

In accordance with
Rule 18.7 of the
Insolvency (England &
Wales) Rules 2016 and
Sections 92A, 104A and
192 of the Insolvency
Act 1986.

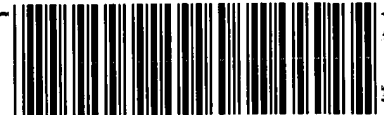
LIQ03

Notice of progress report in voluntary winding up



Companies House

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COMPANIES HOUSE

1 Company details

Company number 0 0 2 2 9 6 0 6

Company name in full SHB Realisations Limited (formerly BHS Limited)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Anthony John

Surname Wright

3 Liquidator'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 Liquidator's name ①

Full forename(s) Geoffrey Paul

Surname Rowley

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode E C 4 N 6 E U

Country

② Other liquidator

Use this section to tell us about
another liquidator.



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Notice of progress report in voluntary winding up

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Period of progress report

From date	^d 0	^d 2	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 0

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

Splwight

X

Signature date

^d2d9^m0m1^y2y0^y2y0

LIQ03

Notice of progress report in voluntary winding up



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 **Anthony John Wright**

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,
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





FRP

SHB Realisations Limited (formerly BHS Limited) (in Liquidation) ("the Company")
The Joint Liquidators' Progress Report for the period from 2 December 2019 to 1 December 2020
pursuant to section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales)
Rules 2016

29 January 2021

Contents and abbreviations



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The following abbreviations may be used in this report:

FRP	FRP Advisory Trading Limited
The Company	SHB Realisations Limited (formerly BHS Limited) (in Liquidation)
The Joint Liquidators	Anthony John Wright and Geoffrey Paul Rowley of FRP
The Period	The reporting period, being from 2 December 2019 to 1 December 2020
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
The Former Administrators	Philip Duffy and Benjamin Wiles of Duff and Phelps Limited
CVA	Company Voluntary Arrangement
Arcadia	Arcadia Group Limited
Barclays	Barclays Bank Plc
GB	GB Europe Management Services Limited
PPF	Pension Protection Fund
tPR	The Pensions Regulator



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1. Progress of the liquidation

This report should be read in conjunction with the previous reports issued by the Former Administrators and the Joint Liquidators.

Note

This report has been prepared from information available at the time of its preparation. Due to the global outbreak of COVID-19 and the UK's response to this, requiring case staff to work from home and necessarily a lack of access to physical files or other information, we should advise that we may not have all the information required to ensure this report is both complete and accurate. Where there are errors and/or omissions we will endeavour to correct these where possible in our next report to you.

Work undertaken during the Period and work yet to be completed

Attached at Appendix C is a schedule of work undertaken during the Period together with a summary of work still to be completed. A summary of the work undertaken is set out below.

Litigation settlement

During the Period, a settlement was reached with certain former directors of BHS Group Limited and the Company. Pursuant to the settlement there was a mutual release of all claims with no admission of liability. The Joint Liquidators continue to consider other actions to maximise recoveries for the estate.

International franchise debts

The Joint Liquidators have continued to liaise with their legal advisers regarding the outstanding debt totalling approx. £564k. The Joint Liquidators have been advised that the Bahraini debtor has been placed into an insolvency process in Bahrain, however the Bahraini Court have acknowledged the UK Court judgement obtained against the debtor. The Joint Liquidators legal advisors are continuing to liaise with the trustee of the insolvent estate to understand the position of the outstanding debt.

The Joint Liquidators have continued to liaise with their credit collection company in relation to a Swiss franchisee. The Joint Liquidators were advised in the Period that the debtor had been placed into Liquidation, and a claim was lodged on behalf of the Company. The appointed Liquidator of the debtor confirmed the debt and has remitted a dividend of CHF 5k which has been received in January 2021.

Rates and miscellaneous refunds

The Joint Liquidators have continued to liaise with surveyors in respect of the historic rates position on the property portfolio which has resulted in various refunds being received. These have resulted in a rates refund totalling £54.7k being received in the Period. In addition to rates, £91k was received in the period, in relation to rental refunds.

As creditors may recall, a former utility provider to the Company has been holding £684k since the Company entered administration in 2016. Correspondence with the utility provider's solicitor is ongoing regarding this amount being returned to the Company. A further £5.6k was released during the Period, however correspondence continues to be ongoing, and the Joint Liquidators are investigating obtaining legal counsel's opinion on the position.

A sum of £812,236.08 was received from BHS Group Limited in repayment of funding of litigation which was provided by the Company on a non-recourse basis.

Merchant service funds

The Joint Liquidators have continued to liaise with one of the Company's former merchant service providers and following the merchant finalising matters in relation to outstanding costs internally, total funds of £20k were returned to the Company.

Other matters

The Joint Liquidators completed a VAT return in the Period for £667k repayable to the Company and are awaiting confirmation from HMRC.

1. Progress of the liquidation

The Joint Liquidators are continuing to liaise with their tax advisors in relation to the possible tax consequences of the asset realisations made. The tax advice and work that has been received will potentially minimise any potential tax charges on assets realised, with specific reference to the settlement.

There continues to be regular correspondence received from creditors and the Joint Liquidators and their case staff continue to respond to these queries on a regular basis.

In addition to creditor correspondence, the Company regularly receives correspondences and bills from utility companies in relation to former properties. The Joint Liquidators have been responding to each of these utility providers to advise of the current position.

Receipts and payments account

Attached at Appendix B is a receipts and payments account detailing both transactions for the Period and also cumulatively since the Company entered Liquidation. Receipts and payments are shown net of VAT which is both payable and recoverable in the liquidation.

Investigations

As Joint Liquidators, we have a statutory duty to investigate the circumstances surrounding the Company's demise. In discharging this duty, we have conducted enquiries into the Company's business, dealings and affairs in order to establish whether there are any potential assets or recoveries available to realise for the benefit of the estate, including any potential claims against third parties, taking into account the potential recoveries and associated costs of bringing such recovery action.

Our enquiries into these matters to date have been, and continue to be, extensive but proportionate given the size of the Company and the quantum of realisations and creditors. A comprehensive data collection exercise has been undertaken. The collation of books, records and information relating to the Company is complete, with the Joint Liquidators obtaining the files of a large number of firms of accountants,

SHB Realisations Limited (formerly BHS Limited) (in Liquidation)
The Joint Liquidators' Progress Report



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auditors, tax advisors, property agents and solicitors who had historically been instructed by the Company (or otherwise had dealings with the Company in respect of their separate engagements), in order to investigate any other potential assets and/or causes for recovery action. We have sought information from directors and former directors as well as from other third parties and invited creditors to provide information on any concerns they may have in the way in which the Company's business was conducted.

A substantial review of the Company's books and records and accounting information has been carried out and a data review platform has been, and continues to be, utilised to streamline the processing of the available information and identification of key relevant documents.

Due to the sensitive and largely privileged nature of the ongoing investigations, the Joint Liquidators are unable to provide substantial information to creditors on the current investigation streams at this juncture, apart from those detailed in the schedule of work at Appendix C. The Joint Liquidators continue to consider other actions to maximise recoveries for the estate.

If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate, please contact this office by post at 110 Cannon Street, London EC4N 6EU, telephone 020 3005 4000 or by email to Julia.Guy@frpadvisory.com.

Yours faithfully

Tony Wright
Joint Liquidator

Licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics.

2. Estimated outcome for the creditors

The estimated outcome for creditors was included in the Joint Liquidators' progress reports dated 26 January 2018 and 25 January 2019.

Outcome for secured creditors

Arcadia

The Joint Liquidators reached an agreement with Arcadia in relation to a number of matters, including Arcadia's floating charge dated 14 April 2015. The Joint Liquidators can confirm that as part of the agreement, over £30m was released from the reserves held in relation to Arcadia's secured claim into the monies available for the Company's unsecured creditors and the floating charge was released.

Barclays

Barclays have three outstanding charges registered at Companies House. Barclays recovered its exposure on the day the Company entered administration from the credit balances it was holding, as per the terms of its security.

GB

GB had the benefit of fixed charge security over the Company's long leasehold interest in the store at Cribbs Causeway, Bristol. The principal amount secured was £9.4m however further charges, interest and default interest have accrued on this sum.

Following the Company entering administration, GB appointed a receiver over the leasehold interest, but no sale was concluded. Upon the Company entering liquidation, the receiver resigned, and the Joint Liquidators became responsible for realising the asset.

The lease was surrendered for a premium of £500k which has resulted in GB suffering a shortfall on its lending. GB will be able to claim as an unsecured creditor for the amount outstanding to them.



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Grovepoint

Grovepoint was owed £19m by the Company and related BHS group companies as at the date of administration and had the benefit of fixed charge security over freehold and leasehold interests, both owned by the Company and the BHS group companies.

All entities party to the Grovepoint facility provided cross-guarantees to secure the liability. Grovepoint was repaid £10m by the Company during the administration and the remaining indebtedness was discharged by other BHS group companies from property disposals.

Preferential Creditors

The Joint Liquidators are not aware of any preferential claims in the liquidation. Creditors should refer to the progress reports of the Former Administrators for further details.

Unsecured creditors

At the time of declaring the first dividend, the Joint Liquidators had received claims totalling £997,882,936 from unsecured creditors. A dividend of 3.62 pence in the pound was declared on 10 November 2017.

A further sum of approximately £180,000 was held in respect of claims which had not been agreed as at the date the dividend was declared. The majority of these claims have now been rejected and these funds will now be available to unsecured creditors when the final dividend is declared.

The Joint Liquidators have issued a substantial claim in relation to the conduct of directors appointed after the sale of the Company to Retail Acquisitions Limited in March 2015 and as such anticipate that there could be further realisations made. A final dividend will be declared once these recoveries have finalised. The Joint Liquidators are unable to confirm timing or quantum at this stage, however will provide updates as further information becomes available.



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2. Estimated outcome for the creditors

The prescribed part

In accordance with the Insolvency Act 1986, the prescribed part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

As there is no floating charge the prescribed part does not apply in this instance.

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3. Joint Liquidators' remuneration, disbursements and expenses

Joint Liquidators' remuneration

As advised in previous correspondence the creditors passed a resolution that the Joint Liquidators' remuneration should be calculated on a time cost basis. To date fees of £4,858,117 excluding VAT have been drawn from the funds available.

A breakdown of the Joint Liquidators' time costs incurred during both the Period and to date is attached at Appendix D.

Creditors previously approved the Joint Liquidators' fee estimate covering a period of four years from the date of the liquidation in the sum of £6,583,939. The Joint Liquidators are unable to draw fees based on time costs exceeding the total amount set out in the fee estimate previously provided without further approval of the creditors.

The Joint Liquidators have been providing fee estimates on a yearly basis. This year an increase is not required and the Joint Liquidators will write to creditors under separate cover regarding this matter and future estimated expenses.

Joint Liquidators' disbursements

The Joint Liquidators' disbursements are a recharge of actual costs incurred in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Period are set out in Appendix D.

Expenses of the liquidation

An estimate of the Joint Liquidators' expenses was set out in the various letters previously circulated to creditors, the most recent of which was dated 27 February 2020. Attached at Appendix E is a statement of expenses that have been incurred during the Period. It is currently expected that the total expenses incurred or anticipated to be incurred are not likely to exceed the details provided prior to the

determination of the basis of the Joint Liquidators' remuneration. However, within the statement of expenses there are a number of costs which have exceeded the estimate previously provided. These are as follows:

- Trading Liabilities: originally there were no further trading liabilities anticipated, however, a late CVA rent claim from a landlord was received and duly paid during the Period of £93,330.
- DLA Piper (UK) LLP: there was an increase in fees payable in the Period totalling £9,847. This was in relation to legal advice in respect of forensic work undertaken.
- Womble Bond Dickinson LLP: there were additional unforeseen costs totalling £10,420 in the Period. This was due to a change of legal advisors in relation to the ongoing Npower matter, which Womble Bond Dickinson LLP are now handling on behalf of the Joint Liquidators.
- Elham Ali Hassan: there were additional costs in respect of Bahraini counsel totalling £24,622 which was in relation to the Court order over the Bahraini franchisee.
- Stephenson Harwood LLP: a total of £22,860 was payable in the Period to cover the legal costs in respect of the settlement agreed with various former directors.
- Birkett Green Lees LLP: additional costs of £8,209 were incurred due to the additional advice required on the business rates liability of a former London property.
- Insurance of Assets: the Joint Liquidators note that there has been an error in previous reports with the insurance costs not being reported separately in the statement of expenses. Since the start of the insolvency process, the former Joint Administrators and subsequent Joint Liquidators' incurred costs of £92,880 in respect of the insurance of buildings and assets. Insurance has reduced as and when properties have assigned or been disclaimed with £1,505 being incurred within the Period.



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3. Joint Liquidators' remuneration, disbursements and expenses

When instructing third parties to provide specialist advice and services, or having the specialist services provided by the firm, the Joint Liquidators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work being undertaken. This is reviewed by the Joint Liquidators periodically throughout the duration of the assignment. The specialists chosen may regularly be used by the Joint Liquidators and usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment.

Creditors have a right to request further information from the Joint Liquidators and further have a right to challenge the Joint Liquidators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules 2016. (For ease of reference these are the expenses incurred in the Period as set out in Appendix E only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <https://creditors.frpadvisor.com/info.aspx> and select the guide for liquidation. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Appendix A

Statutory information about the Company and the liquidation

SHB REALISATIONS LIMITED (FORMERLY BHS LIMITED) (IN LIQUIDATION)

COMPANY INFORMATION:

Other trading names: BHS Limited
Date of incorporation: 12 April 1928
Company number: 00229606
Registered office: 2nd Floor, 110 Cannon Street, London EC4N 6EU
Previous registered office: c/o Duff and Phelps Limited, The Shard, 32 London Bridge Street, London SE1 9SG
Business address: 129-137 Marylebone Road, London NW1 5QD

LIQUIDATION DETAILS:

Joint Liquidators: Anthony John Wright and Geoffrey Paul Rowley
Address of Joint Liquidators: FRP Advisory Trading Limited, 2nd Floor, 110 Cannon Street, London EC4N 6EU
Date of appointment of Joint Liquidators: 2 December 2016
Court in which Liquidation proceedings were brought: N/A
Court reference number: N/A



Appendix B

Joint Liquidators' receipts and payments account for the both the Period and cumulatively



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SHB Realisations Limited (formerly BHS Limited)
(In Liquidation)
Joint Liquidators' Trading Account

Statement of Affairs £	From 02/12/2019 To 01/12/2020 £	From 02/12/2016 To 01/12/2020 £
OTHER DIRECT COSTS		
Direct Labour	NIL	523.22
	NIL	(523.22)
TRADING EXPENDITURE		
Rents, SC & Insurance	NIL	1,044,160.83
Rates	NIL	3,381,183.70
Heat & Light	NIL	297,131.78
Concessions	NIL	242.77
CVA Rent Shortfall	93,330.29	2,555,306.55
Water	NIL	33,594.54
Insurance	NIL	12,321.09
Professional Fees	NIL	30,000.00
Repairs & Maintenance	NIL	2,752.00
Sundry Expenses	NIL	690.00
Service Charge	NIL	2,340.03
Agents' Fees	NIL	53,239.49
Security	NIL	46,714.94
Refunds	NIL	76.50
	(93,330.29)	(7,459,704.32)
TRADING SURPLUS/(DEFICIT)	(93,330.29)	(7,460,227.54)

Appendix B

Joint Liquidators' receipts and payments account for the both the Period and cumulatively

SHB Realisations Limited (formerly BHS Limited) (In Liquidation) Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 02/12/2019 To 01/12/2020 £	From 02/12/2016 To 01/12/2020 £
SECURED ASSETS		
Bank Interest	NIL	493.80
Transfer from Administration	NIL	3,697,943.61
Fixed Charge Funding	NIL	387,037.92
		4,085,475.33
COSTS OF REALISATION		
Service Charge	NIL	246,322.76
Property Costs	NIL	140,884.75
Bank Charges - Fixed	NIL	30.00
		(387,237.51)
ASSET REALISATIONS		
Bank Interest Gross	76,618.84	481,517.87
BHSG Contribution to Litigation Fundin	812,236.08	812,236.08
Book Debts	167.66	2,782.78
Cash at Bank	NIL	125,187.50
Contribution To Costs	NIL	900.00
Duty Deferment Bond	NIL	38.18
Funds Held By Merchant Service Provi	20,289.87	2,582,186.31
Insurance Refund	NIL	43,068.98
International Franchise Debts	NIL	1,194,534.61
Leasehold Property (1)	NIL	600,000.00
Letters of Credit	NIL	2,743,973.16
Miscellaneous Refunds	NIL	476,940.96
Rates Refunds	54,728.41	833,879.87
Rent Refunds	91,107.58	107,437.65
Settlement Monies	6,530,400.00	7,045,571.00
Stock	NIL	50,145.00
Sub-Tenant Rent	NIL	7,269.23
Trading Surplus/(Deficit)	(93,330.29)	(7,460,227.54)
Transfer from Administration	NIL	64,475,583.25
Utility Bonds	5,597.65	196,108.33
VAT On Utilities	NIL	339,862.85
	7,497,815.80	74,658,996.07
COST OF REALISATIONS		
Accountants' Fees	14,500.00	131,000.00
Agents' Fees - Administration Period	NIL	112,130.78
Agents/Valuers Fees	8,524.26	224,051.53
Bank Charges - Floating	27.20	3,040.97
Concession/Trust Monies	NIL	1,226,950.00
Debt Collection Commission	NIL	91,169.27
Debt Collection Commission - Administ	NIL	83,669.27
Former Joint Administrators' Disba	NIL	20,065.83
Former Joint Administrators' Remuner	NIL	482,953.45
Insurance of Assets	1,505.00	94,385.31
Joint Liquidators' Disbursements	49,900.89	123,479.15
Joint Liquidators' Remuneration	317,903.17	4,858,117.11
Late Filing Charges	NIL	100.00
Legal Disbursements	58,441.05	485,697.18
Legal Disbursements - Admin Period	NIL	12,629.15
Legal Fees	1,088,896.97	7,646,055.88
Legal Fees - Administration Period	NIL	378,462.93
Merchant Service Mgmt Fees	NIL	40,000.00

SHB Realisations Limited (formerly BHS Limited) (In Liquidation) Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 02/12/2019 To 01/12/2020 £	From 02/12/2016 To 01/12/2020 £
Other Property Expenses		
Professional Fees	280.00	58,439.75
Re-Direction of Mail	NIL	1,225.00
Security	NIL	86,962.02
Settlement Monies	NIL	2,500.00
Short Service Pension Refunds	NIL	2,678.66
Stationery & Postage	NIL	35,621.87
Statutory Advertising	NIL	253.80
Stock Storage & De-Tagging	NIL	13,232.84
Storage Costs	NIL	12,147.90
Store Property Costs	NIL	6,697.16
	(1,539,978.54)	(16,246,871.67)
UNSECURED CREDITORS		
Held For Reserved Claims	NIL	179,805.66
Unsecured Creditors	NIL	35,941,866.37
	NIL	(36,121,672.03)
	5,957,837.26	25,988,690.19
REPRESENTED BY		
31 DN Acc Santander -		13,327,365.57
EPA Employee Liability		388.90
Held For Reserved Claims		(179,805.66)
IB Current Fixed		5,351.57
IB Current Floating		12,395,871.80
Short Service Pension Refunds		(83,323.56)
Trade Creditors		(507,363.92)
Unclaimed dividends to be paid over		(5,350.58)
Vat Control Account		667,143.14
Vat Recoverable Floating		368,412.93
		25,988,690.19

SHB Realisations Limited (formerly BHS Limited) (in Liquidation)
The Joint Liquidators' Progress Report

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Appendix C

The Joint Liquidators' schedule of work

The table below sets out a detailed summary of the work undertaken by the Joint Liquidators to date and details of the work it is anticipated will be undertaken by the Joint Liquidators throughout the duration of the Company's liquidation.

Where work undertaken results in the realisation of funds (from the sale of assets or 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 the Joint Liquidators 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.

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken to date	ADMINISTRATION AND PLANNING Future work to be undertaken
	<u>Insurance</u> The Joint Liquidators have continued to liaise with their brokers regarding premiums due and the cover in place over properties where the Company still retains an interest.	<u>Insurance</u> The Joint Liquidators will continue to monitor this position as appropriate and cancel public liability cover as and when possible.
	<u>Case Accounting</u> All receipts, payments and journals are processed and posted to the Joint Liquidators' case management system in accordance with SIP 7. Regular reconciliations are undertaken of all bank accounts opened by the Joint Liquidators in the name of the Company.	<u>Case Accounting</u> The Joint Liquidators will continue to process all receipts, payments and journals in accordance with SIP 7 and continue to undertake regular reconciliations of the bank accounts.

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Appendix C

The Joint Liquidators' schedule of work

<p><u>Case Control, Review, Strategy and General Administration</u></p> <p>In order to aid efficient case management, regular reviews of the working files are undertaken. These reviews ensure progression of case specific matters and also ensure general compliance matters are attended to.</p> <p>Members of the Joint Liquidators' team working on the various work streams meet regularly to ensure that matters are being progressed effectively, to share knowledge and to ensure that there is no unnecessary duplication of work.</p> <p>It is also necessary for the Joint Liquidators to regularly correspond with their legal advisers appointed on the various work streams to discuss progression of the work streams referred to them.</p>	<p><u>Case Control, Review, Strategy and General Administration</u></p> <p>The Joint Liquidators will continue to closely monitor the progress of the liquidation and the various work streams in order that maximum value is achieved for the Company's assets and any claims identified are considered on merit and progressed appropriately for the benefit of creditors.</p> <p>There are also a number of ongoing matters being progressed which, whilst they do not provide a financial benefit to creditors, are essential in order to finalise the Company's affairs.</p>
<p><u>Liaison with third parties (Parliamentary Select Committee, Insolvency Service, tPR and PPF)</u></p> <p>As the Company's majority creditor, the Joint Liquidators have updated the PPF on an ad-hoc basis as to the progress of the liquidation and the likely outcome for unsecured creditors.</p>	<p><u>Liaison with third parties (Parliamentary Select Committee, Insolvency Service, tPR and PPF)</u></p> <p>The Joint Liquidators will respond to any requests received from tPR, Insolvency Service and the Parliamentary Select Committee, as appropriate.</p> <p>The Joint Liquidators will continue to update the PPF, as the majority creditor, as and when appropriate as to the progress of the liquidation and the likely final outcome for creditors.</p>

Appendix C

The Joint Liquidators' schedule of work



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2	ASSET REALISATION Work undertaken to date	ASSET REALISATION Future work to be undertaken
	<p><u>Litigation settlement</u></p> <p>During the Period, a settlement was reached with certain former directors of BHS Group Limited and the Company. Pursuant to the settlement there was a mutual release of all claims with no admission of liability. The Joint Liquidators continue to consider other actions to maximise recoveries for the estate.</p> <p><u>International franchise debts</u></p> <p>The Joint Liquidators continue to liaise with their legal advisers and counsel in relation to the outstanding debt totalling approx. £564k. The Joint Liquidators were advised that the Bahraini debtor has been placed into an insolvency process in Bahrain. The Bahraini Court and trustee have acknowledged the UK Court judgement obtained against the debtor.</p> <p>The Joint Liquidators have continued to liaise with their credit collection company in relation to a Swiss franchisee. The Joint Liquidators were advised in the Period that the debtor had been placed into Liquidation, and a claim was lodged on behalf of the Company. The appointed Liquidator of the debtor confirmed the debt and has remitted a dividend of CHF 5k which has been received in January 2021.</p> <p><u>Rates and miscellaneous refunds</u></p> <p>A rates refund totalling £54.7k has been received in the Period in relation to historic national non-domestic rates.</p> <p>In addition to this, a rents refund of £91k was received in the period.</p> <p>A further £5.6k was released by the former utility provider during the Period, however this correspondence continues to be ongoing.</p>	<p><u>International franchise debts</u></p> <p>The Joint Liquidators will continue to liaise with their legal advisors on the debtor's position and the progress of the insolvency procedure in Bahrain.</p> <p><u>Rates and miscellaneous refunds</u></p> <p>The Joint Liquidators will continue to liaise with their surveyors in relation to the historic property portfolio and possible rents/rates refunds.</p> <p>The Joint Liquidators will continue liaise with the former utility provider's solicitors and are considering obtaining legal counsel's opinion of the period.</p>

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Appendix C

The Joint Liquidators' schedule of work

	<p>A sum of £812,236.08 was received from BHS Group Limited in repayment of funding of litigation which was provided by the Company on a non-recourse basis.</p> <p><u>Other Matters</u></p> <p>The Joint Liquidators received a handful of receipts totalling approx. £168.00 in relation to historic small book debts.</p> <p><u>Funds Held by Merchant Service Providers</u></p> <p>The Joint Liquidators have been in correspondence with the provider who has advised that potential liability has been settled and funds were able to be released. A balance of £20k has been received, following the settlement of claims received which they were contractually obliged to pay.</p>	<p><u>Other Matters</u></p> <p>The Joint Liquidators will continue to liaise with the Company's former collection agents in relation to the recovery of any further book debts.</p>
3	STATUTORY COMPLIANCE AND REPORTING Work undertaken to date	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	<p><u>Statutory compliance – general, statutory reporting, meetings and appointment formalities</u></p> <p>The Joint Liquidators are required to circulate a detailed schedule of work, which is updated during the liquidation to inform creditors of work undertaken in a relevant period and the work required to complete the various work streams being undertaken.</p> <p>Fee estimates for each year of the liquidation have been prepared which involve members of the Joint Liquidators staff meeting to determine the likely time which will be expended on each work stream which is likely to be progressed in the next reporting period.</p>	<p><u>Statutory compliance – general, statutory reporting, meetings and appointment formalities</u></p> <p>The Joint Liquidators are required to circulate a progress report to creditors within two months of each anniversary of the liquidation. This report details the work undertaken during the relevant period and details the work still to be undertaken to bring the matter to a conclusion. The report also includes disclosures to creditors in respect of the Joint Liquidators' remuneration and the expenses incurred.</p>

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Appendix C

The Joint Liquidators' schedule of work

	<u>Post appointment tax/VAT</u> The Joint Liquidators have submitted periodic tax returns in conjunction with EY. Periodic VAT returns have been submitted to HMRC in the Period. The Joint Liquidators are currently waiting for the VAT receivable amount of £667k from the latest return.	<u>Post appointment tax/VAT</u> The Joint Liquidators will continue to work with EY to submit periodic tax returns. Periodic returns in respect of VAT and corporation tax will be submitted to HMRC on an ongoing basis.
4	TRADING Work undertaken to date	TRADING Future work to be undertaken
	Minimal work has been undertaken in the Period.	The Joint Liquidators will continue to review any requests for payment as and when received.
5	INVESTIGATIONS Work undertaken to date	INVESTIGATIONS Future work to be undertaken
	Creditors should note that a brief summary of the various investigation streams has been provided below. Due to the sensitive and largely privileged nature of the below work streams some of the descriptions have been limited	
	The Joint Liquidators have continued to take possession of the books and records of the Company and other relevant information that has enabled the Joint Liquidators to conduct their statutory investigations. As advised in previous correspondence, an extensive and detailed exercise of data and systems discovery with the subsequent collation of a vast amount of data and physical records from a number of Company and third-party sites has been undertaken. Through the use of a document discovery and review platform, the investigations team has been able to conduct a targeted review of the voluminous amounts of data collected to date. Significant resources have been directed towards reviewing the data following the implementation of various searching and document tagging techniques. From this targeted review and with the assistance of the Joint	The Joint Liquidators will continue to liaise with various third parties to collect relevant data that is not available from the Company's servers or already in the possession of the Joint Liquidators.

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The Joint Liquidators' schedule of work

<p>Liquidators' legal representatives, Jones Day, a range of work streams have been identified and progressed during the Period.</p> <p>The Joint Liquidators have been appointed as joint liquidators of Darlington SHB Limited, a special purpose vehicle and 100% subsidiary of BHS Group Limited (in Liquidation), which received a £2.5m loan from the Company for the acquisition of the freehold of the Darlington store. The net proceeds following the sale of the property were £973k and this sum is now available for distribution (less the costs of the liquidation) to Darlington SHB Limited's creditors, of which the Company accounts for over 99%. Please note the net sale proceeds included a deposit in relation to an aborted transaction of £150k.</p> <p>The Joint Liquidators have maintained communication channels with several third-party agencies, including the Insolvency Service, the PPF and tPR as part of their investigations.</p> <p>The Joint Liquidators have extensively considered the existence of claims arising in respect of the Company's trading activities and actions during the period leading up to the date of administration. This work stream is currently ongoing.</p> <p>The Joint Liquidators are investigating the actions of the Company's directors after the sale of BHS Group Limited to Retail Acquisitions Limited on 11 March 2015. This work stream is currently ongoing.</p> <p><u>IT – Investigations</u></p> <p>The Joint Liquidators' forensic technology team has continued with a highly extensive and detailed exercise of data and system discovery with the subsequent collation of a vast amount of data and physical records from a number of Company</p>	<p>The Joint Liquidators will monitor the liquidation of Darlington SHB Limited for the payment of an unsecured dividend.</p> <p>The Joint Liquidators will continue to communicate with third-parties, where appropriate.</p> <p>The Joint Liquidators are unable to comment further on this work stream at this stage so to not prejudice any potential action available to the Company.</p> <p>The Joint Liquidators have issued legal proceedings in relation the conduct of directors appointed after the sale of the Company to Retail Acquisitions Limited in March 2015. The Joint Liquidators are unable to comment further on this work stream at this stage so to not prejudice any potential action available to the Company.</p> <p><u>IT – Investigations</u></p> <p>The forensic technology team will continue to source and maintain Company data to a forensic standard over the course of the liquidation.</p>
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The Joint Liquidators' schedule of work

	<p>and third-party sites. This data has been maintained to a forensic standard as required.</p> <p>The Joint Liquidators' forensic technology team has provided technical expertise when required to assist in the general investigation work streams (detailed above).</p>	<p>The forensic technology team will continue to maintain the document discovery and review platform and assist providing targeted search and document tagging techniques.</p> <p>The forensic technology team will continue to maintain the document discovery and review platform consulting with the Joint Liquidators to provide assistance in document review and disclosure where necessary.</p> <p>The forensic technology team will continue to provide technical expertise when required to assist the general investigation streams.</p>
6	CREDITORS Work undertaken to date	CREDITORS Future work to be undertaken
	<p><u>Property/Landlords</u></p> <p>The Joint Liquidators have dealt with the Company's remaining interest in several leases, by either disclaiming its interest or surrendering its interest on a consensual basis. A large number of queries continue to be received and these are dealt with on an ongoing basis.</p> <p><u>Employees and unsecured creditors</u></p> <p>The Joint Liquidators have dealt with queries, including requests for references from employees, on an ongoing basis.</p>	<p><u>Property/Landlords</u></p> <p>The Joint Liquidators will resolve the status of the remaining leases and review and adjudicate any subsequent landlord claims, if applicable.</p> <p><u>Employees and unsecured creditors</u></p> <p>The Joint Liquidators will continue to respond to queries as and when received and declare a second and final dividend at the appropriate time.</p> <p>A second dividend will involve a review of the claims which have been received since the first dividend has been declared (which are numerous) and reviewing any outstanding claims from the first dividend and adjudicating where necessary.</p> <p>The Joint Liquidators will pay any unclaimed dividend to the Insolvency Service.</p>



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The Joint Liquidators' schedule of work

7	LEGAL AND LITIGATION Work undertaken to date	LEGAL AND LITIGATION Future work to be undertaken
	Creditors should note that a brief summary of the investigations to date has been provided above but due to the sensitive and largely privileged nature of this work some of the descriptions have been limited	
	<p>Solicitors have been instructed to advise and assist the Joint Liquidators in discharging their duties. Legal advice has been sought concerning the insolvency estate, the discharge of the Liquidators' duties generally and other matters arising as a consequence of the Liquidators' enquiries into the affairs of the Company, specifically in relation to investigations and recovery actions undertaken to date. Counsel has been engaged to provide opinion on certain matters.</p>	<p>The Joint Liquidators will continue to seek legal advice, as appropriate, concerning the insolvency estate, the discharge of the Joint Liquidators' duties generally and other matters arising as a consequence of the Joint Liquidators' enquiries into the affairs of the Company.</p> <p>The Joint Liquidators will consider the merits of any further potential claims and the likely benefit to creditors with the assistance of solicitors and seek opinion from Counsel. If any claims are issued against third parties, the Liquidators may obtain After the Event Insurance (ATE Insurance) prior to issuing such claims (if appropriate).</p>

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Appendix D

Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively

FRPSHB Realisations Limited (formerly BHS Limited) (In Liquidation)
Time charged for the period 02 December 2019 to 01 December 2020

	Appointment Taken /						Total Hours	Total Cost	Average Hourly Rate
	Partners	Managers / Directors	Other Professionals	Junior Professionals & Support				£	£
Administration and Planning	1.65	17.75	19.25	1.65			40.30	13,792.50	342.25
Admin & Planning		0.20					0.20	85.00	425.00
Case Accounting		0.80	12.00	1.85			14.45	3,760.25	260.22
Case Control and Review	0.40		8.55				8.95	2,074.25	231.45
Case Accounting - General		0.50					0.50	247.50	495.00
General Administration		1.50					1.50	697.50	465.00
Insurance		3.00					3.00	1,581.00	527.00
Fee and WIP	1.25	11.15	0.70				13.10	5,387.00	408.69
Asset Realisation	48.50	7.65	0.40				56.55	31,222.75	552.55
Asset Realisation	2.10	0.40					2.50	1,403.50	561.40
Freehold/Leasehold Property		0.50					0.50	225.00	450.00
Chattel Assets		0.50					0.50	225.00	450.00
Debt Collection		6.25	0.20				6.45	2,908.25	450.58
Legal-asset Realisation	44.40		0.20				44.60	26,473.00	593.57
Creditors	3.00	82.95	10.85				96.80	40,309.75	416.42
Unsecured Creditors	2.00	83.90	8.80				74.70	31,485.50	421.49
Employees			2.05				2.05	685.00	334.15
Legal-Creditors	1.00						1.00	595.00	595.00
Landlord		18.05					18.05	7,544.25	418.02
Investigation	1.20	237.60	370.25				609.05	227,721.00	373.90
Investigatory Work		206.65	329.40				536.05	201,485.00	375.65
Legal - Investigations	1.20	20.55					21.75	9,578.50	440.30
Forensic-Relativity (Internal)			38.60				38.60	11,420.00	295.85
FTech - Relativity (External)			2.25				2.25	683.75	305.00
FTech - Project Management		3.25					3.25	1,443.75	444.23
London Contentious Insolvency - Investigations		6.85					6.85	3,132.00	457.23
Statutory Compliance	2.80	36.50	13.20				52.50	20,951.00	399.07
Statutory Compliance - General	0.50	2.00	0.20				2.70	1,242.50	460.19
Statutory Reporting/ Meetings	1.50	21.00	3.60				26.10	10,307.50	395.92
Appointment Formalities		0.50					0.50	192.50	385.00
Tax/VAT - Post appointment	0.80	13.00	9.40				23.20	9,208.50	396.92
Total Hours	55.15	382.45	413.95	1.65			853.20	334,007.00	391.48

SHB Realisations Limited (formerly BHS Limited) (In Liquidation)
The Joint Liquidators' Progress Report

Appendix D

Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively

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SHB Realisations Limited (formerly BHS Limited) (in Liquidation)
Time charged for the period 02 December 2019 to 01 December 2020

	Appointments Taken / Costs	Material Disburse Costs	Other Disburse Costs	Joint Professional & Support Costs	Total Hours	Total Cost	Average Rate
Administration and Planning	119.55	189.30	451.35	59.40	820.00	259,450.00	316.41
Admin & Planning		1.05	0.25	0.25	1.55	467.75	301.77
Case Accounting		15.55	50.45	38.60	134.60	32,528.00	241.68
Travel	6.20	7.20	33.00		46.40	14,714.50	317.12
Case Control and Review	30.55	14.25	69.25	14.60	128.65	42,615.75	331.25
Case Accounting - General		3.60	70.40		74.30	17,696.00	238.17
General Administration	63.45	73.10	141.20	2.95	280.70	60,650.25	345.05
Insurance		36.85	8.10	0.30	47.25	17,462.75	370.01
Fee and WIP	11.50	16.80	41.20	2.70	75.20	24,541.25	326.35
Strategy and Planning	4.00	15.60	7.30		26.90	10,177.50	378.35
Media	1.00		0.20		1.20	610.00	508.33
IT - Admin / planning and acc	3.25				3.25	1,771.25	545.00
Asset Realisation	171.65	414.40	236.65	16.60	839.70	329,904.25	393.35
Asset Realisation		13.65	2.40	3.50	76.70	24,904.25	312.47
Freehold/Leasehold Property	21.50	258.95	109.40		389.85	142,680.00	365.99
Chattel Assets		3.50	0.50		4.00	1,625.00	406.25
Debt Collection	0.50	137.85	56.40	13.10	208.85	75,427.00	364.05
Legal-asset Realisation	135.40	6.85	10.50		152.75	83,066.75	543.81
Stock/WIP		4.85	0.70		5.55	2,201.25	398.62
Creditors	66.70	2,071.60	2,061.55	269.97	4,449.82	1,348,491.15	303.10
Unsecured Creditors	36.50	969.40	1,424.80	151.49	2,612.19	820,225.75	302.34
Secured Creditors	8.00	3.50	10.40		21.90	8,265.00	378.77
Employees	1.00	25.20	591.90	47.08	665.18	139,683.40	209.99
Preferential Creditors				7.00	7.00	875.00	125.00
HPI Leasing		1.00	0.80		1.80	585.00	325.00
Legal-Creditors	34.80	17.70	0.40		52.90	26,207.00	495.41
Landlord	2.80	985.45	27.70	3.50	1,019.55	347,445.00	340.78
TAX/VAT - Pre-appointment	2.50	38.40	14.40		55.30	21,468.50	388.22
Pensions - Creditors	1.00		8.10		9.10	2,606.50	286.43
Prescribed Part		1.00	3.25		4.25	1,100.00	258.82
Investigation	450.05	3,602.10	6,507.85	270.65	10,830.75	3,332,377.75	307.68
Investigatory Work	81.25	2,545.10	4,542.35	77.85	7,246.55	2,238,362.25	308.89
CDDA Enquiries		1.00	5.10		6.10	1,690.00	277.05
Legal - Investigations	220.20	311.60	48.00	0.70	579.10	250,608.00	433.10
IT - Investigations	38.15	196.75	341.15	123.80	660.85	192,156.00	274.83
Forensic	109.75	99.55	254.55	23.50	487.35	193,791.25	398.09
Forensic - Relativity (Internal)	0.70	338.70	1,276.35	44.70	1,660.45	434,030.25	261.39
FTech - Relativity (External)		16.85	2.35		22.20	8,676.50	390.97
FTech - Project Management		76.20	1.50		77.70	26,165.00	375.35
FTech - Forensic Data Analysis		1.50			1.50	637.50	425.00
FTech - Data Capture		6.00	38.00		44.00	9,625.00	225.57
London Contention Insolvency - Investigations		6.85			6.85	3,132.00	457.23
Statutory Compliance	16.05	152.30	169.10	10.10	347.55	120,222.75	345.91
Post Appt TAX/VAT	2.00	14.10	13.40		29.50	10,697.50	362.29
Statutory Compliance - General	1.00	13.25	30.20		44.45	14,339.25	322.59
Statutory Reporting/ Meetings	6.50	62.05	103.40	5.80	178.75	59,294.75	332.97
Appointment Formalities	4.55	47.60	21.70	4.30	78.45	26,066.25	381.98
Pensions - Other		6.00	0.40		6.40	2,130.00	332.81
Trading	7.65	29.45	79.50	9.30	116.90	32,512.25	278.12
Trading forecasting/ Monitoring		3.25	26.10		32.35	7,201.25	222.80
Case Accounting - Trading			0.80		0.80	142.50	237.50
Trade-sales/ Purchase		6.80	45.50	9.30	61.70	15,701.00	254.47
Trading - General		5.90	0.60		6.50	2,551.00	392.46
IT - Trading / Sale support	7.65	1.65	3.70		13.00	5,747.75	442.13
Legal-trading		2.75			2.75	1,188.75	425.00
Total Hours	851.45	6,450.20	9,526.10	575.12	17,492.87	5,422,968.15	311.61

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Appendix D

Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively

Disbursements for the period 02 December 2019 to 01 December 2020

	Value £
Category 1	
Storage	16,460.44
Computer Consumables	9,479.92
Electronic Storage Costs	6,430.17
Grand Total	32,370.53

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

FRP Charge out rates

Grade	From	1st May 2016	1st May 2017	1st May 2019	1st November 2020
Appointment taker / Partner		450-495	450-545	495-595	595-695
Managers / Directors		340-465	340-465	385-495	445-595
Other Professional		200-295	200-295	225-340	275-395
Junior Professional & Support		125-175	125-175	150-195	175-245

Disbursements for the period 02 December 2016 to 01 December 2020

	Value £
Category 1	
Company Search	95.34
Photo copying	1,239.78
Postage	1,142.40
Prof. Services	1,786.89
Taxis	159.06
Telephone	400.07
Travel	1,180.18
Storage	50,225.58
Bonding	20.00
Mobile Telephone	17.15
Computer Consumables	155,625.62
Property	212.00
Consultancy	3,300.00
Accommodation/ Room Hire (External)	16.70
Courier	1,219.05
Electronic Storage Costs	7,723.28
Subsistence	45.40
Scanning	1,845.18
Land Registry Charges	3.00
Category 2	
Car/Mileage Recharge	64.29
Grand Total	226,320.97

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

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Appendix E

Statement of expenses incurred in the Period and cumulatively

SHB Realisations Limited (in Liquidation)		
Statement of expenses for the period ended 1 December 2020		
Expenses	Period to 1 December 2020 £	Cumulative period to 1 December 2020 £
Office Holders' remuneration (Time costs)	333,237.00	5,422,698.15
Office Holders' disbursements	32,370.53	226,320.97
Trading liabilities	93,330.29	7,460,227.54
Legal fees:	-	-
- Jones Day	1,152,945.92	7,104,608.26
- DLA Piper (UK) LLP	9,847.10	336,696.20
- Freeths LLP	-	19,114.20
- Ince & Co LLP	-	1,953.00
- Wallace LLP	-	6,500.00
- Hill Dickinson LLP	-	31,742.50
- Dentons UKMEA LLP	-	57,580.50
- Bond Dickinson LLP	10,420.00	31,412.00
- New Media Law LLP	-	13,250.00
- Shepherd & Wedderburn	-	22,639.00
- Arthur Cox	-	2,305.00
- Charles Russell Speechlys	10,918.50	46,619.00
- Hogan Lovells	-	90,100.50
- Elham Ali Hassan	8,724.67	24,622.04
- Stephenson Harwood LLP	22,860.00	22,860.00
Bank charges	27.20	3,040.97
Stock storage	-	13,232.84
Legal disbursements (inc counsel)	58,441.05	485,697.18
Security	-	86,962.00
Store property costs	-	19,852.02
Accountants' fees	14,500.00	131,000.00
Late filing charges	-	100.00
Return of trust monies	-	1,226,950.00
Agents/valuers fees	-	-
- Waterscan Limited	-	3,380.00
- Business rate surveyor	-	89,251.87
- Stark Software International Limited	-	650.00
- Savills (UK) Ltd - lease advisory	-	54,200.00
- Allsop LLP	-	32,003.32
- Morgan Rossiter	-	24,000.00
- CBRE	-	3,000.00
- Tracing agent	-	8,922.08
- Credit Limits International	-	120.00
- Birkett Green Lees LLP	8,209.26	8,209.26
- City Press Services Ltd	315.00	315.00
Settlement monies	-	2,500.00
Debt collection costs	120.00	91,169.27
Stationary and postage	-	35,621.87
Merchant service management fees	-	40,000.00
Storage costs	-	12,147.90
Re-direction of mail	-	1,225.00
Statutory advertising	-	254.00
Insurance of Assets	1,505.00	94,385.31
Professional fees/Duff and Phelps	280.00	58,439.75
Total	1,757,811.52	23,447,878.50

SHB Realisations Limited (formerly BHS Limited) (in Liquidation)
The Joint Liquidators' Progress Report