

To All Retained and Ongoing Furlough Employees - Frequently asked questions.

This frequently asked questions document, dated 20 July 2020, has been produced in an attempt to provide you with as much information in the time period available.

Questions?	Answers
What has happened to the company?	<p>You may be aware from the recent announcements that trading has remained challenging for the Group due to the difficult and uncertain market conditions and reduced consumer spending. For a retail sector already under severe pressure, the current environment driven by Coronavirus pandemic is unprecedented. The Coronavirus outbreak has had a significant impact on trading and unfortunately the business has remained in a very difficult position</p> <p>As a result, the directors have taken the very difficult decision to appoint joint administrators to a number of companies within the Group.</p>
What does 'going into administration' mean?	<p>Going into administration means the Company is being taken under the management of an administrator (a licensed insolvency practitioner). The administrator assumes control of the company from the current Directors and will manage the business from this point onwards.</p>
What is an administrator?	<p>An Administrator is an officer of the Court and is qualified to manage the affairs of a business when it is insolvent. It is their role to take control of a company's affairs when it is in financial difficulty and try to find a longer term solution for it. They will be responsible for working with management to review the operations of the company and try to secure a sale of some or all of the business. The Administrators act as agent of the company and without personal liability.</p>

What effect does Administration have on my employment if I work in the Retail business?

Regrettably, despite the efforts of the Directors, a viable solution was not possible for the Harveys brand which is now in the control of the administrators. Employees who are assigned to Harveys remain employed by one of the Companies in administration.

If you work within the retail portfolio and you've been asked to return from furlough, you are required to attend work. We do not envisage any retail employees remaining on furlough during administration. If you are unable to return to work following furlough you must contact uk_bluegroup_employees@pwc.com immediately. If you have found alternative employment during furlough and you choose not to return from furlough because you've started a new job, you should confirm this and you'll be treated as a leaver without notice.

What is the outcome of the review into the business of Relyon Limited?

A rapid assessment of the business was required to ensure the administration could operate the business efficiently and effectively. As a result, a collaborative approach was taken with management to identify how to rightsize the business following the impact of administration and new ongoing requirements. Regrettably 82 roles were identified as no longer required.

Although some of those who were made redundant on Friday 10 July were on furlough, having identified that there was no certainty for a number of roles, it was not possible to continue to access the furlough scheme and the only option was to make a number of redundancies. It is still the strategy of the Administrators to explore options available and secure a future for this business.

Will there also be a review into the Formation Furniture business?

It is still the strategy of the Administrators to find a buyer for Formation Furniture and secure a future for the business. We have been in contact with a number of interested parties and continue to explore interest for the business.

This strategy allows us to continue to access funding for those who remain on furlough which reduces the need to make redundancies in the short term.

Will the current planned summer factory shut down at Formation Furniture still take place?

As a result of the Company being in Administration and given the required production scheduling to complete the existing order book, the Administrators and Management are concerned that proceeding with a shutdown in the present circumstances will be detrimental to the operations of the business and would not be the best course of action.

We have carefully considered the position and have come to the decision that it would be best to continue production between 27 July 2020 and 07 August 2020.

Will I be expected to continue to work between 27 July 2020 and 07 August 2020 given production will continue at Formation Furniture?

If you are already working and currently not currently on furlough, we are asking that you attend work between 27 July 2020 and 07 August 2020.

You will no longer be required to take this time as holiday. You will be entitled to your normal pay during this period. However, we do recognise that some of you may have already booked to go away during this time or may have already made other commitments that you cannot easily change.

If you have any pre-booked holidays or other commitments during the period and you need to raise any concerns about your ability to attend work, please speak to your HR contact Julia Davies on 01656 666168 or julia.davies@formationfurniture.co.uk so that we can assess each situation on a case by case basis.

Will I be able to take the holiday at a different time given that production at Formation Furniture will continue during the shutdown?

You will not lose the days' holiday during this period and will be able to take that holiday at a different time should you wish to do so.

What will happen to the holidays accrued prior to appointment as a result of production continuing at Formation Furniture during shutdown?

As these days will have been accrued prior to our appointment, in the event of redundancy, to the extent these days remain untaken they can be claimed from the Redundancy Payments Service ("RPS").

Alternatively, if the business is sold as a going concern and your employment transfers to the buyer. These holidays will transfer to a new employer, if they are not taken.

Will I still be expected to take my holidays if I am on furlough whilst production at Formation Furniture will continue during the usual shutdown between 27 July 2020 and 07 August 2020?

Yes, you are still required to take your holidays between 27 July 2020 and 7 August 2020.

As you are aware, during the furlough period you have been receiving 80% of your basic salary. However, for the avoidance of doubt, during the period between 27 July 2020 and 07 August 2020 when you are taking annual leave, you will be paid 100% of your basic salary.

Who is my employer?	Unless you are told otherwise, you continue to be an employee of the company that employs you under the terms and conditions of your existing employment contract.
Why have I been assigned to Harveys in administration when I spend time selling in Bensons?	A number of factors were considered, including the value of sales split between Harveys and Bensons, in order to make this determination.
Were there any redundancies on the date of appointment?	The Administrators will retain the roles necessary to assist them with the accelerated sale of all Harvey's stock through the store network and ongoing customer requirements. Regrettably, some colleagues have been made redundant with immediate effect because their roles couldn't continue due to the Administration.
What happens if I am made redundant?	<p>Because your employer is insolvent, it cannot pay you amounts that may be due to you if you're made redundant. There is a claims process which is administered by the Redundancy Payments Service, ('RPS') and details of the process and the claim will follow if this is required.</p> <p>The Administrators employment team will be working with the HR function to ensure that you are updated. This may be through your usual reporting process, through an employee forum or a series of business updates.</p>
Will my length of service be affected by a period of furlough?	No
When will my actual redundancy date be?	It's currently uncertain how long the stock clearance exercise within the store network will take or how long or if the administrators will secure a sale as a going concern. Therefore we are unable to provide an indication of when your redundancy might be. We will keep you informed throughout.
Should I continue to come to work? How will my wages be paid?	<p>Yes, if you have been advised that you have been retained by the Company please continue to attend work. If you are uncertain of your status, please speak to your line manager or HR. So long as you continue to turn up for work, you will be paid for the work that you do after our appointment in accordance with your existing Contract of Employment and Company policies.</p> <p>If you have agreed to remain on furlough during administration you will continue to be paid in the same way as you were prior to the Administration. The amount that you will receive during furlough will be dependent on the terms of the Coronavirus Job Retention Scheme which may change.</p>
Will I still receive the national minimum wage during a period of furlough?	As per the government guidance, employees are only entitled to the National Living Wage (NLW)/National Minimum Wage (NMW) for the hours they are working.

Therefore, furloughed workers, who are not working, will be paid the lower of 80% of their regular wage, or £2,500 even if, based on their usual working hours, this would be below NLW/NMW.

However, if you are required to for example, complete online training courses whilst you are furloughed, then you must be paid at least the NLW/NMW for the time spent training, even if this is more than the 80% of your wage that will be subsidised.

What about my pension payments and other benefits?

A specialist pension team will be reviewing the company policies.
If you have any questions around your pensions please contact the providers.

I have a company phone, can I carry on using it?

The Administrators will be having discussions with the current provider with a view to securing on-going arrangements to continue these facilities. We hope to avoid/limit any operational disruption.

Will my expenses be paid?

Going forward you can claim expenses in the usual way, with such expenses subject to approval in accordance with the company's normal procedures. We won't be able to make a decision on whether or not pre administration expenses can be paid until all outstanding claims are received. We will review received claims and notify you of the outcome as soon as possible.

Can I still take holiday and will I be paid?

You can request paid holiday in the usual way, with such holiday subject to approval in accordance with the company's normal procedures.

Will I be paid overtime?

You will be paid overtime subject to the overtime being approved in accordance with the company's normal procedures.

What happens if I get a new job and choose to resign?

If you resign, you are terminating your employment with the company. You'll still be able to receive payment for work done after our appointment and payment in lieu of holiday accrued but not taken; but you won't be entitled to redundancy or notice pay.

If payroll teams have all transferred, who will process my payroll going forward?

Under the terms of a legal agreement between the parties to offer certain services to each other (known as a Transitional Services Agreement) NewCo payroll/HR will retain access to employee data to support the Administrators and process pay.

What do I do if I receive enquiries from the media?

Should anyone from the media contact you please do not answer any questions yourself but direct queries to Duncan Bowker at the PwC Media Relations team at duncan.bowker@pwc.com

Please be mindful when making comments over social media as these can often be misconstrued.

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

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

The joint administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

The joint administrators may act as controllers of personal data as defined by the UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment