposals.
- 1.5 Statutory information on the Company is attached at Appendix 1.

## **2. Summary of the Proposals**

- 2.1 In the case of Davenbush, the Joint Administrators' Proposals were approved with modifications at the creditors' meeting on 30 June 2016.
- 2.2 As detailed in the Joint Administrators' Revised Proposals, it was proposed that as there are now funds available to distribute to creditors other than via the Prescribed Part, Davenbush will be placed into CVL and Anthony John Wright and Geoffrey Paul Rowley of FRP Advisory LLP be appointed Joint Liquidators. This revision to the Proposals was approved at the meeting of creditors on 30 June 2016.
- 2.3 In the case of BHS Group Limited and Lowland Homes, a creditors' meeting was not required to be held as it was believed there would be insufficient realisations to enable a distribution to non-preferential creditors, other than via the prescribed part. No meeting was convened and in accordance with Rule 2.33(5) of the Rules, the Proposals were deemed to have been approved by creditors.
- 2.4.1 As detailed in the Revised Proposals, circulated to creditors on 14 November 2017 it was proposed that as there are funds available to distribute to creditors other than via the Prescribed Part, BHS Group Limited and Lowland Homes Limited will be placed into CVL and Anthony John Wright and Geoffrey Paul Rowley of FRP Advisory LLP be appointed Joint Liquidators. This revision to the Proposals was approved by creditors on 1 December 2017 by the deemed consent process.
- 2.4.2 The Joint Administrators are pursuing the second objective as it is likely that a better result for the Companies' creditors as a whole will be achieved than if the Companies were wound up without first being in Administration for the following reasons:
- In addition to being Joint Administrators of the Companies, the Joint Administrators were also appointed Joint Administrators to the Group's principal trading subsidiary BHS. BHS had continued to trade during its Administration in order to seek to achieve a going concern sale of its business and assets and thereby enhance realisations for its creditors. By placing the Companies into Administration it should help to maximise the realisable value of the Companies' assets (particularly freehold and leasehold properties) which could have been included in any going concern sale of BHS's business

rather than realised through a distressed disposal strategy from a winding-up. As previously reported, a sale of the whole group has not been possible and an orderly wind down has been pursued.

- The Joint Administrators of each of the Companies have been able to undertake their investigations into the Companies' affairs on a Group wide basis which may enhance any recoveries that might be realisable as a result of such investigations for the benefit of the Companies' creditors.

2.4.3 A copy of the Proposals for each of the Companies are attached at Appendix 2.

### 3. Progress of the Administrations

#### Asset Realisations

##### Book debts

- 3.1 None of the Companies had any third-party debtors.
- 3.2 The inter-company debtor position is as follows. Please note that none of these accounts have been settled:

Owed To	Owed By	
	BHS Group Limited £'000	BHS £'000
BHS	48,793	
Davenbush		31,390
Lowland		14,322
	<u>48,793</u>	<u>45,712</u>

- 3.3 As previously reported, it is anticipated that Davenbush and Lowland Homes will receive an unsecured dividend distribution from BHS, however, the quantum and timing is unknown. It is likely that BHS Group Limited will be able to pay a dividend to BHS.
- 3.4 BHS Group Limited entered into a loan agreement with RAL, its parent company, in December 2015, in the sum of £6.1m. The Joint Administrators believed that RAL was in default and, accordingly, the outstanding principal sum, together with interest, was payable. In the absence of payment of the debt, the Joint Administrators petitioned the High Court of Justice for RAL to be wound-up.
- 3.5 RAL was wound up on 3 May 2017. The ultimate financial recovery for the creditors of BHS Group Limited is not yet known as it will be dependent upon realising any assets of RAL, an investigation into its financial affairs, and the extent of liabilities or claims which may be made against it either by BHS Group Limited or others.
- 3.6 BHS Group Limited submitted an unsecured claim in the liquidation of SHB (Jersey) Limited. The Joint Liquidators of SHB (Jersey) Limited paid an interim dividend to BHS Group Limited, and the sum of £536,400 was remitted in the Period.

- 3.7 SHB (Jersey) Limited is due an inter-company debt from BHS and this is the final anticipated asset realisation in SHB (Jersey) Limited. To allow the liquidation of SHB (Jersey) Limited to be concluded, the Joint Liquidators of SHB (Jersey) Limited are in the process of assigning any rights to future realisations direct to BHS Group Limited, who is the major creditor in the estate of SHB (Jersey) Limited.

#### **Investments**

- 3.8 SHB Properties and BHS Group Limited hold an investment (shareholding) in Carmen. HSBC holds a fixed charge over the shares of Carmen and separate legal charges over Carmen's property undertakings.
- 3.9 Carmen owns 100% of the shares in several property holding companies which in turn own several properties from which BHS traded. Based on current information there is unlikely to be a return on this investment.
- 3.10 Carmen has continued to dispose of freehold properties in which it has held an interest, and the respective net proceeds of sale have been remitted to HSBC. There are 2 freehold properties which remain to be sold.

#### **Rent**

- 3.11 Under the terms of the surrender of the Glasgow property, Davenbush paid the sum of £81,767.30 to the head landlord in respect of BHS's trading period rent. Davenbush was reimbursed this sum from the Joint Liquidators of BHS. There are no further sums due in this regard.

#### **Bank Interest and Sundry Income**

BHS Group Limited and Davenbush

- 3.12 As detailed in the receipts and payments account there has been nominal receipts in regard to Sundry Income and Bank Interest.

Lowland Homes

- 3.12 There have been no realisations as there are no assets.

#### **Extension to Period of Administration**

- 3.13 The duration of the Administration for BHS Group Limited and Lowland has been extended for a period of 12 months to 24 April 2018 by the consent of each secured creditor in accordance with para 78 Schedule B1 of the Act, and by the consent of the creditors in accordance with para 78 Schedule B1 of the Act for Davenbush.
- 3.14 As Arcadia has now released their security, it is likely there will be a distribution to the unsecured creditors of BHS Group, Lowland Homes and Davenbush as such the Joint Administrators will take the necessary steps to place the Companies into CVL appointing Anthony Wright and Geoffrey Rowley as Joint Liquidators. This was deemed approved by creditors as of 1 December 2017.

#### **4. Investigations**

- 4.1 The Joint Administrators have filed their confidential report with the DBEIS regarding the conduct of the Directors of the Companies. As reported previously, investigations are currently ongoing and details of these will be passed to the Joint Liquidators once they are appointed.

## **5. Liabilities and Dividends**

### **Secured Creditors**

#### Arcadia

- 5.1 Each of the Companies has granted a debenture, containing a floating charge, to Arcadia covering all of the property (excluding certain real property assets) and undertaking of each of the Companies. The charges were created on 14 April 2015 and registered on 23 April 2015. The charges were granted in accordance with the agreement for the sale of the entire share capital of BHS Group Limited on 11 March 2015. These floating charges secure a debt of up to £40m due to Arcadia. The debt outstanding to Arcadia at the Appointment Date was £35m, subject to accruing interest and charges.
- 5.2 The validity of Arcadia's charge has been confirmed by DLA as part of a wider settlement of other amounts due to Arcadia, however, following discussions between Arcadia and the Joint Liquidators of BHS, Arcadia has released its charge against the Companies and will not be receiving a dividend from any estate.

#### Grovepoint

- 5.3 Davenbush and SHB Properties granted a legal charge dated 11 September 2015 to Grovepoint over a property portfolio covering ten freehold and leasehold properties owned by SHB Properties and BHS and one leasehold property owned by Davenbush. These charges secured a principal debt of £19m due to Grovepoint at the Appointment Date.
- 5.4 Grovepoint has been repaid in full from distributions under its fixed charge security following the sale of properties owned by BHS Properties and BHS.

#### HSBC

- 5.5 SHB Properties and BHS Group Limited granted a fixed charge over the shares they held in Carmen and EPOCH (both Jersey registered entities) to HSBC. At the Appointment date, HSBC was owed £43.5m by Carmen and £11.3m by BHS Group Limited. BHS Properties and BHS Group Limited are guarantors to these facilities.
- 5.6 Following the sale of the shares in EPOCH, £17.7m was distributed direct to HSBC after deductions of professional costs. This extinguished the liability of BHS Group and the balance of £6.4m was set off against the sums owed by Carmen.
- 5.7 The Joint Administrators estimate that HSBC will receive further returns from property realisations under its fixed charge security over the remaining properties within Carmen.

### **Preferential Creditors**

- 5.8 The Companies did not have any employees at the Appointment Date. All employee contracts were held by BHS. For this reason, there were no preferential claims that arose in the Administrations of the Companies.

### **Prescribed Part**

- 5.9 The Companies granted floating charges to Arcadia Group on 14 April 2015, however this charge was released so the Prescribed Part provisions no longer apply.

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## Unsecured Creditors

- 5.10 Claims received to date against each of the Companies are as follows:

Company	Claims received £'000
BHS Group Limited	3,481
Lowland	2,958
Davenbush	344,271

- 5.11 Since Arcadia has released its charge in the Companies, it is anticipated that the unsecured creditors of BHS Group Limited, Lowland Homes and Davenbush may receive a dividend as the Prescribed Part provisions no longer apply. It is not possible to provide an estimate of the level of any such dividend at this time. The next update will be provided by the Joint Liquidators.

- 5.12 If not already done so creditors of the Companies should complete the appropriate proof of debt form and return it to the Joint Liquidators.

## 6. Pre-Administration Costs

- 6.1 As advised previously, the Joint Administrators will not draw any Pre-Appointment costs from the Companies as the work undertaken was primarily to plan for the Administration and continued trading of BHS.

## 7. Joint Administrators' Costs and Expenses

### Joint Administrators' Remuneration

- 7.1 In the cases of BHS Group Limited and Lowland, the Joint Administrators' basis of remuneration was approved on the basis of time properly given by them and their staff by the Secured Creditors on 22 June 2016. The Joint Administrators' disbursements, including Category 2 disbursements, were also approved on that date.
- 7.2 In the case of Davenbush, the Joint Administrators' basis of remuneration was fixed on the basis of time properly given at the creditors' meeting held on 30 June 2016. The creditors approved modifications to the Joint Administrators' Proposals to the effect that future costs are reduced by 15% (based on Duff & Phelps' current regional charge-out rates) and fees are to be drawn with the prior approval of the majority of voting creditors by value.

### The Companies

- 7.3 During the Administrations, time costs have primarily been incurred in the following areas:
- Case strategy, administration and fulfilling statutory requirements;
  - Continuing Investigations into the conduct of directors and pre-appointment transactions;
  - Liaising with Secured Creditors in respect of property matters;
  - Managing the marketing and disposal of properties and collection of sub-tenant rents;
  - Liaising with HM Revenue & Customs and dealing with the tax affairs of the Group;
  - Substantiating and pursuing the debtor balance due from RAL in the case of BHS Group Limited.
- 7.4 A statement of creditors' rights concerning the Joint Administrators' fees is enclosed as Appendix 5.

- 7.5 The Joint Administrators have incurred disbursements and expenses in dealing with the Administrations of the companies. These are detailed in Appendix 4 and are broken down for each of the Companies in regards to the Reporting Period and their respective Administration as a whole.

**BHS Group Limited**

- 7.6 The time costs charged in the Reporting Period for BHS Group Limited by the Joint Administrators total £15,984.50 representing 60.75 hours and an average charge out rate of £263 per hour. Time costs are charged in six minute units and are as analysed at Appendix 3. The latest fee estimate for the whole period of the Administration in the sum of £244,460 was approved by the Secured Creditor of the Company.
- 7.7 The total time costs incurred in the Administration total £283,296 representing 873 hours and an average charge out rate of £324 per hour. These costs are analysed at Appendix 3.
- 7.8 Time costs in the sum of £169,186 were paid in the Reporting Period in respect of the Joint Administrators' post appointment remuneration.

**Davenbush**

- 7.9 The time costs charged in the Reporting Period for Davenbush by the Joint Administrators total £4,155 representing 15.25 hours and an average charge out rate of £272 per hour. Time costs are charged in six minute units and are as analysed at Appendix 4.
- 7.10 The total time costs incurred in the Administration total £69,888 representing 256 hours and an average charge out rate of £273 per hour. These costs are analysed at Appendix 4.
- 7.11 Time costs in the sum of £35,365 have been paid in the Reporting Period in respect of the Joint Administrators' post appointment remuneration.

**Lowland Homes**

- 7.12 The time costs charged in the Reporting Period for Lowland Homes by the Joint Administrators total £6,073 representing 23.65 hours and an average charge out rate of £257 per hour. Time costs are charged in six minute units and are as analysed at Appendix 3. The latest fee estimate for the whole period of the Administration in the sum of £53,486 was approved by the secured creditor.
- 7.13 The total time costs incurred in the Administration total £51,920 representing 181 hours and an average charge out rate of £287 per hour. These costs are analysed at Appendix 3
- 7.14 Time costs have not been paid in the Reporting Period in respect of the Joint Administrators' post appointment remuneration.

**8. Joint Administrators' Receipts and Payments Account**

- 8.1 A detailed receipts and payments account for the Reporting Period and for the whole of the Administration is shown at Appendix 3.
- 8.3 As at the date of this report, the balances for the Companies are detailed in the table below:

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Company	Balance (£)
BHS Group Limited	81,689

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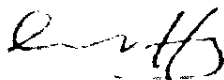
Lowland	0
Davenbush	156,635

**9. Creditors' Rights**

- 9.1 Information regarding the fees and disbursements of administrators, including the rights to challenge such costs, are attached at Appendix 5.

**10. Conclusion and Ending the Administration**

- 10.1 The Joint Administrators consider that they are now in a position to conclude the Administration and cease to act. No further reports will be issued. As outlined previously, it is the intention of the Joint Administrators to exit the Administrations of the Companies into Creditors' Voluntary Liquidations.
- 10.2 Anthony Wright and Geoffrey Rowley of FRP Advisory will appointed as Joint Liquidators to the Companies following filing of the Notice of Move from Administration to Creditors' Voluntary Liquidation by the Joint Administrators on 9 January 2018 by the Registrar of Companies. The assets that remain to be dealt with in the Liquidation of the Companies are:
- Balance of funds from the Administration account,
  - VAT recoverable in respect of the administration period,
  - Inter-company debtors, and
  - Investigations.
- 10.3 Creditors have resolved that the Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Act upon filing the end of the Administration or their appointment otherwise ceasing.
- 10.4 All future enquiries should be directed to Patrick Donnan of FRP Advisory LLP on 0203 005 4000 or email [Patrick.Donnan@frpadvisory.com](mailto:Patrick.Donnan@frpadvisory.com) to be handled by the Joint Liquidators.



**Philip Duffy**  
Joint Administrator

The affairs, business and property of the Companies are being managed by the Joint Administrators, Philip Duffy and Benjamin Wiles, who act as agents for the Companies and without personal liability. Both are licensed by the Insolvency Practitioners Association

## **Appendix 1**

### **Statutory Information**



**BHS Group Limited, Davenbush Limited and  
Lowland Homes Limited (All in Administration)**  
**Progress Report to Creditors**  
**29 December 2017**

<b>Statutory Information</b>	<b>BHS Group Limited</b>	<b>Davenbush Limited</b>	<b>Lowland Homes Limited</b>
<b>Date of Incorporation</b>	14 October 1999	30 January 1989	15 September 2005
<b>Registered Number</b>	03858895	02341207	05565259
<b>Company Directors</b>	Dominic Chappell Dominic Chandler (Resigned 6 July 2016) Lennart Henningson (Resigned 8 September 2016) Keith Smith Darren Topp	Dominic Chappell Dominic Chandler (Resigned 6 July 2016) Lennart Henningson (Resigned 8 September 2016)	Dominic Chappell Dominic Chandler (Resigned 6 July 2016) Lennart Henningson (Resigned 8 September 2016)
<b>Company Secretary</b>	Emma Reid (Resigned 13 July 2016)	Emma (Resigned 13 July 2016)	Emma Reid (Resigned 13 July 2016)
<b>Shareholders</b>	Retail Acquisitions Limited 42 000 000 Ordinary Shares	BHS Group Limited 912 Ordinary Shares	BHS Limited 2 Ordinary Shares
<b>Trading Address</b>	129-137 Marylebone Road London, NW1 5QD	129-137 Marylebone Road London, NW1 5QD	129-137 Marylebone Road London, NW1 5QD
<b>Registered Office</b>	<b>Current:</b> c/o Duff & Phelps Ltd The Shard 32 London Bridge Street London, SE1 9SG  <b>Former</b> 129-137 Marylebone Road London, NW1 5QD	<b>Current:</b> c/o Duff & Phelps Ltd The Shard 32 London Bridge Street London, SE1 9SG  <b>Former</b> 129-137 Marylebone Road London, NW1 5QD	<b>Current:</b> c/o Duff & Phelps Ltd The Shard 32 London Bridge Street London, SE1 9SG  <b>Former</b> 129-137 Marylebone Road London, NW1 5QD
<b>Any Other Trading Names</b>	N/A	N/A	N/A

## **Appendix 2**

### **Approved Proposals**

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**DUFF & PHELPS**

## Report to Creditors

13 June 2016

**BHS Group Limited  
BHS Properties Limited  
BHS Services Limited  
Davenbush Limited  
Lowland Homes Limited  
(All In Administration)**

*Joint Administrators' Report to Creditors and Statement of Proposals  
for the period from 25 April 2016 to 27 May 2016  
Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986*

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

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**DUFF & PHELPS**

- 12.3 If it transpires asset realisations are sufficient to enable a distribution to be made to the non-preferential unsecured creditors at a level greater than the Prescribed Part, the Joint Administrators are likely to recommend that the Companies be moved into Creditors' Voluntary Liquidation ("CVL")
- 12.4 It is proposed that the Joint Administrators, currently Philip Duffy and Benjamin Wiles of Duff & Phelps be appointed as Joint Liquidators of the Companies should they be placed into CVL.
- 12.5 In the event that there are insufficient realisations to permit a distribution to the non-preferential unsecured creditors the Joint Administrators recommend that the Companies be dissolved. In this event, it is proposed that once all outstanding matters have been satisfactorily completed, the Joint Administrators will give notice to the Registrar of Companies under Paragraph 84 of the Act to the effect that the Companies have no property to realise which might permit a distribution to the non-preferential unsecured creditors at which time the Administrations will cease. The Companies will be dissolved three months following the registration of the notice at the Registrar of Companies.
- 12.6 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.
13. Joint Administrators' Proposals
- 13.1 The Joint Administrators propose the following in respect of each of the Companies.
- 13.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect
- 13.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- 13.1.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.
- 13.1.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential unsecured creditors (other than under the prescribed part) take the necessary steps to put the company into either CVL or into Compulsory Liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Philip Duffy and Benjamin Wiles of Duff & Phelps would act as Joint Liquidators should the company be placed into CVL, in accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 2.117A of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.
- 13.1.5 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing
- 13.1.6 That the Joint Administrators' remuneration, where a Creditors' Committee is not established, be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration

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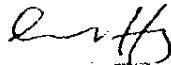
DUFF & PHELPS

BHS Group Limited, Davenbush Limited and  
Lowland Homes Limited (All in Administration)  
Progress Report to Creditors  
29 December 2017

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BHS Group Limited, BHS Properties Limited, BHS Services Limited,  
Davenbush Limited and Lowland Homes Limited (All in Administration)  
Joint Administrators' Report to Creditors and Statement of Proposals  
13 June 2016

- 13.1.7 That where a Creditors' Committee is not established, the Joint Administrators' Fee Estimate in the total sum of £60,305 for BHS Properties and £35,365 for Davenbush is approved
- 13.1.8 That the Joint Administrators be authorised, where a Creditors' Committee is not established, to draw their Cat 2 Disbursements
- BHS Properties and Davenbush
- 13.2 Creditors will be asked to vote on the acceptance of the above proposals at the creditors meeting on 30 June 2016
- BHS Group Limited, BHS Services and Lowland
- 13.3 Pursuant to Rule 2.33(5) of the Rules, the proposals in paragraphs 13.1.1 – 13.1.8 shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 11.5 above, provided that no meeting has been so requisitioned
- 13.4 The Joint Administrators will be seeking the following specific resolutions from the Secured Creditors:
- 13.4.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administrations or their appointment otherwise ceasing.
- 13.4.2 That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administrations
- 13.4.3 That the Joint Administrators' Fee Estimate in the total sum of £55,970 for BHS Group Limited, £25,290 for BHS Services and £25,195 for Lowland is approved.
- 13.4.4 That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements")
14. Other Matters
- 14.1 If any creditor has any information concerning the Companies' affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them
- If you require further information or assistance, please do not hesitate to contact the Joint Administrators' staff on 0121 214 1120.



Philip Duffy  
Joint Administrator  
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The affairs, business and property of the Companies are being managed by the Joint Administrators, Philip Duffy and Benjamin Wiles, who act as agents for the Companies and without personal liability. They are licensed in the UK by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics.

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