

# Property Portfolio (No 11) Final Progress Report

High Court of Justice Business and Property Courts of  
England and Wales Insolvency & Companies List (ChD)

Case No. CR-2020-002923

IR16M576

13 August 2021

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
<b>Joint administrators / we / us / our</b>	Zelf Hussain, Peter David Dickens and Yulia Marshall
<b>Alteri</b>	Alteri Investors
<b>BDO</b>	BDO LLP
<b>BEIS</b>	Department for Business, Energy & Industrial Strategy
<b>Company</b>	Property Portfolio (No 11)
<b>FCA</b>	Financial Conduct Authority
<b>Firm or PwC</b>	PricewaterhouseCoopers LLP
<b>Group</b>	The Blue Group Hold Co Limited and its subsidiaries
<b>Hilco</b>	Hilco Valuation Services
<b>HMRC</b>	HM Revenue and Customs
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>IA86</b>	Insolvency Act 1986
<b>Insolvency code of ethics</b>	The code of ethics aims to help insolvency practitioners meet their professional and ethical obligations. A copy can be found at <a href="https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics">https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics</a>
<b>the Licence / LTO</b>	Licence to occupy leasehold premises
<b>Pre-pack sale</b>	The sale of certain of the Group's business and assets, completed immediately following our appointment as joint administrators. The transaction largely related to the Bensons for Beds business and is explained more fully in our Proposals
<b>Prescribed part</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
<b>Preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>the Property / Hounslow store</b>	54-56 High Street, Hounslow, TW3 1NW
<b>Proposals</b>	Joint administrators' proposals for achieving the purpose of administration dated 8 July 2020 and available to download on <a href="http://www.pwc.co.uk/bluegroup">www.pwc.co.uk/bluegroup</a> .
<b>the Bensons Purchasers</b>	Bensonsforbedsretail Limited, Bensonsforbedsmanufacturing Limited and BlueGroup Propco Limited
<b>the Relyon Purchaser</b>	Relyon Beds Limited (formerly Michco 2001 Limited)
<b>the Purchasers</b>	together, the Bensons Purchasers and the Rylon Purchaser
<b>RPS</b>	Redundancy Payments Service, an executive agency sponsored by the Department for

	Business, Energy and Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
<b>Sch.B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>Secured creditor</b>	A creditor with security in respect of their debt, in accordance with Section 248 IA86. The only secured creditor is Alteri
<b>Secondary preferential creditors</b>	HMRC in respect of taxes due from employees and customers that are withheld by the business and then paid over in one lump sum periodically to HMRC, such as VAT, PAYE and employees' National Insurance contributions
<b>Shoosmiths</b>	Shoosmiths LLP (a law firm)
<b>Bensons SPA</b>	Sale and purchase agreement: the agreement for the sale and purchase of the business and assets dated 30 June 2020 and made between the Group (excluding Blue Group Hold Co Limited) and the Bensons Purchasers
<b>Relyon SPA</b>	Sale and purchase agreement: the agreement for the sale and purchase of the business and assets dated 3 August 2020 and made between RL, the Relyon Purchaser and certain other third party entities
<b>Steinhoff</b>	Steinhoff International Holdings NV
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>Unsecured creditors</b>	Creditors who are neither secured not preferential

This report has been prepared by Zelf Hussain, Peter Dickens and Yulia Marshall as joint administrators of the Company, solely to comply with their statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the joint administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the joint administrators' previous reports issued to the Company's creditors, which can be found at [pwc.co.uk/bluegroup](http://pwc.co.uk/bluegroup). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain, Peter Dickens and Yulia Marshall have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. The joint administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. 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 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. Further details are available in the privacy statement on the [PwC.co.uk](http://PwC.co.uk) website or by contacting the joint administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

# Key messages

## Why we've sent you this report

I'm pleased to let you know that our work in the administration of Property Portfolio (No 11) is now complete and so, I set out below our final report.

You can still view our earlier reports on our website at [www.pwc.co.uk/bluegroup](http://www.pwc.co.uk/bluegroup). Please get in touch with us at [uk\\_bluegroup\\_creditors@pwc.com](mailto:uk_bluegroup_creditors@pwc.com) if you need any of the passwords to access the reports.

## How much creditors have received

The following table summarises the final outcome for creditors of the Company.

Class of creditor	Current estimate (%)	Previous estimate (%)
Secured creditor	n/a	n/a
Preferential creditors	n/a	n/a
Unsecured creditors	Nil	Nil

As previously reported, the Secured creditor was owed £42m at the time the Group entered into administration. The Group had granted security over its assets to the Secured creditor. The effect of the pre-pack sale on 30 June 2020 immediately reduced the Secured creditors' indebtedness by £23m. Further interim distributions of £15.5m have been made to the Secured creditor from other Group companies and future recoveries are expected from the remaining assets elsewhere in the Group. Whilst there will not be a distribution directly from the Company, it is expected that the Secured creditor will recover 89 - 97% from the remainder of the Group.

There are no employees or preferential creditors of the Company.

There will not be a dividend to unsecured creditors of the Company.

## What you need to do

This report is for your information and you don't need to do anything.

## What happens next

The administration was extended beyond 30 June 2021 for 12 months but is now ready to close. In line with our proposals approved by creditors, we filed a notice of move from administration to dissolution on 13 August 2021. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

This exit route is considered the most appropriate as there are no further assets to realise and there will be no distribution to creditors.

As resolved by the unsecured creditors, we will be discharged from liability in respect of any of our actions as joint administrators 14 days after our appointment comes to an end.

# Overview of our work

## Why we were appointed

You may remember that when we were appointed, the position was as follows:

- The Company was a member of the Group, which was a vertically integrated UK retailer that operated a multi-channel strategy through stores, online and telesales. The principal activities of the Group were the manufacture, distribution and retail of beds/mattresses and home furniture products. The retail group operated under the brands of:
  - Bensons for Beds, a leading UK retailer selling a comprehensive assortment of leading bed brands; and
  - Harveys, a leading home retail specialist in the UK focusing on upholstery, dining and living room furniture
- At the time of our appointment, the Group traded across over 262 retail stores in the UK and employed 3,469 people across the Group.
- We were appointed because the Group had been experiencing a combination of challenges including financial performance of its ultimate parent entity, challenging economic environment and global events which disrupted trading.
- In June 2019, the Group completed a significant restructuring which simplified the intercompany debt structure, secured continued funding of the defined benefit pension scheme and transferred this scheme to Homestyle Pension Company Limited (a Steinhoff entity outside the Group, and backed by parent guarantees) and introduced a new credit facility, provided by the shareholder, to support cash requirements in the near time.
- In November 2019, contracts for sale of the Group to Alteri were exchanged, subject to FCA approval, with completion of the transaction taking place on 26 February 2020. As part of this acquisition, Alteri acquired the £40m secured loan facility from the Group's previous lenders.
- However, due to ongoing trading underperformance and the initial impacts of the COVID19 pandemic, the Group forecast a significant funding requirement, alongside ongoing breaches of covenants in relation to its lending facility. The shareholders and lenders of the Group were not willing to provide additional funding and re-set covenants and so the Group was marketed for sale.
- BDO conducted the marketing process however no offers were received from third parties contacted. In June 2020, with the gradual re-opening of the UK retail sector, Alteri submitted an offer for certain elements of the Group's business and assets as a pre-packaged sale. This represented the best value for creditors in the circumstances.
- We were appointed over the Company as it held the leasehold interest in the Bensons for Beds Hounslow store. The administrators were no longer in beneficial occupation of the Property from 2 August 2020 and the landlord was subsequently offered a surrender of the lease. The Company was placed into insolvency proceedings in order to assist with the orderly wind-down of the Group.
- A detailed narrative and justification of why a pre-packaged sale was undertaken and alternatives considered can be found in our SIP 16 disclosure, a copy of which can be found on our website at [www.pwc.co.uk/bluegroup](http://www.pwc.co.uk/bluegroup).

## Asset realisations

The directors' Statement of Affairs states that the Company had no realisable assets.

As explained above, the Company held the leasehold interest for the Bensons for Beds Hounslow store. On appointment we granted the Bensons Purchasers an LTO for the Property, amongst others, to allow the Bensons purchaser time to agree an assignment of the Property, negotiate a new lease or vacate the Property. The Purchaser concluded that the Property was no longer required and, as there was no value to the administration in this leasehold property, we offered a surrender of the lease to the landlord on 2 August 2020. Administrative expenses were incurred in respect of the Property and these have been settled.

There are no further assets to be realised in respect of the Company.

## Connected party transactions

The Bensons Purchasers, who have acquired certain business and assets of the Group, are connected to the Group due to having a common ultimate parent (Alteri). Certain directors of the Group are also involved in the management of the Bensons Purchasers. Further information regarding the sale of part of the business and assets can be found on our website [www.pwc.co.uk/bluegroup](http://www.pwc.co.uk/bluegroup) within the 'Initial letter to creditors with SIP16 report' document.

## Other issues

We've stayed in office primarily to fulfil our obligations under the LTO, assist with the orderly wind down of the Group and to fulfil our statutory obligations (including dealing with the Company's tax and VAT affairs) and to ensure that there are no unresolved matters in respect of the Property.

## Approval of our proposals

We issued to creditors our proposals dated 8 July 2020 for achieving the purpose of administration.

The Company does not have enough assets to pay a dividend to unsecured creditors.

This meant that we did not have to seek a decision from creditors regarding the approval of proposals and our proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request a decision be sought, our proposals were treated as approved on 17 July 2020.

We attach a summary of our proposals at Appendix A.

## Investigations and actions

Nothing came to our attention during the administration to suggest that we needed to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## Tax clearance

We fulfilled our duties as proper officers for tax during the administration. HMRC has raised no queries in relation to the Company during the administration.

Our enquiries have concluded that the Company is a dormant entity for corporation tax purposes so is not required to submit corporation tax returns. We have deregistered the Company for VAT in preparation for closure of the administration.

## Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 30 June 2021 to 13 August 2021.

## Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

## Our fees

We set out in Appendix D an update on our remuneration which covers our fees, disbursements and other related matters.

## Pre-administration costs

You can find in Appendix E information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by contacting us at [uk\\_bluegroup\\_creditors@pwc.com](mailto:uk_bluegroup_creditors@pwc.com).

## Ongoing matters

There are no outstanding matters in the administration of the Company, and as such our work is complete. There is, however, ongoing work in respect of the other members of the Group. As explained above, we will file a notice to move the Company from administration to dissolution along with a copy of this report. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

Yours faithfully  
For and on behalf of the Company



Zelf Hussain  
Joint administrator



# Appendices

# Appendix A: Summary of our proposals

1. The Administrators made the following proposals for achieving the purpose of administration:
2. The Administrators will continue to manage and finance the Company's business, affairs and property from trading revenues/asset realisations/other in such manner as they consider expedient with a view to rescuing the Company as a going concern or achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration) or realising property in order to make a distribution to one or more secured or preferential creditors.
3. We may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985/2006 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
4. If we believe that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement/scheme of arrangement and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise).
5. If we believe that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
6. We may use any or a combination of 'exit route' strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances:
  - a. If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later
  - b. In the very unlikely event that funds become available to pay a distribution other than from the prescribed part, once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later.
  - c. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or company with any court order if different.
  - d. If that happens, it is proposed that Zelf Hussain, Peter David Dickens and Yulia Marshall are appointed as Joint Liquidators (or, if replacement administrators are appointed, any persons appointed as administrators at the time of the registration of notice moving from administration to creditors' voluntary liquidation per Paragraph 83(4) Sch B1 IA86) and that any act required or authorised to be done by the Joint Liquidators may be done by either or all of them. Creditors may, before these proposals are approved, nominate a different person or persons as liquidator(s), in accordance with Paragraph 83(7)(a) Sch B1 IA86 and Rule 3.60(6) IR16.
7. The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time set by the consent of the appropriate class of creditor, or by an order of the Court.

# Appendix B: Receipts and payments

Statement of Affairs		From 30 June 2020 to 29 June 2021	From 30 June 2021 to 13 August 2021	Cumulative to 13 August 2021
£	Assets subject to a fixed charge	Note	£	£
	<b>Receipts</b>			
	<b>Total receipts</b>		-	-
	<b>Payments</b>			
	<b>Total payments</b>		-	-
	<b>Net cash position</b>		-	-
	<b>Assets subject to a floating charge</b>			
	<b>Receipts</b>			
	<b>Total receipts</b>		-	-
	<b>Payments</b>			
	<b>Total payments</b>		-	-
	Property related control account	1	(8,778.56)	8,778.56
	VAT Control Account		(800.75)	800.75
	Trading profit/(loss)		9,579.31	(9,579.31)
	<b>Net floating charge realisations</b>		<b>0.00</b>	<b>(0.00)</b>
	<b>Total cash in hand</b>		<b>0.00</b>	<b>(0.00)</b>

		From 30 June 2020 to 29 June 2021	From 30 June 2021 to 13 August 2021	Cumulative to 13 August 2021
		£	£	£
<b>Trading Account</b>				
	<b>Receipts</b>			
	Contribution to costs	2	10,480.31	(9,579.31)
	<b>Total receipts</b>		<b>10,480.31</b>	<b>(9,579.31)</b>
	<b>Payments</b>			
	Rent		(901.00)	(901.00)
	<b>Total payments</b>		<b>(901.00)</b>	<b>(901.00)</b>
	<b>Net trading receipts/(payments)</b>		<b>9,579.31</b>	<b>(9,579.31)</b>

## Notes to the receipts and payments account

1. Amounts held in this account were monies held to settle liabilities in relation to the LTO properties
2. Contributions from Blue Group UK Retail Limited to allow payment of property costs, which were properly payable by them, but which were invoiced to the Company
3. All rent and service charge payments accrued in relation to the Property have been settled prior to the period.
4. Amounts shown exclude VAT
5. Funds were held in an interest bearing accounts
6. We have not drawn fees in relation to the Company

# Appendix C: Expenses

Expenses are amounts properly payable by us as administrators from the estate and exclude our fees and distributions to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP9 definition
<b>Category 1</b>	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
<b>Category 2</b>	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates communication facilities).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses that have been incurred by us as administrators or our associates, together with details of the Category 1 disbursements that have been incurred by PwC and will be recharged to the case.

Category	Cost incurred by	Policy	Costs incurred £
2	PwC	<b>Photocopying</b> – At 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	-
2	PwC	<b>Mileage</b> – At a maximum of 71 pence per mile (up to 2,000cc) or 92 pence per mile (over 2,000cc)	-
1	PwC	All other disbursements reimbursed at cost:	
		Bordereau (statutory bond)	225.00
		Legal fees	331.00
		Insurance	12.00
		Postage	1.00
		Printing	2.00
		<b>Total</b>	<b>571.00</b>

Whilst Category 1 disbursements have been incurred on this case, there are insufficient funds in this case to draw these disbursements. As such, these amounts will be written off.

The table below provides details of the expenses incurred in the administration:

Expense	Brought forward from preceding period £	Incurred in the period under review £	Total £
Bordereau (statutory bond)	225.00	-	225.00
Legal fees	331.00	-	331.00
Insurance	12.00	-	12.00
Postage	1.00	-	1.00
Printing	2.00	-	2.00
<b>Total</b>	<b>571.00</b>	<b>-</b>	<b>571.00</b>

We have not included in the above tables any expenses which are fully recoverable from the Purchaser under the terms of the licence to occupy the Property.

The table should be read in conjunction with the receipts and payments account at Appendix B, which shows expenses actually paid during the period and the total paid to date.

# Appendix D: Remuneration update

As explained above, the Company was a dormant entity within the wider Group. We were appointed as joint administrators of the Company to assist with the orderly wind down of the wider Group and because the Company held the leasehold interest in the Hounslow store.

The Company has no realisable assets so we have not sought approval to draw fees on this case.

We set out later in this Appendix details of our work, disbursements, subcontracted work and payments to associates.

## Our work in the period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work we have undertaken in the period of this report.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
<b>Strategy and planning</b>	<ul style="list-style-type: none"> <li>Holding team meetings not relating to trading and discussions regarding the status of the administration.</li> </ul>	<ul style="list-style-type: none"> <li>Assist in the timely, structured and efficient completion of the administration.</li> </ul>	<ul style="list-style-type: none"> <li>No direct financial benefit, however the work is necessary to ensure correct management and oversight of the administration.</li> </ul>
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>Dealing with processing payments; and</li> <li>Carrying out bank reconciliations and managing funds.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure correct management of the estate accounts</li> </ul>	<ul style="list-style-type: none"> <li>No direct financial benefit, however the work is necessary to ensure correct management of the accounts and safeguarding of funds.</li> </ul>
<b>Property management</b>	<ul style="list-style-type: none"> <li>Ensuring all property related matters are finalised prior to the closure.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure correct management of the licence to occupy the property.</li> </ul>	<ul style="list-style-type: none"> <li>No direct financial benefit however the work is necessary to ensure correct management of the licence to occupy whilst negotiations occur.</li> </ul>
<b>Case closure and exit</b>	<ul style="list-style-type: none"> <li>Regular team meetings to progress the closure of the administration;</li> <li>Filing final forms and notice of dissolution at Companies House;</li> <li>Seeking final clearances from agents and lawyers;</li> <li>Closing administration bank accounts;</li> <li>Calculating final payments and bank transfers; and</li> <li>Closing down internal systems in relation to the Company.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>To enable a timely, effective and efficient end to the administration.</li> </ul>
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>Preparing and circulating our final progress report;</li> <li>Filing documents at Companies House; and</li> <li>Updating and managing internal diary systems.</li> </ul>	<ul style="list-style-type: none"> <li>To comply with statutory and other obligations</li> </ul>	<ul style="list-style-type: none"> <li>As required by statute.</li> </ul>

<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Liaising with internal tax and VAT teams; and</li> <li>• Submission of deregistration application and seeking clearance.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory and other obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• As required by statute</li> </ul>
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## Our previous work

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
<b>Strategy and planning</b>	<ul style="list-style-type: none"> <li>• UK Company analysis of the Company;</li> <li>• Running regular reports for the Company to monitor costs; and</li> <li>• Holding team meetings not relating to trading and discussions regarding status of administration.</li> </ul>	<ul style="list-style-type: none"> <li>• Assist in the timely, structured and efficient completion of the administration.</li> </ul>	<ul style="list-style-type: none"> <li>• No direct financial benefit, however the work is necessary to ensure correct management and oversight of the administration.</li> </ul>
<b>Property management</b>	<ul style="list-style-type: none"> <li>• Drafting and issuing the surrender letter to the landlord; and</li> <li>• Reviewing and arranging payment of invoices for rent and associated costs.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure correct management of the licence to occupy the property.</li> </ul>	<ul style="list-style-type: none"> <li>• No direct financial benefit however the work is necessary to ensure correct management of the licence to occupy whilst negotiations occur.</li> </ul>
<b>Accounting and treasury</b>	<ul style="list-style-type: none"> <li>• Dealing with receipts, payments and journals;</li> <li>• Carrying out bank reconciliations and managing funds; and</li> <li>• Reconciliations to identify and segregate any amounts due to the Company</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure correct management of the estate accounts.</li> </ul>	<ul style="list-style-type: none"> <li>• No direct financial benefit, however the work is necessary to ensure correct management of the accounts and safeguarding of funds.</li> </ul>
<b>Investigations</b>	<ul style="list-style-type: none"> <li>• Conducting investigations for purposes of director conduct reports.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory and other obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• As required by statute.</li> </ul>
<b>Statutory and compliance</b>	<ul style="list-style-type: none"> <li>• Preparing and circulating proposals and SIP 16 report;</li> <li>• Filing documents at Companies House;</li> <li>• Preparing and sending initial notices following our appointment;</li> <li>• Preparing and circulating our first and second progress report; and</li> <li>• Updating and managing internal diary systems.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory and other obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• As required by statute.</li> </ul>
<b>Tax and VAT</b>	<ul style="list-style-type: none"> <li>• Review initial tax information;</li> <li>• Making enquiries into the tax status of the Company;</li> <li>• Review initial VAT information;</li> <li>• Liaising with internal tax and VAT teams; and</li> <li>• Preparing and submitting VAT returns.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory and other obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• As required by statute.</li> </ul>

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

## Our relationships

We have no business or personal relationships with the parties who would have approved our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Details of subcontracted work

We have not subcontracted any work during the administration of the Company.

## Legal and other professional firms

We instructed the following professionals across the wider Group:

Service provided	Name of firm/organisation	Reason selected	Basis of fees
Property agents	<ul style="list-style-type: none"><li>CAPA</li><li>Brownlow Utilities</li></ul>	<ul style="list-style-type: none"><li>Industry specialists and/or with prior knowledge of the property portfolios</li></ul>	Contingent fee based on cost savings and/or asset realisations <i>Actual cost to the Company: £nil</i>

The above table summarises the agents of the Group (as previously reported in our Proposals) however as there were no asset realisations in relation to the Company, no costs have been incurred or paid.



# Appendix E: Pre-administration costs

The following costs incurred before our appointment with a view to the Group going into administration.

Nature of costs	Amount (£)
Fees charged by the administrators	606,943
Expenses incurred by the administrators	448,127
Fees charged by other persons qualified to act as an insolvency practitioner	N/A
Expenses incurred by other persons qualified to act as an insolvency practitioner	N/A
<b>Total</b>	<b>1,055,070</b>

## Expenses incurred

Firm	Service provided	Unpaid amount (£)	Paid amount (£)
Shoosmiths LLP	Legal services: <ul style="list-style-type: none"> <li>Contract work on the pre-pack sale;</li> <li>Contingency planning for administration</li> <li>Providing advice on applications for vehicle operators licences;</li> <li>Preparation and advice on non-disclosure agreement for potential sale; and,</li> <li>Advice regarding miscellaneous administration matters</li> </ul>	360,000	-
Eversheds Sutherland*	<ul style="list-style-type: none"> <li>Preparation of administration appointment documents on behalf of the directors</li> </ul>	-	5,533
BDO	<ul style="list-style-type: none"> <li>Sale and marketing process described in Appendix C</li> </ul>	50,000	-
Hilco	<ul style="list-style-type: none"> <li>Asset valuation services as described in Appendix C</li> </ul>	38,127	-
<b>Total</b>		<b>448,127</b>	<b>5,533</b>

\* we understand Eversheds Sutherland were engaged and paid directly by the Group

The above table demonstrates the position of the Group (as previously reported in our Proposals) however none of these costs are attributable to the Company, so we have not sought approval for payment of any element of these costs and no pre-administration costs will be drawn from the Company.

# Appendix F: Other information

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<b>Court details for the administration:</b>	High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD)
<b>Company's registered name:</b>	Property Portfolio (No 11)
<b>Trading name:</b>	Bensons for Beds Harveys/ Harveys Furniture
<b>Registered number:</b>	02236968
<b>Date of the joint administrators' appointment:</b>	30 June 2020
<b>Joint administrators' names, addresses and contact details:</b>	Zelf Hussain of PwC, 7 More London, Riverside, London, SE1 2RT Peter David Dickens of PwC, 1 Hardman Square, Manchester, M3 3EB Yulia Marshall of PwC, 7 More London, Riverside, London, SE1 2RT <a href="mailto:uk_bluegroup_creditors@pwc.com">uk_bluegroup_creditors@pwc.com</a>
<b>Extension(s) to the initial period of appointment:</b>	Extension for a period of 12 months granted by decision by deemed consent

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