In accordance with Rule 3.93(1) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

AM10 (Scot)

Notice of administrator's progress report

Companies House

TUESDAY
SAIDKBE0
SCT 30/11/2021 #134
COMPANIES HOUSE

1 Company details

Company number	S C 2 8 5 0 3 1
Company name in full	PSL2021 Realisations Limited

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

2 Administrator's name

Full forename(s)	Anthony John
Surname	Wright

3 Administrator's address

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

4 Administrator's name ❶

Full forename(s)	Alastair Rex
Surname	Massey

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

5 Administrator's address ❷

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

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

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

From date	19 05 2021
To date	18 11 2021

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X *[signature]* X
Signature date	26 11 2021

AM10 (Scot)
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: Matthew Kesek

Company name: FRP Advisory Trading Limited

Address: 2nd Floor
110 Cannon Street

Post town: London

County/Region:

Postcode: E C 4 N 6 E U

Country:

DX: cp.london@frpadvisory.com

Telephone: 020 3005 4000

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,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.

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

PSL2021 Realisations Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £		From 19/05/2021 To 18/11/2021 £	From 19/11/2020 To 18/11/2021 £
	POST APPOINTMENT SALES		
	Sales	NIL	22,136,169.35
	Royalties	39,009.00	54,636.69
	Rent received	NIL	30,282.72
	Management fee	1,931,816.50	2,193,149.83
		1,970,825.50	24,414,238.59
	PURCHASES		
	Stock	NIL	4,472,813.36
		NIL	(4,472,813.36)
	OTHER DIRECT COSTS		
	Sub Contractors	NIL	2,745.00
	Direct Wages	(418,234.80)	8,422,680.47
	Direct Expenses	NIL	1,283.82
	Consumable Stores	NIL	71,634.63
		418,234.80	(8,498,343.92)
	TRADING EXPENDITURE		
	Rents	1,075,847.05	5,049,811.63
	Utilities	206,484.85	1,808,708.92
	Fleet Hire	NIL	94,800.75
	Telephone / internet	1,647.59	145,772.91
	Concessions / Commissions	7,658.89	346,734.19
	Insurance	NIL	443,467.32
	Professional Fees	NIL	1,800.00
	Bank Charges - Trading	NIL	10,867.15
	Security costs	42,767.56	164,904.89
	Hire of Equipment	NIL	149,225.91
	Repair, Maintenance & Waste	632.67	143,024.94
	Sundry Expenses	NIL	5,329.86
	Marketing / Advertising	2,800.00	514,316.43
	Stationary and postage	8,617.97	16,841.28
	Courier services & postages	NIL	635,934.62
	IT costs	47.04	931,044.74
	Payroll costs	NIL	1,606.76
	Transport	(1,255.00)	1,587,941.31
	Duty	NIL	19,927.48
	Subscriptions	NIL	12,963.16
	Employee expenses	NIL	477.22
	Staff welfare	695.00	5,619.58
	Customer refunds	(9.77)	706.74
		(1,345,933.85)	(12,091,827.79)
	TRADING SURPLUS/(DEFICIT)	**1,043,126.45**	**(648,746.48)**

PSL2021 Realisations Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 19/05/2021 To 18/11/2021 £	From 19/11/2020 To 18/11/2021 £
	SECURED ASSETS		
	Goodwill	NIL	1.00
	Intellectual Property	NIL	2,460,000.00
		NIL	2,460,001.00
	SECURED CREDITORS		
	Chargeholder	NIL	2,460,001.00
		NIL	(2,460,001.00)
	ASSET REALISATIONS		
	Bank Interest Gross	2,005.28	3,445.30
	Book Debts	NIL	125,796.68
	Cash at Bank	5,079,925.90	14,505,130.91
	Equipment option	NIL	1.00
	Furniture & Equipment	NIL	1,444,563.00
	Insurance Refund	5,140.61	5,140.61
	Intercharge refund	206,969.32	206,969.32
	Intercompany debt	NIL	21,608,505.00
	Licenses	NIL	1.00
	Rates refund	495,474.20	600,875.23
	Records	NIL	1.00
	Rent refund	2,430.29	2,430.29
	Retail Store Option	NIL	1.00
	Scottish equipment option	NIL	1.00
	Scottish store option	NIL	1.00
	Stock	NIL	14,500,000.00
	Store floats	NIL	45,430.00
	Sundry refund	9,890.24	14,344.68
	Trading Surplus/(Deficit)	1,043,126.45	(648,746.48)
		6,844,962.29	52,413,890.54
	COST OF REALISATIONS		
	Administrators' Disbursements	7,883.32	32,180.97
	Administrators' Remuneration	1,171,196.70	1,850,057.15
	Agents/Valuers Fees	33,397.94	278,569.22
	Agents/Valuers Fees - Pre-Administrati	NIL	15,000.00
	Bank Charges - Floating	453.60	1,010.60
	Insurance of Assets	20,320.00	20,320.00
	Legal Fees	579,685.08	943,038.25
	Legal fees - Pre-Administration	NIL	110,601.46
	Stationery & Postage	NIL	15.30
	Statutory Advertising	NIL	77.98
	Sundry payments	NIL	9,846.52
		(1,812,936.64)	(3,260,717.45)
	FLOATING CHARGE CREDITORS		
	Floating Charge Creditor	NIL	37,648,504.00
		NIL	(37,648,504.00)
		5,032,025.65	**11,504,669.09**
	REPRESENTED BY		
	Bonmarche Property Suspense		(1,160,729.21)
	IB Current Floating		22,493,057.47
	Option store - maintenance & utilities		(1,153,718.70)
	Option store - rent & service charge		(1,632,020.93)
	Option store - Business rates		(448,047.05)

PSL2021 Realisations Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 19/05/2021 To 18/11/2021 £	From 19/11/2020 To 18/11/2021 £
	REPRESENTED BY CONTINUED		
	Option store - insurance		(55,417.45)
	Property LTO suspense account		(3,355,698.20)
	Receipts suspense account		(1,805,798.01)
	Trade Creditors		112,587.74
	TSA suspense account		(290,264.67)
	Vat Payable - Floating		(5,897,667.75)
	Vat Recoverable - Floating		4,698,385.85
			11,504,669.09

Appendix C

Schedule of works

FRP

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories or work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated.

Where the fee basis proposed is time costs, further details of the estimated time costs to be incurred are set out in the fee estimate accompanying this schedule.

Where work undertaken results in the realisation of funds (from the sale of assets; enhanced recoveries and potentially a reduction in creditor claims if the business has continued to trade and/or is sold following appointment; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK
• The records received are complete and up to date • There are no matters to investigate or pursue • The work that may be undertaken by any subsequently appointed Liquidator has been excluded as at this stage • No financial irregularities are identified • A committee of creditors is not appointed • There are no exceptional queries from stakeholders • Full co-operation of the directors and other relevant parties is received as required by legislation • There are no health and safety or environmental issues to be dealt with • The case will be closed within two years

Appendix C

Schedule of works

Note	Category		
1	**ADMINISTRATION AND PLANNING** **Work undertaken to date**		**ADMINISTRATION AND PLANNING** **Future work to be undertaken**
	Regulatory Requirements		**General matters**
	Ongoing review of money laundering risk assessment procedures and know your client checks in accordance with the Money Laundering Regulations. Ongoing review the General Data Protection Regulation ("GDPR") in the context of the Company and considered any actions which may be required. Necessary administrative and strategic work. To assist with the preparation and filing of post appointment documentation on an ongoing basis and completing internal procedures and filing, as required. To continue to request / identify and secure all available / relevant Company records required for the administration, statutory and review / investigation purposes.		Ongoing adherence to Money Laundering Regulations and any other regulations specific to the Company. Ongoing liaison on all aspects of environmental and health and safety that is applicable to the Company. Ongoing review and adherence to GDPR. To deal with any media enquiries which may arise. Ongoing liaison with the secured creditor and other significant creditors. All necessary administrative and strategic work.
	Ethical Requirements		
	Prior to the Administrators' appointment, the following threats to compliance with the Code of Ethics were identified: potential lack of objectivity.		To continue to consider whether any new conflicts of interest arise as part of the regular case review process for the duration of the administration.

	The secured creditor is controlled by Philip Day, who is also the ultimate beneficial owner ("UBO") of the Company. The Administrators have previously been involved in the administration of Bonmarche where the UBO was also the controlling party. There is a risk that the Administrators may be unduly influenced by the UBO. FRP has safeguards in place to mitigate any potential threats. This includes review of potential transactions by the firm's Chief Operating Officer (who is an experienced restructuring professional) and taking legal advice if appropriate. The Administrators are mindful of their status as officers of the court and of their duty to act in the best interests of all creditors. The safeguards have been reviewed and they are effectively managing the potential threat identified. No other threats to compliance with the Code of Ethics have arisen in the Review Period.		
	Case Management Requirements		
	To regularly review the case strategy, the conduct and update it as required by the Administrators' regulatory professional bodies to ensure all statutory matters are attended to and to ensure the case is progressing. To administer and reconcile the insolvent estate bank accounts throughout the period. To corresponded with the former advisors to the Company requesting information to assist in general enquiries and the investigation process, as applicable		To regularly review the conduct of the case and the case strategy and update it as required by the Administrators' regulatory professional bodies to ensure the case is progressing. This aids efficient case management. To continue to administer and reconcile the insolvent estate bank accounts throughout the duration of the case. Continue to correspond with former advisors of the Company to obtain further information to assist with general enquiries and ongoing investigations, as required.

Appendix C

Schedule of works

	To compile and update the forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed. To maintain sufficient insurance on an "open cover" basis for the assets in the estate whilst the extent of specific cover is reviewed / put in place or existing policies are to be continued. To continue to engage the following parties to assist in the administration: • Osborne Clarke – in relation to all pre appointment matters, reviewing the validity of the secured creditor's security, reviewing the validity of the appointment, dealing with the appointment and ad hoc issues as required. • Morton Fraser – provided advice in relation to property matters, specifically for those in Scotland and ad hoc issues as required. • Bird & Bird - provided advice in relation to property matters and ad hoc issues as required. • A&L Goodbody – provided advice in relation to property matter, specifically for those in Northern Ireland and Eire, and ad hoc issues as required.		Maintaining and developing case specific paper and electronic files on behalf of the Administrators aside from other records pertaining to the Company directly. To examine the Company's electronic and paper files to deal with queries arising from time to time. Case accounting work to process all receipts and payments to ensure bank reconciliations and production of reports can be facilitated at all times. Liaise with HMRC to finalise the Company's pre-appointment tax position and to achieve tax clearance for the period of the administration. Review insurance cover on a regular basis and to cancel / revise cover in place as appropriate. To complete and submit returns to HMRC on an ongoing basis. To continue to liaise with all professionals engaged to assist the Administrators for the duration of the administration or until each is dis-instructed as each work strand concludes.

FRP

2	ASSET REALISATION **Work undertake to date**		ASSET REALISATION **Future work to be undertaken**
	One of the main purposes of an Administration process is to realise the Company's assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation. To collect / collate the Company's records in relation to assets upon hire / lease and to ensure that all affected parties were contacted to secure the ongoing use for the benefit of the daily operations and to return any items that are not required for the purposes of the administration or following the sale transaction. To continue to monitor Option store sales weekly and to manage the daily cash receipts under the existing Worldpay facility that remains in place with the Administrators. To deal with and/or review all other identified assets, whether owned or third party, as appropriate. Barclays agreed to keep the pre appointment account open to allow for the payment of salaries and other large payment schedules / BACs files required through their facility for convenience and efficiency. To monitor and record ongoing rental income streams arising from the property portfolio and allocate between appropriate parties subject to the sale transaction and property transfers, from time to time.		To continue to progress the transition of the Company's business and assets to the Purchaser in accordance with the legal agreements in place. Taking advice from our appointed agents, as required. To liaise with the property agents to review the potential disposal of any leasehold interests that fall outside the requirements of the Purchaser. To continue to collate and provide any additional information or deal with queries arising from the secured creditor. Updating records on an ongoing basis and liaising with all stakeholders upon developments in addition to statutory reporting requirements. The ongoing interrogation of the Company records to identify and secure repayment of any amounts due and owing from time to time. The ongoing management and monitoring of the remaining stores held under the Licence to Occupy and to endeavour to conclude the surrenders / assignments or new leases in short order. The ongoing management and monitoring of the remaining Option stores and sales achieved therein to derive additional benefit to the estate via the management fee agreed.

	To review and allocate income streams arising from court orders and overseas arrangements / concessions. Other sources of cash include Worldpay, Amazon, Amex and other providers that continue to be utilised / reconciled pending the final cash release and closure of each facility. To continue to work with these providers on an ongoing basis to ensure that the funds held at the date of appointment and thereafter are secured for the benefit of the creditors. To liaise with our insurers, Marsh, on the pre-appointment covers in place for the Company and to instruct the Peacocks' finance team to commence collating information to further a potential business interruption claim as a consequence of the pandemic. To monitor and manage the Licence to Occupy agreed with the Purchaser which included 256 stores at the outset; the number of stores has reduced to 181 during the Period although it was necessary to extend the term for an additional six months to maximise the ability to retain and transfer the stores to the Purchaser. To monitor and manage the two Option Agreements put in place that provided the Purchaser with a period of respite whilst opportunities were assessed; it was believed that these concessions would enhance the overall survival of more of the business' footprint on the High Street.		The ongoing monitoring and allocation of all funds received in respect of asset realisations including continued trading, as required by legal definition. The ongoing liaison with the Purchaser's finance and property teams. To review and manage any costs arising from the unsold assets, as applicable, from time to time until such assets are transferred or sold, as appropriate, or disclaimed by a subsequently appointed liquidator, if applicable. Continuing to review and deal with any third party assets identified. Ongoing liaison with insurers and furtherance of the business interruption claim. Ongoing liaison with all other sources of cash management facilities to ensure the Company recovers all sums arising during the trading period and any other funds withheld by third parties. To return, surrender or vacate, as applicable, all onerous property from time to time. To monitor ongoing rental receipts and other trading and non-trading income streams until concluded.

Appendix C

Schedule of works

	The Option provided for the Scottish stores expired at the end of April 2021 and secured 13 further stores for the Purchaser. The second Option agreement for the other UK stores has now been extended for a further six month period to the end of March 2022 to ensure the maximum number of stores and employees can be transitioned to the Purchaser. Each Option required the Administrators to manage the passing rents and other property expenditure and oversee the ongoing trading for the duration until each affected store was assigned to the Purchaser, a new lease granted or the store was closed. The remaining Option stores are monitored daily and this ongoing agreement generates a monthly management fee for the benefit of the estate. The Transition Services Agreement was operated by the Administrators until the end of May 2021 when the agreement expired; final accounts are awaited from the suppliers involved with this arrangement. To continue to work in tandem with the Purchasers' finance and property teams to facilitate a smooth transition of the operation into the new business structure..		

3	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken to date**		**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**
	To continue to protect the value of assets that are not subject to a charge for preferential and unsecured creditors by obtaining a bond to the correct level. To continue to liaise with HMRC about the status of the VAT group and how both the final pre and post appointment VAT returns should be dealt with by the formerly grouped entities. To review the ability to recover other sums from HMRC .		To provide statutory reports to various stakeholders at regular intervals and manage any queries which may arise. Copies of these reports are required to be filed at the Registrar of Companies. To maintain a record and forecast of the work that has been or is anticipated to be undertaken throughout the duration of the case. Dealing with pre and post appointment VAT, and or other tax returns and recoveries, as available / required via HMRC. To place legal advertisements as required by statute which may include formal meetings of creditors and/or notices to submit claims. To deal with the statutory requirements in order to extend the administration, to bring the case to a close and for the Administrators to obtain their release from office; this includes preparing final reports for stakeholders and filing the relevant documentation with the Court and Registrar of Companies.
4	**TRADING** **Work undertaken to date**		**TRADING** **Future work to be undertaken**
	The original strategy was to trade the business with a view to securing a buyer on a going concern basis which was achieved despite extended periods of restricted trading as a consequence of local and national lock downs.		Continued oversight by the Administrators' staff on the Option stores, to review the operational performance from the trading to include health and safety, maintenance, security and other issues arising during the ongoing Option period.

Appendix C

Schedule of works

	To provide employee updates, as required, for the employees retained by the Company under the Option agreement, through the internal communication facility and discussions with the Retail Director / HR to review progress of the administration / transition phase.. The ongoing assessment of store and employee levels based on an ongoing review of trading under the Option in tandem with the purchaser in conjunction with associated costs and benefits per store performance.. To assist all employees made redundant with the completion of online RP1 redundancy claims as required. To liaise with the purchaser to ensure implementation of all agreed / revised procedures under the Option agreement to include all compliance issues and health & safety requirements. To continue to review the in-house health & safety function to comply with the insurers' requirements and to ensure that the numerous operating sites conform with the prevailing regulations. The provision of the Administrators' staff to oversee the day to day operations, to liaise with any retained suppliers and to support the Company's employees in discharging their duties to manage the ongoing trading function. To monitor all daily operational issues, to liaise with and provide undertakings to all suppliers required to facilitate the ongoing functionality of the Option part of the business.		To continue to discharge all salary, pension and other benefits accruing to the retained Option employees for the purposes of the administration until a transfer of undertaking is achieved or the store is closed, whichever is sooner. To recover the associated management fee for these works, To assist former employees with any incomplete or outstanding claims. Ongoing liaison with landlords, their agents and solicitors to progress the transition of the property portfolio, both under the Licence to Occupy and Option agreements with all haste. To manage, discharge accruals and account for the third party funds held for the benefit of the estate in respect of the Transitional Services Agreement, the Licence to Occupy, the Option stores including associated operational costs and also on behalf of BM Retail Limited (In Administration) for stores operated under Peacocks' leases., as each aspect reaches a conclusion. To continue to monitor and agree all passing monthly costs with the Purchaser under the agreements in place and ensure these are pre-funded as agreed. To receive, reconcile and allocate all funds received via Worldpay net of costs as agreed until the account is able to be novated. To regularly review the continued use of the Barclays pre appointment facilities / accounts, predominantly to process the monthly salary commitment for the retained employees.

	To identify all other income streams available to the Company and to instigate procedures to ensure that all incomes accrued in the pre-appointment period are ratified and secured allowing for a clean transition post appointment / sale. To manage a revised process for monitoring the receipt of these outstanding incomes on an ongoing basis. To liaise with employees and consultants to the Company and make payments to them in accordance with their contracts of employment in place from time to time, or until cancelled. To regularly review the employee levels and to support the Company in managing employees with full adherence to current provisions and operational requirements, giving due consideration to changes in the economic, technical and organisational impact on the business following the appointment of the Administrators and ongoing incidence of local and national lock downs. To utilise the CJRS to support any temporarily displaced employees from time to time and ensure sufficient resource is available on the Company is able to return to a fully operational footing; this scheme came to an end on 30 September 2021. To liaise with the remaining post sale leasing companies to agree terms for novating the leases or to make all necessary arrangements to return the chattel or vehicle assets to the third party owners.		

Appendix C

Schedule of works

	To receive and review any retention of titles claims from the Company's suppliers / creditors. To oversee and liaise with the Company's HR department to ensure that retained employees conform to their contractual obligations whilst under the auspices of the administration process and the Option agreement plus dealing with any aspects of non-compliance in accordance with Company *protocol in place from time to time., as required.* Ongoing liaison with the payroll department to ensure employee salaries, pensions and other required payments/deductions were made on due dates and to provide P45s to redundant employees. To continue to liaise with the in-house property team in the ongoing management of the Company's remaining leasehold property portfolio. To deal with the ongoing maintenance and functionality of all the premises under the Option agreement with the assistance of the facilities team and/or third party provider. The ongoing liaison with the scheme insurers, Marsh, to ensure all necessary covers were in place for the duration of the administration and reducing cover / processing claims as required. To deal with landlords on an ongoing basis with regard to lease renewals, cancellations, enforcement actions, forfeitures and evictions to ensure employee welfare and minimise disruption to trading activities, where possible.		

Schedule of works

FRP

	The ongoing payment of rents in arrears to landlords or their agents as these fall due or in accordance with agreements in place from time to time. The ongoing payment of other associated property costs including utilities, service charges and insurances, as required / applicable for the Option stores against a pre-agreed & funded monthly budget by the purchaser. In conjunction with the in-house finance function, to process and record all Worldpay receipts into the Administrators account to allow for monitoring and assessment of the trading performance along with regular transfers to the purchaser. To receive, reconcile and agree all supplier invoices and to process these in a timely manner in accordance with any remaining undertakings and payment terms agreed. To deal with all post, telephone and other enquiries received in a timely manner and to update the Administrators' records on an ongoing basis. To manage all other aspects of the Company's day to day operations and ensure ongoing uninterrupted trading for the benefit of the Company's creditors as a whole, whilst the Option remains in place. Specific email addresses remain in place to deal with enquiries from employees, suppliers, landlords and customers.		

	To oversee and agree the monthly Licence to Occupy fee in advance and for the purchaser to settle the same in advance as agreed. To oversee and maintain day to day functionality with regard to the Option stores and to assess and agree the monthly management fee for the benefit of the estate. To assist with the cash management functionality of the new business and split income streams and costs appropriately.		
5	**INVESTIGATIONS** **Work undertaken to date**		**INVESTIGATIONS** **Future work to be undertaken**
	An Administrator has a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate. Furthermore, there may be other antecedent or voidable transactions that are identified which if pursued could swell the funds or assets available for the insolvency estate. Creditors should note that only a brief summary of the various investigation streams has been provided. Due to the sensitive and largely privileged nature of the work streams then some of the descriptions have been limited. Our IT team were engaged to secure a forensic copy of the Company's electronic records for future review.		To review the directors' questionnaires, the Company's bank statements and any other information which is reported during the course of the administration. Considering information provided by creditors or others that might identify further assets or lines of enquiry for the Administrators to explore should additionally benefit to the estate be possible. To consider whether any matters that have come to light which require notification to the Secretary of State National Crime Agency or Insolvency Service. Reviewing the requirement to appoint solicitors or other agencies to deal with any matters arising from the ongoing investigations.

	We have requested all directors of the Company both current and those holding office within 3 years of the insolvency to complete a questionnaire to assist in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act. Upon appointment, we invited all known creditors to submit any information pertaining to the historic operation of the Company that may be considered contrary to the best interest of the creditors generally. Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.		
6	**CREDITORS** **Work undertaken to date**		**CREDITORS** **Future work to be undertaken**
	Secured Creditor The secured creditor was The Edinburgh Woollen Mill (Group) Limited after it took an assignment of the bond and floating charge on 1 October 2020 which was originally granted to Barclays Bank plc on 11 March 2019. The value of the security was approximately £140m on appointment and was guaranteed by other companies in the group, including but not limited to Duvetco Limited, Peacocks Stores Limited and Jaeger Retail Limited.		**Secured Creditor** To continue to provide updates on the progress of the Administration to the secured creditor. **Preferential Creditors** Agreeing current or additional preferential claims and paying a dividend in due course, as applicable. To update employees under the Option Agreements as required as the business transition to the Purchaser progresses.

Schedule of works

FRP

	Following an assignment of the secured debt from The Edinburgh Woollen Mill (Group) Limited to Banbury Street Limited ("BSL") dated 20 August 2021, BSL is now the lender, agent, and security agent in respect of the Company's (and other companies to which this arrangement applies) original facilities of £140m. There will likely be a substantial shortfall to the secured creditor in respect of its lending based on recoveries from the Company alone. Our solicitors, Osborne Clarke, reviewed and confirmed the validity of the secured creditor's security. Before making any payment to a secured creditor who holds a floating charge, the Administrators must first set aside a ring fenced fund, the Prescribed Part, for the benefit of the unsecured creditors. **Preferential Creditors** Preferential creditors include arrears of wages and holiday pay for employees and any outstanding employee pension contributions which have been deducted but not paid over to the pension scheme. Claims for the redundant employees have been processed throughout the Period and a claim on behalf of the pension scheme was progressed to a conclusion previously with the balancing funds received by Legal & General, the pension provider.		**Unsecured Creditors** To continue to liaise with and provide reports and oral updates to the unsecured creditors. To deal with ongoing enquiries as received. To continue to review claims received. To continue to assist in the novation, assignment or transfer of any third-party agreement for the benefit of the new business or to cancel the same and return assets to their rightful owners. If sufficient funds are available to make a distribution to the unsecured creditors, the Administrators will write to all known creditors to notify of the possibility of a distribution and requested submission of claims, likely to be under the prescribed part only. As required the Administrators will adjudicate on claims if there are sufficient funds to make a distribution, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal, once this time limit has passed the office holder will make a distribution to creditors. To continue to update creditor records and claims as received from time to time. All other works necessary to ensure all creditors are informed of developments on an ongoing basis whenever practical.

FRP

	Unsecured Creditors All known creditors & suppliers were notified of the appointment and to provide a statement of claim forms to enable claims to be lodged. To update all creditor records throughout the Period to reflect any variances to the records provided by the Company upon appointment. , To deal with all queries and correspondence received from creditors on an on-going basis and record the same. To review the Company's paper and electronic records to ascertain the basis and validity of any claims arising.		
7	**LEGAL AND LITIGATION** **Work undertaken to date**		**LEGAL AND LITIGATION** **Future work to be undertaken**
	To advise on all legal matters which have arisen following *our appointment to include, but not limited to the recovery* of the Intellectual Property and a large number of the domain names. These works have been extensive and some aspects are subject to ongoing action so more detailed commentary will be provided in future reports, as applicable. To engage and seek Counsel's opinion on various aspects of the recovery actions undertaken and on specific legal points from time to time.		Continuing to seek legal advice and intervention from all the engaged solicitors and Counsel as and when required for the duration of the assignment. To continue to advance all property matters to a conclusion whilst the Licence to Occupy and Option agreement remain in place. To continue to advance any ongoing matters to a conclusion or to take all necessary action to facilitate a conclusion for the benefit of the creditors as a whole.

Appendix C

Schedule of works

	As a consequence of conflict, jurisdiction limitations and variances in the prevailing law, it has been necessary to engage with national and local solicitors with regard to the extensive property portfolio across the United Kingdom. We have instructed the following parties to assist us to date: **Osborne Clarke LLP** have for the duration of the appointment provided us with legal advice: • Advice and litigation regarding intellectual property and domain names • Completing contractual documents relating to the sale of the retail business • Documenting a transitional service agreement following the sale of the retail business • Reviewing and advising on novation of contracts • Employee related advice • Advice in relation to investigations • Other ad hoc issues as required. They were engaged on their standard hourly charge out rates and were instructed due to their expertise in this sector and insolvency matters. **Morton Fraser LLP** have provided us with legal advice in relation to the Scottish property portfolio, including: • Advising on hypothec • Liaising with landlord and agreeing hypothec claims • Property litigation and other contentious legal matters		

<table>
<tr>
<td></td>
<td>

Drafting and reviewing renunciations and assignations
Dealing with landlord queries, invoicing, post-appointment rent claims
Unsecured creditor claims
General Scottish law matters
Other ad hoc issues as required.

They were engaged on their standard hourly charge out rates and were instructed due to their expertise in this sector and insolvency matters.
<u>A&L Goodbody</u> have provided us with legal advice in relation to the property portfolio in Northern Ireland, including:

Property litigation and other contentious legal matters
Drafting and reviewing surrenders and assignations
Dealing with landlord queries, invoicing, post-appointment rent claims
Unsecured creditor claims
General law matters
Other ad hoc issues as required.

They were engaged on their standard hourly charge out rates and were instructed due to their expertise in this sector and insolvency matters.
<u>Bird & Bird LLP</u> have provided us with legal advice in relation to the balance of the property portfolio, including:

Liaising with landlord and agreeing claims

</td>
<td></td>
<td></td>
</tr>
</table>

	• Property litigation and other contentious legal matters • Drafting and reviewing surrenders and assignations • Dealing with landlord queries, invoicing, post-appointment rent claims • *Unsecured creditor claims* • General property law matters • Other ad hoc issues as required. They were engaged on their standard hourly charge out rates and were instructed due to their expertise in this sector and insolvency matters. **Altus Group (UK) Limited ("Altus")** have been engaged as a *business rate advisor*. They are *reviewing* the Company's business rates and seeking redress where business rates have been overpaid. They have been engaged on a no success, no fee basis.		

Appendix D

FRP

Administrators' time costs and disbursements for the Period and cumulatively

PSL2021 Realisations Limited (In Administration)
Time charged for the period 19 May 2021 to 18 November 2021

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	127.25	84.00	983.50	22.43	1,217.18	423,618.60	348.03
A& P - Strategy and Planning	13.65		8.50		22.15	11,894.25	536.99
A&P - Admin & Planning	3.90	3.50	214.90		222.30	64,079.00	288.25
A&P - Case Accounting	4.90	57.05	148.75	22.03	232.73	76,437.85	328.44
A&P - General Administration	0.25	14.90	557.95	0.40	573.50	179,161.00	312.40
A&P - Insurance		0.70			0.70	381.50	545.00
A&P - Case Control and Review	3.20	1.75	32.65		37.60	12,053.50	320.57
A&P - Travel		1.00			1.00	495.00	495.00
A&P - Case Accounting - General	98.55	2.50	19.75		120.80	75,528.50	625.24
A&P - Fee and WIP	0.80	2.60	1.00		4.40	2,198.00	499.55
A&P - Media	2.00				2.00	1,390.00	695.00
Asset Realisation	30.55	298.15	42.10		370.80	176,008.50	474.67
ROA - Freehold/Leasehold Property	23.10	276.75	30.20		330.05	156,828.25	475.17
ROA - Sale of Business	3.00				3.00	2,085.00	695.00
ROA - Asset Realisation	1.70	2.40	0.40		4.50	2,477.50	550.56
ROA - Peacocks/ BM Retails Property		13.00	11.30		24.30	9,367.50	385.49
ROA - Legal-asset Realisation	2.75	4.40			7.15	4,309.25	602.69
ROA - Debt Collection		1.60	0.20		1.80	941.00	522.78
Creditors	24.50	83.55	698.36	77.45	883.86	300,505.00	339.99
CRE - Landlord	21.80	2.95	616.82		641.57	211,241.25	329.26
CRE - Employees		16.90	35.00	77.45	129.35	40,410.75	312.41
CRE - Secured Creditors	1.00				1.00	695.00	695.00
CRE - Unsecured Creditors	0.20	53.85	44.80		98.85	42,043.75	425.33
CRE - Preferential Creditors		7.25			7.25	3,226.25	445.00
CRE - London Contentious Insolvency - Creditors		2.10			2.10	1,144.50	545.00
CRE - Legal-Creditors	1.00				1.00	695.00	695.00
CRE - HP/ Leasing		0.50	0.10		0.60	250.00	416.67
CRE - Pensions - Creditors	0.50				0.50	347.50	695.00
CRE - Shareholders			1.64		1.64	451.00	275.00
Investigation	41.95	119.90	40.20		202.05	100,971.75	499.74
INV - IT – Investigations		28.50	1.00		29.50	14,357.50	486.69
INV - CDDA Enquiries	27.75	0.75	0.15		28.65	19,661.25	686.26
INV - Legal - Investigations	9.20	7.25			16.45	9,620.25	584.82
INV - FTech - Consulting		0.60			0.60	297.00	495.00
INV - Investigatory Work	5.00	46.70	2.70		54.40	27,080.00	497.79
INV - London Contentious Insolvency - Inv		35.60	29.45		65.05	27,500.75	422.76
Inv - Ftech - Data Processing Time			5.00		5.00	1,625.00	325.00
London Contentious Team - Funds Tracing			0.70		0.70	192.50	275.00
Inv- Ftech - Case Admin		0.50			0.50	247.50	495.00
INV - FTech - Project Management			1.20		1.20	390.00	325.00
Statutory Compliance	21.75	44.95	1.00		67.70	37,504.00	553.97
STA -Statutory Compliance - General	1.80	10.50			12.30	5,923.50	481.59
STA - Statutory Reporting/ Meetings	19.95	30.20			50.15	29,274.25	583.73
STA - Tax/VAT - Post appointment		4.25	1.00		5.25	2,306.25	439.29
Trading	3.40	510.05	3.70		517.15	267,342.75	516.95
TRA - Trading - General	2.50	213.75	1.20		217.45	105,220.25	483.88
TRA - Trade-sales/ Purchase		288.80	1.80		290.60	157,967.00	543.59
TRA - Legal-trading	0.75		0.70		1.45	713.75	492.24
TRA - Case Accounting - Trading	0.15				0.15	104.25	695.00
TRA - Trading forecasting/ Monitoring		7.50			7.50	3,337.50	445.00
Pre-Appointment			4.75		4.75	1,306.25	275.00
PRE APP - Pre Appointment			4.75		4.75	1,306.25	275.00
Total Hours	249.40	1,140.60	1,773.61	99.88	3,263.49	1,307,256.85	400.57

Appendix D

Administrators' time costs and disbursements for the Period and cumulatively

Time charged from the start of the case to 18 November 2021

	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	2,060.18	704,809.90	342.11
A& P - Strategy and Planning	109.95	70,247.25	638.90
A&P - Admin & Planning	560.40	151,335.50	270.05
A&P - Case Accounting	330.72	110,130.90	333.00
A&P - General Administration	801.41	247,602.75	308.96
A&P - Insurance	3.45	1,582.25	458.62
A&P - Case Control and Review	67.00	23,223.50	346.62
A&P - Travel	35.90	11,002.50	306.48
A&P - Case Accounting - General	136.30	80,960.50	593.99
A&P - Fee and WIP	9.20	4,659.00	506.41
A&P - Media	5.85	4,065.75	695.00
Asset Realisation	1,514.79	768,348.55	507.23
ROA - Freehold/Leasehold Property	760.80	342,813.00	450.60
ROA - Sale of Business	478.92	296,713.90	619.55
ROA - Stock/ WIP	3.37	2,217.15	657.91
ROA - Asset Realisation	80.45	42,412.75	527.19
ROA - Peacocks/ BM Retails Property	134.40	46,087.00	342.91
ROA - Legal-asset Realisation	52.65	35,681.75	677.72
ROA - Asset Realisation Floating	0.80	481.00	601.25
ROA - Debt Collection	3.40	1,942.00	571.18
Creditors	2,545.89	857,135.25	336.67
CRE - Landlord	1,339.25	438,075.75	327.11
CRE - Employees	945.55	295,731.75	312.76
CRE - Secured Creditors	22.55	13,422.25	595.22
CRE - ROT	26.35	15,035.75	570.62
CRE - Unsecured Creditors	195.90	87,605.50	447.19
CRE - Preferential Creditors	8.45	3,811.25	451.04
CRE - London Contentious Insolvency - Creditors	3.60	1,512.00	420.00
CRE - TAX/VAT - Pre-appointment	0.50	197.50	395.00
CRE - Legal-Creditors	1.00	695.00	695.00
CRE - HP/ Leasing	0.60	250.00	416.67
CRE - Pensions - Creditors	0.50	347.50	695.00
CRE - Shareholders	1.64	451.00	275.00
Investigation	268.60	129,352.00	481.58
INV - IT - Investigations	64.05	30,619.75	478.06
INV - CDDA Enquiries	37.40	23,740.00	634.76
INV - FTech - Data Capture - Unit	0.15	104.25	695.00
INV - Legal - Investigations	27.95	13,537.75	484.36
INV - FTech - Consulting	1.20	530.00	441.67
INV - Investigatory Work	65.40	30,864.50	471.93
INV - London Contentious Insolvency - Inv	65.05	27,500.75	422.76
Inv - Ftech - Data Processing Time	5.00	1,625.00	325.00
London Contentious Team - Funds Tracing	0.70	192.50	275.00
Inv- Ftech - Case Admin	0.50	247.50	495.00
INV - FTech - Project Management	1.20	390.00	325.00
Statutory Compliance	137.55	71,422.25	519.25
STA - Appointment Formalities	3.50	1,467.50	419.29
STA -Statutory Compliance - General	24.00	10,548.50	439.52
STA - GDPR Work	3.45	1,552.75	450.07
STA - Bonding/ Statutory Advertising	1.80	585.00	325.00
STA - Statutory Reporting/ Meetings	92.80	52,296.00	563.53
STA - Statement of Affairs	4.25	1,678.75	395.00
STA - Pensions- Other	2.50	987.50	395.00
STA - Tax/VAT - Post appointment	5.25	2,306.25	439.29
Trading	1,663.84	824,085.80	495.29
TRA - Trading - General	619.55	292,736.25	472.50
TRA - Trade-sales/ Purchase	818.50	440,227.50	537.85
TRA - Legal-trading	26.75	15,579.75	582.42
TRA - Case Accounting - Trading	174.64	64,909.30	371.67
TRA - IT - Trading / Sale support	2.15	1,269.25	590.35
TRA - Trading forecasting/ Monitoring	22.25	9,363.75	420.84
Pre-Appointment	4.75	1,306.25	275.00
PRE APP - Pre Appointment	4.75	1,306.25	275.00
Grand Total	8,195.60	3,356,460.00	409.54

Appendix D

FRP

Administrators' time costs and disbursements for the Period and cumulatively

Disbursements for the period
19 May 2021 to 18 November 2021

	Value £
Category 1	
Postage	2,172.22
Prof. Services	1,240.18
Taxis	13.26
Travel	29.80
Agents Fees	180.00
Computer Consumables	166.12
Consultancy	2,372.50
Subsistence	218.43
Land Registry Charges	205.00
Scanning	525.30
Category 2	
Car/Mileage Recharge	282.15
Grand Total	**7,404.96**

FRP Charge out rates

Grade	from 1st November 2020
Appointment taker / Partner	595-695
Managers / Directors	445-595
Other Professional	275-395
Junior Professional & Support	175-245

Appendix E

Receipts and payments account for the period and cumulatively

PSL2021 Realisations Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £		From 19/05/2021 To 18/11/2021 £	From 19/11/2020 To 18/11/2021 £
	POST APPOINTMENT SALES		
	Sales	NIL	22,136,169.35
	Royalties	39,009.00	54,636.69
	Rent received	NIL	30,282.72
	Management fee	1,931,816.50	2,193,149.83
		1,970,825.50	24,414,238.59
	PURCHASES		
	Stock	NIL	4,472,813.36
		NIL	(4,472,813.36)
	OTHER DIRECT COSTS		
	Sub Contractors	NIL	2,745.00
	Direct Wages	(418,234.80)	8,422,680.47
	Direct Expenses	NIL	1,283.82
	Consumable Stores	NIL	71,634.63
		418,234.80	(8,498,343.92)
	TRADING EXPENDITURE		
	Rents	1,075,847.05	5,049,811.63
	Utilities	206,484.85	1,808,708.92
	Fleet Hire	NIL	94,800.75
	Telephone / internet	1,647.59	145,772.91
	Concessions / Commissions	7,658.89	346,734.19
	Insurance	NIL	443,467.32
	Professional Fees	NIL	1,800.00
	Bank Charges - Trading	NIL	10,867.15
	Security costs	42,767.56	164,904.89
	Hire of Equipment	NIL	149,225.91
	Repair, Maintenance & Waste	632.67	143,024.94
	Sundry Expenses	NIL	5,329.86
	Marketing / Advertising	2,800.00	514,316.43
	Stationary and postage	8,617.97	16,841.28
	Courier services & postages	NIL	635,934.62
	IT costs	47.04	931,044.74
	Payroll costs	NIL	1,606.76
	Transport	(1,255.00)	1,587,941.31
	Duty	NIL	19,927.48
	Subscriptions	NIL	12,963.16
	Employee expenses	NIL	477.22
	Staff welfare	695.00	5,619.58
	Customer refunds	(9.77)	706.74
		(1,345,933.85)	(12,091,827.79)
	TRADING SURPLUS/(DEFICIT)	**1,043,126.45**	**(648,746.48)**

Appendix E

Receipts and payments account for the period and cumulatively

FRP

PSL2021 Realisations Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 19/05/2021 To 18/11/2021 £	From 19/11/2020 To 18/11/2021 £
	SECURED ASSETS		
	Goodwill	NIL	1.00
	Intellectual Property	NIL	2,460,000.00
		NIL	2,460,001.00
	SECURED CREDITORS		
	Chargeholder	NIL	2,460,001.00
		NIL	(2,460,001.00)
	ASSET REALISATIONS		
	Bank Interest Gross	2,005.28	3,445.30
	Book Debts	NIL	125,796.68
	Cash at Bank	5,079,925.90	14,505,130.91
	Equipment option	NIL	1.00
	Furniture & Equipment	NIL	1,444,563.00
	Insurance Refund	5,140.61	5,140.61
	Intercharge refund	206,969.32	206,969.32
	Intercompany debt	NIL	21,608,505.00
	Licenses	NIL	1.00
	Rates refund	495,474.20	600,875.23
	Records	NIL	1.00
	Rent refund	2,430.29	2,430.29
	Retail Store Option	NIL	1.00
	Scottish equipment option	NIL	1.00
	Scottish store option	NIL	1.00
	Stock	NIL	14,500,000.00
	Store floats	NIL	45,430.00
	Sundry refund	9,890.24	14,344.68
	Trading Surplus/(Deficit)	1,043,126.45	(648,746.48)
		6,844,962.29	52,413,890.54
	COST OF REALISATIONS		
	Administrators' Disbursements	7,883.32	32,180.97
	Administrators' Remuneration	1,171,196.70	1,850,057.15
	Agents/Valuers Fees	33,397.94	278,569.22
	Agents/Valuers Fees - Pre-Administrati	NIL	15,000.00
	Bank Charges - Floating	453.60	1,010.60
	Insurance of Assets	20,320.00	20,320.00
	Legal Fees	579,685.08	943,038.25
	Legal fees - Pre-Administration	NIL	110,601.46
	Stationery & Postage	NIL	15.30
	Statutory Advertising	NIL	77.98
	Sundry payments	NIL	9,846.52
		(1,812,936.64)	(3,260,717.45)
	FLOATING CHARGE CREDITORS		
	Floating Charge Creditor	NIL	37,648,504.00
		NIL	(37,648,504.00)
		5,032,025.65	**11,504,669.09**
	REPRESENTED BY		
	Bonmarche Property Suspense		(1,150,729.21)

FRP

Appendix E

Receipts and payments account for the period and cumulatively

PSL2021 Realisations Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 19/05/2021 To 18/11/2021 £	From 19/11/2020 To 18/11/2021 £
	REPRESENTED BY CONTINUED		
	IB Current Floating		22,493,057.47
	Option store - maintenance & utilities		(1,157,929.39)
	Option store - rent & service charge		(1,532,020.93)
	Option store - Business rates		(448,047.05)
	Option store - Insurance		(55,417.45)
	Property LTO suspense account		(3,355,698.20)
	Receipts suspense account		(1,805,798.01)
	Trade Creditors		117,640.58
	TSA suspense account		(290,264.67)
	Vat Payable - Floating		(5,897,667.75)
	Vat Recoverable - Floating		4,697,543.70
			11,504,669.09