In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

THURSDAY

A7YAJ8MQ
A11 31/01/2019 #263
COMPANIES HOUSE

ı, please
ıt
ıshouse

1 Company details

Company number	0 5 9 8 1 9 1 7
Company name in full	PHTR Realisations Limited
	(Formerly Temple Retail Limited)

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

2 Administrator's name

Full forename(s)	Robert James
Surname	Harding

3 Administrator's address

Building name/number	Four Brindleyplace
Street	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Philip Stephen
Surname	Bowers

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	Four Brindleyplace
Street	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	

❷ **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	d0 d4 m0 m7 y2 y0 y1 y8
To date	d0 d3 m0 m1 y2 y0 y1 y9

7 **Progress report**

☑ I attach a copy of the progress report

8 **Sign and date**

Administrator's signature	Signature X [signature] X
Signature date	d3 d0 m0 m1 y2 y0 y1 y9

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	Harrison Kruger
Company name	Deloitte LLP
Address	Four Brindleyplace
	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	
DX	
Telephone	+44 121 632 6000

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

Deloitte.

PHTR Realisations Limited (Formerly Temple Retail Limited) ("PHTR") and PHF Realisations Limited (Formerly Perfect Home Finance Ltd) ("PHF") (both in administration) (together "the Companies")

High Court of Justice
Business and Property Courts
of England and Wales

PHTR
Court Case No. 005598 of 2018
Companies Number: 5981917

PHF
Court Case No. 005599 of 2018
Companies Number: 06020013

Registered Office:
c/o Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Progress report to creditors for the period 4 July 2018 to 3 January 2019 pursuant to Rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Robert James Harding and Philip Stephen Bowers ("the Joint Administrators") were appointed Joint Administrators of the Companies on 4 July 2018 by Kaluga Investments S.À.R.L of 6 rue Eugène Ruppert, L-2453 Luxembourg in its capacity as Security Agent, having been invited to do so by the directors of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

30 January 2019

Contents

Contents	1
Key messages	2
Progress of the administration	4
Information for creditors	9
Remuneration and expenses	11

Key messages

Key messages

Joint Administrators of the Companies

Robert James Harding

Philip Stephen Bowers

Deloitte LLP

1 New Street Square

London

EC4A 3HQ

Contact details

Email:

roluff@deloitte.co.uk

Website:

www.deloitte.com/uk/perfecthome

Tel: +44 115 936 0788

	Commentary
Purpose of administration	• The purpose of the administrations is to achieve a better result for the Companies' creditors as a whole than a liquidation.
Progress of administration	• The Companies ceased trading on 4 July 2018. The business and assets of the Companies were sold in a pre-packaged transaction on 5 July 2018 for a total consideration of £14.6m to Brixworth Investment (UK) Limited ("the Purchaser"), an SPV affiliated to Elliott Advisers (UK) Limited ("Elliott"). Kaluga Investments S.A.R.L ("the Senior Lender") is an associated entity within the same group as Elliott. **PHF** • £1 has been received in relation to the sales consideration agreed with the Purchaser. **PHTR** • Funds of £586.7k have been received into the estate in relation to sale proceeds. Further information is detailed on Page 5. • The Purchaser was granted a license to occupy 5 of the 48 leasehold premises for which PHTR was the legal tenant upon appointment. • £49.2k of licence fees have been received in the period, which was subsequently paid to the landlords in relation to rent, service charge, insurance and VAT. • Business rates refunds totalling c.£125k have been received and will be paid over the Purchaser in line with the terms of the sale and purchase agreement.
Costs	• No costs have been incurred in PHF. The following is in relation to PHTR: • The basis of our fees has been fixed as a set amount of £375k + VAT. No amounts have been drawn in the report period, however £300k has been drawn after the period to which this report relates. A further £60k, representing the VAT on our £300k fee, will be drawn shortly. • Disbursements of £1,344 have been incurred in the report period which is in excess of our initial estimate. Please refer to Page 13 for further details. • Third party costs of £54,284 + VAT have been incurred in the report period which is in excess of our initial estimate. Please refer to Page 7 for further details.
Outstanding matters	• There are no further asset realisations expected. • We continue to liaise with landlords of PHTR's pre-existing property portfolio in order to surrender the premises and quantify their claims in the administration. • All other unsecured creditor claims will be agreed to enable a Prescribed Part distribution to be made to this class of creditor as soon as reasonably practicable. • Closure of the administration.
Dividend prospects	• Secured creditors will not be repaid in full. • There are no preferential creditors. • Unsecured creditors will be paid an estimated prescribed part dividend of 0.6p/£, however this depends on the final adjudication of the quantum of creditor claims.
Extension to administration period	• We do not anticipate that it will be necessary to extend the period of the administration which is due to end on or before 3 July 2019.

Progress of the administration

Summary	5
Receipts and payments	8

Progress of the administration

Work done during the report period

Sale of business

The business and assets of the Companies were sold to the Purchaser, on 5 July 2018 ("the Transaction"). Following the Transaction, there are no further assets to realise.

Sale consideration

Consideration for the Transaction was £14.6m and is made up of cash of £586.7k, and credit of £14.0m. Funds were received on 9 July 2018.

Prior to executing the Transaction the Administrators transferred the business and assets of PHTR to a newly incorporated subsidiary, Coleshill Retail Limited ("CR"). This rationalisation was a requirement of the Purchaser, and was therefore implemented in order to facilitate the Transaction. CR was sold to the Purchaser for £1, but consideration is allocated to the hived down assets as though they were sold by PHTR to the Purchaser.

The £14.6m consideration represents an appropriate split between the fixed and floating charge assets, as shown below:

Sale by PHTR

Fixed charge assets:

- TF and CR shares: each £1
- CH shares: deferred consideration of £1

Floating charge assets (hived down to CR):

- Stock: £244.6k
- Fixtures and fittings: £196k
- Prepayments: £69k
- VAT reclaim debtor: £77.1k
- Other assets: £10

Gross floating charge realisations: £586,710

Sale by PHF

Fixed charge assets:

- PHC Shares: £1

Assets owned by other Group entities

The balance of the offer consideration (being £14.0m) is allocated to the assets of Perfect Home Capital Limited, Temple Finance Limited and Coleshill Holding Limited, of which all are other entities owned by Management/Perfect Home Holdings Limited, the parent company. It has been provided by the Senior Lender agreeing to roll over the existing secured debt.

Leasehold property

PHTR operated from 48 leasehold properties, but was only trading from 5 of these sites at the time of administration. The Purchaser was granted a license to occupy the 5 trading sites, for a fee of £37k, in order to secure a lease or clear and vacate the premises. This increased to £49.2k upon extension for the licence to occupy of one of the sites. The same amount was paid to the landlords in respect of rent, service charges, insurance and the associated irrecoverable VAT.

We have entered into correspondence with the landlords of the other leasehold sites in relation to their unsecured claims in the administration.

Legal advice from Pinsent Masons LLP ("Pinsents") has been required in relation to the various properties and leases.

Business rates due to Purchaser

Business rates refunds in PHTR totalling £125k have been received and will be passed over to CR as per the sale and purchase agreement.

Creditors

We have received total claims within PHTR from unsecured creditors for £7.6m, with HMRC making up 68.5% of this balance.

In regards to PHF, we have received only one unsecured creditor claim totalling £2.8m from HMRC.

Progress of the administration
Summary

Work done during the report period (continued)

Statutory tasks

During the period, we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- statutory appointment notifications to ensure all the appropriate parties are notified accordingly of the administration;
- case set-up and management actions including updating the insolvency website for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- statutory reporting;
- correspondence received from the Companies' creditors has been responded to and filed appropriately; and
- cashiering functions including the preparation of monthly bank account reconciliations and various payments.

These tasks are a necessary part of the engagement, but do not generate any direct financial benefit for creditors.

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential report to the Insolvency Service on 4 October 2018.

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

Having completed this review no further avenues of recovery have been identified. If you have any information that you feel should be brought to our attention, please contact us in writing using the contact details on Page 1 above.

Progress of the administration
Summary

Work done during the report period (continued)

Cost of the work done during the report period

The costs and expenses incurred during the report period are detailed below. Overall, we anticipate that the total costs and expenses will exceed the estimates provided in our Proposals as shown below. All costs are incurred in PHTR only:

- Statutory advertising costs of £85 have been paid
- Statutory bonding costs of £230 have been paid.
- Legal Costs – we have instructed Pinsent Masons LLP to assist in the following matters;
  - Advising on the Transaction and documents relating to the sale of business. Pre-appointment time costs have been paid in full;
  - Pinsents have also been instructed to provide general legal advice during the administration, which will include (but not be limited to) advising on:
    - Post appointment formalities;
    - Validity of appointment;
    - Post Transaction completion obligations;
    - Licences to occupy and associated matters; and
    - Property matters generally

To date they have billed £53,957 plus £12 of disbursements + VAT. This exceeds the original estimate of £50k + VAT due to an increased amount of work associated with the property related matters and other assistance in relation to the Joint Administrators carrying out their functions.

The above costs totalling £54,284 + VAT have been paid as shown in the receipts and payments account on Page 8.

  - It is noted that Pinsent Masons LLP have also received £4,250 plus £105 + VAT by way of a third party contribution and therefore not deducted from estate funds.

- Joint Administrators' remuneration.

All professional costs are reviewed and analysed in detail before payment was approved

Further information on these costs are provided on Page 13.

Progress of the administration

PHTR

Receipts and payments

Joint Administrators' receipts and payments account 04 July 2018 to 03 January 2019

£	SoA values	Notes	To date
Receipts			
Furniture & Equipment	196,000	1	196,000
Stock	244,600	1	244,600
VAT Receivable	77,000	1	77,100
Prepayments	69,000	1	69,000
Other		1	10
Licence fee		2	49,246
Rates Refund		3	124,965
Contribution to legal costs - various		4	5,136
Bank Interest Gross		6	559
Total receipts	-		**766,615**
Payments			
Legal Fees			53,957
Legal Disbursements			12
Legal Fees - paid by third party			4,250
Legal Disbursements - paid by third party			105
Rents Payable		2	38,053
Service Charge		2	766
Property Insurance		2	2,219
Irrecoverable VAT		2	8,208
Insurance of Assets			1,176
Specific Bond			230
Storage Costs			33
Statutory Advertising			85
Bank Charges			1
Senior Lender			82,501
Barclays Bank Plc			83,862
Total payments			**275,457**
Balance			**491,159**
Made up of:			
VAT Receivable		5	11,688
Floating Chge Deposit A/c		6	354,506
Rates refunds owed to the Purchaser		3	124,965
Balance in hand			**491,159**

A receipts and payments account is provided opposite, detailing all the transactions in the administration from 4 July 2018 to 3 January 2019 for PHTR.

Notes to receipts and payments account

Note 1 – £586,710 was realised from sale proceeds of the Company's business and Assets, including Furniture & Equipment, Stock, VAT Receivable, Prepayments and Other, as shown opposite, in addition to a £14m credit as detailed in the Proposals.

Note 2 – Licences to Occupy were granted to the Purchaser for a number of sites in respect of rent, service charge, insurance and the associated irrecoverable VAT totalling £49.2k.

Note 3 – Under the terms of the SPA, the Purchaser are entitled to all rates refunds in relation the Company's old property portfolio. These amounts will be paid to the Purchaser in due course.

Note 4 – These costs have been incurred in relation to lease surrenders but payment has been made by a third party, with the VAT element recoverable by the estate.

Note 5 – All sums shown above are shown net of VAT, which is recoverable for all non-property charges and will be accounted for to HM Revenue & Customs in due course.

Note 6 – All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

This report has been prepared using numeric tables prepared on Excel spreadsheets. As figures have been rounded apparent summing errors may appear in certain tables herein.

Progress of the administration

PHF

Receipts and payments

Joint Administrators' receipts and payments account
04 July 2018 to 03 January 2019

£	SoA values	Notes	To date
Receipts			
Sales consideration	1	1	1
Total receipts	-		**1**
Payments			
Total payments			-
Balance			**1**
Made up of:			
Floating Chge Deposit A/c		1	1
Balance in hand			**1**

A receipts and payments account is provided opposite, *detailing all the transactions in the* administration from 4 July 2018 to 3 January 2019 for PHTR.

Notes to receipts and payments account

Note 1 - All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Information for creditors

Outcome 11

Information for creditors

Outcome

Estimated outcome for creditors

Secured creditors

In summary terms, all of the Group's assets were charged in a security package, firstly for the benefit of the Senior Lender (created on 5 December 2017), then for the benefit of Barclays Bank Plc ("Barclays")(created in 2 February 2002) and then for the benefit of Aaron's Inc. ("the Junior Lender") (created on 5 December 2017). Amounts outstanding at appointment were:

- Senior Lender - £14.0m
- Barclays - £0.1m
- Junior Lender - £17.1m

Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditors in full. During the period the Senior Lender has received £82.5k and Barclays has received £84k.

Preferential creditors

Preferential creditors consist of amounts owed to the Companies' employees for arrears of wages, holiday pay and pension contributions.

PHF had no employees.

PHTR's employees were jointly employed by three other Group companies. Temple Finance Limited continued to meet all ongoing employee obligations. As there were no amounts due as at the date of appointment, there are no preferential creditors of PHTR.

Prescribed Part

As detailed in the Proposals, we anticipate that there will be a Prescribed Part fund available for distribution to unsecured creditors of PHTR only. No dividend will be available from PHF.

We currently estimate that PHTR will have net property of c.£212k and a Prescribed Part fund of c.£45k will be available for distribution to unsecured creditors. This amount is subject to deduction of the associated costs of making the distribution, which chiefly comprise our time costs for agreeing creditors' claims and processing the distribution.

It is estimated that a dividend will be paid from the administration prior to expiration.

Unsecured creditors

On present information insufficient funds will be realised to enable a dividend to be paid to unsecured creditors, other than the Prescribed Part distribution referred to opposite.

Claims process

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less, unless you wish to vote in this decision, or any other, decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Companies' records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on Page 1, marked for the attention of Robert Luff.

Extensions to the administration

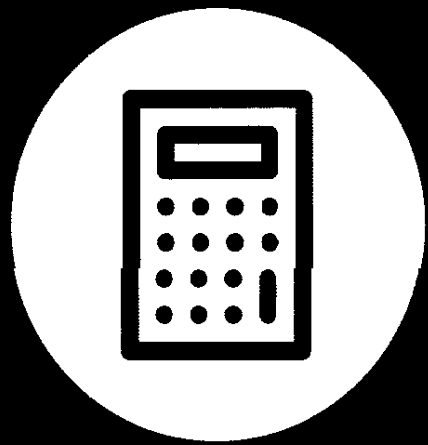
We do not anticipate that it will be necessary to extend the period of the administration which is due to end on or before 3 July 2019.

Exit

As no funds are anticipated to be distributed to unsecured creditors we consider that dissolution to be the most appropriate exit route from administration.

Remuneration and expenses

Joint Administrators' remuneration 13



Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/perfecthome.

Should you require a paper copy, please send your request in writing to us at the address on Page 1 of this report and this will be provided to you at no cost.

Basis of remuneration

PHTR

The basis of our remuneration was fixed and agreed on 11 June 2018 by the Junior Lender, 12 September 2018 by the Senior Lender and 26 September 2018 by Barclays as a set amount of £375k + VAT thereon.

Our receipts and payments account on Page 8 shows that no remuneration has been drawn from funds held in the administration account in the period. However, in the interim period prior to the date of this report £300k was drawn with an additional £60k intended to be drawn shortly.

PHF

No fees are intended to be drawn from the administration and fee basis has therefore not been sought.

Remuneration and expenses
Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Disbursements

No disbursements have been incurred in PHF.

In PHTR, our disbursements to date are in excess of our estimates provided in the Proposals and are summarised below:

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by secured creditors on 9 December 2018.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Details of all disbursements (incurred solely in PHTR per the above) are given below and from which it can be seen that no amounts have yet been recovered.

Category 1 disbursements

£ (net)	Estimate in proposals	Incurred in report period
Postage/Couriers	300	739
Advertising		85
Bonding		20
Total disbursements	**300**	**844**

Category 2 disbursements

£ (net)	Estimate in proposals	Incurred in report period
Website set up		500
Total disbursements	**-**	**500**

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.