CPR Realisations Limited (formerly Carpetright Limited) - in administration

Joint Administrators’ Progress report from 22 January 2026 to 21 July 2026

Date: 19 August 2026

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

Case number: CR-2024-004119

Company number: 02294875

Table of contents

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that are specific to this appointment and report:

Administrators-in-waiting	Zelf Hussain, Rachael Maria Wilkinson and Peter David Dickens
APA	Asset Purchase Agreement between the Company, the Joint Administrators, CWHP Limited and Tapi Carpets & Floors Limited dated 22 July 2024
CAPA	Consultiam Property Limited t/a CAPA
CBRE	CBRE Limited
CMA	The Competition and Markets Authority
Company	CPR Realisations Limited (formerly Carpetright Limited)
CWHP	CWHP Limited (part of the Tapi group)
Date of the administration appointment	22 July 2024
Evelyn Partners	Evelyn Partners LLP
Hilco	Hilco Capital Limited
Joint Administrators /Administrators/we/us/our/Office holder(s)	Zelf Hussain, Rachael Maria Wilkinson and Peter David Dickens
LBTT	Land and Buildings Transaction Tax
LtO	Licence to Occupy
LtO Properties	The properties included in the Licence to Occupy agreements
MAPS	MAPS Solutions Europe Limited
Natwest	Natwest Markets plc
Nestware Group	Nestware Holdings Limited and its subsidiaries
NHL	Nestware Holdings Limited
Numerus	Numerus Payroll Services
Period	22 January 2026 to 21 July 2026
Proposals	The Joint Administrators' Proposals dated 29 July 2024
PwC Ireland	PricewaterhouseCoopers LLP Ireland
Registered office	8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
Tapi / Purchaser	Tapi Carpets & Floors Limited
Trading name	Carpetright
Travers Smith	Travers Smith LLP

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

CVA	Company voluntary arrangement under Part 1 IA86
CVL	Creditors' voluntary liquidation
DBT	Department for Business and Trade
Firm/PwC	PricewaterhouseCoopers LLP
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986

IR16	Insolvency (England and Wales) Rules 2016
Insolvency code of ethics	The code of ethics aims to help insolvency practitioners meet their professional and ethical obligations. A copy can be found at https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics
Ordinary preferential creditors	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: • unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances
Preferential creditors	Creditors who are classified as Ordinary preferential creditors or Secondary preferential creditors, as defined below and who rank above unsecured creditors
Prescribed part (pp)	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. It is paid out of 'net property' i.e. floating charge realisations after both costs and after setting enough aside to pay preferential creditors in full. It only has to be made available where the floating charge was created on or after 15 September 2003. The amount of the prescribed part is; • 50% of net property up to £10k (i.e. the pp will be up to £5k); plus (if applicable) • 20% of net property above £10k (i.e. the pp will be £5k plus 20% of the net property that exceeds £10k) The pp is subject to a maximum of £600k where the floating charge(s) is / are created before 6 April 2020. The maximum is £800k where the charge(s) is / are created on or after 6 April 2020 (provided there isn't a charge created before 6 April 2020 that ranks equally or in priority to it, in which case the maximum remains at £600k)
Regulations	Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021
Restructuring plan	A compromise or arrangement under Part 26A Companies Act 2006
ROT claims	Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secondary preferential creditors	Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds These include claims for: • certain HMRC debts owed at the date of insolvency, consisting of VAT and relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions). Penalties and interest do not form part of HMRC's preferential claim
Secured creditor(s)	A creditor with security in respect of their debt, in accordance with section 248 IA86

SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply
SIP 2	Statement of Insolvency Practice 2: Investigations by office holders in Administrations and insolvent Liquidations and the submission of conduct reports by office holders
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates from an estate
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured creditors	Creditors who are neither secured nor preferential, ranking behind secured creditors and all preferential classes of creditors

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Key messages

Why we've sent you this report

We have been appointed to manage the Company's affairs, business and property as its agents and act without personal liability.

This report provides you with an update on the progress in the most recent six-month Period, together with information we are required to include by law and applicable insolvency guidance.

Immediately below is an estimate of the expected outcome for the different creditor classes, beneath which is what you need to do.

Please note you should read this report in conjunction with our previous reports, which can be found at www.pwc.co.uk/carpetright.

Please get in touch with Catherine Elliott on 0113 289 4000 or at uk_carpetright_creditors@pwc.com if you need the password to access the reports.

How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditors	Nil	Nil
Ordinary preferential creditors	100p (Paid)	100p
Secondary preferential creditors	up to 100p	up to 90p
Unsecured creditors	Nil	Nil

Secured creditors

The lending to the Company as at the date of administration was £120m, secured by fixed and floating charges over the Company's assets. As previously reported, due to the absence of realisable fixed charge assets and the quantum of preferential claims ranking ahead of the floating charge, we do not anticipate any return to the secured creditors.

Ordinary preferential creditors (mainly employees)

In the Period we paid Ordinary preferential creditors a first and final dividend of 100p in the £ with a total value of £2,028,280.65.

Secondary preferential creditor (HMRC)

We've previously reported that HMRC submitted a claim which included over £57m relating to assessed VAT on carpet fitters' costs, which were subject to a VAT tribunal process.

However more recently we received a reduced claim; the preferential element of this claim totals approximately £7.725m. We have completed our adjudication of the preferential element of the claim and have issued a NOID to HMRC with the last date to declare a dividend set for 29 August 2026. We currently anticipate issuing an interim distribution to HMRC before 29 August 2026.

We cannot pay a final dividend to HMRC just yet as the VAT tribunal process has not completed and therefore HMRC's claim is not yet finalised. We understand HMRC consider VAT on carpet fitters' costs to be a liability of the Company. If they are able to successfully argue this point at a VAT tribunal, this would significantly increase HMRC's preferential claim.

Unsecured creditors

We do not expect that there will be sufficient realisations to enable a distribution to Unsecured creditors via the Prescribed Part or otherwise. This may change, depending on future recoveries, final costs and the outcome of the VAT tribunal on HMRC’s secondary preferential claim.

What you need to do

As we don’t expect to make a distribution to Unsecured creditors, we are not asking creditors to submit claims. This report is for your information and you are not required to do anything.

Progress in the period

Extension to the administration

The administration was due to expire on 21 July 2026. The Joint Administrators filed an application to court to extend the Administration of the Company to give us extra time for the following matters:

- Determination of the Company's liability to employee creditors;
- Paying a dividend to employee preferential creditors whose claims have been admitted. The dividend was paid to employee preferential creditors after the application to court for the extension was submitted;
- Continuing to deal with licensing and lease surrenders, including by way of deeds of surrender where requested;
- Finalising recovery of business rates refunds;
- Reviewing and adjudicating any revised claim HMRC submits as a Secondary preferential creditor and then paying a dividend;
- Monitoring the outcome of the substantial tribunal matter with HMRC, concerning the VAT treatment of floor covering fitting services supplied to consumers, which could substantially increase HMRC's preferential claim in the administration.
- Once realisations have been completed, costs of the administration are paid and the distributions to preferential creditors are finalised and paid, we need to determine whether there are sufficient funds to pay a distribution to secured creditors under a floating charge, or a prescribed part distribution to Unsecured creditors.

At a hearing on 1 July 2026 an extension of three years to 21 July 2029 was granted.

Property

At appointment, the Company held leasehold interests in 273 stores across the United Kingdom and the Republic of Ireland. We granted Licences to Occupy (LtO) in respect of 54 stores and two logistics hubs. Subsequently, an additional store and two logistic hubs were added onto the LtO that was granted to the Purchaser. LtOs were additionally granted to 43 stores to three additional parties, with the remaining 171 stores closed.

During the period, we continued to manage property-related matters, processing 265 incoming emails and maintaining landlord payments under the LtO.

Of the properties subject to the CWHP/Tapi LtO, 52 were transferred to Tapi, with the LtO terminated for 7 properties, and we continued to liaise with landlords regarding the surrender of leases which did not transfer.

As the LtOs concluded, we reconciled accounts and returned surplus funds to purchasers, including a balance of £98,721.

We have retained some funds to meet any emerging rents and other expenses of the LtOs. We are continuing to deal with any requests for surrender of leases as they are received.

Realisation of assets

Cash at bank

Following a reconciliation exercise, National Westminster Bank plc advised us that it was holding a surplus balance on account of £49k, relating to funds held in respect of historic invoice costs. This amount has subsequently been recovered from National Westminster Bank plc and can be seen in the receipts and payments account in Appendix A.

In total, over the course of the Administration, we have received £7.8m relating to cash at bank; we do not envisage that any further funds will be received.

Bank interest

During the Period, bank interest of £149k was received. Funds were transferred from interest bearing accounts in anticipation of finalising tax matters. The Joint Administrators continue to keep the banking arrangements under review considering the recently granted extension of the Administration.

Sundry debts & refunds

We have received £7.6k from a landlord's agent in respect of pre appointment funds held on account.

In our last report we advised that we had been contacted by Teneo in relation to funds due to the Company from a previous CVA. We have since recovered those funds, realising £157k as per the receipts and payments account located in Appendix A.

Rates refunds

CAPA is assisting with the recovery of business rates refunds due to the Company. During the Period, £86.1k was recovered in respect of business rates refunds, bringing total realisations in the administration to £1.25m.

In the Period, we have paid commission of £7.4k to CAPA, calculated at 13.5% of refunds they helped to recover.

Connected party transactions

There have been no connected party transactions in the Period.

Creditors and Customers

We continue to retain a dedicated team to respond to enquiries from customers and creditors. In the Period, we have received and responded to over 125 enquiries made by creditors. Overall, in the administration we have received and responded to over 2,672 creditor enquiries and over 1,214 customer enquiries, not including landlords.

Creditor enquiries continue to be monitored, with responses provided where necessary. Claims received are recorded, and any necessary updates to creditor details are processed.

To help reduce the costs of the administration, we encourage creditors to refer to the dedicated case website www.pwc.co.uk/carpetright for updates and information before contacting us. The website is updated as appropriate throughout the administration.

Other issues

Distribution to Ordinary preferential creditors

In our previous report, we advised that we intended to implement a bespoke employee claims portal to facilitate the submission, agreement and adjudication of preferential claims. During the Period, the portal was successfully launched, and former employees were issued with tailored correspondence, unique reference numbers and guidance on accessing and using the platform.

The introduction of the portal streamlined the claims process, enhancing both the efficiency and accuracy of claim submissions. Its successful implementation supported the timely adjudication and payment of claims, contributing to the efficient progression of the administration and maximising returns to creditors.

During the Period, we declared and paid a first and final dividend of 100 pence in the pound to Ordinary Preferential Creditors, totaling £2,028,280.65. Tax and National Insurance deductions have been paid to HMRC.

Employee tribunals

The Administrators' team continues to deal with outstanding employee Tribunal matters, including protective award claims and related correspondence. Work has primarily involved liaising with claimants and legal representatives, addressing eligibility and other queries and progressing live claims.

A significant amount of work was also undertaken in relation to the Tribunal processes, including dealing with correspondence, strike-out matters, preliminary hearing preparation and consent judgments, while maintaining claims trackers and liaising internally with the restructuring and legal teams.

Overall, the work was directed at managing and narrowing the outstanding employee Tribunal claims, maintaining appropriate communication with claimants and their representatives, and ensuring that the Administration's position was properly reflected in correspondence with the Tribunal.

VAT

The Company remains VAT registered and so we have continued to submit quarterly VAT returns.

Tax

Our specialist tax colleagues have finalised the first post appointment corporation tax return for the period ending 21 July 2025. The next return due will be for the period ending 21 July 2026.

Investigations and actions

Nothing has come to our attention during the Period to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

Our receipts and payments account

We set out at Appendix A an account of our receipts and payments for the Period and cumulatively.

We have detailed above the progress in the Period, whether it has resulted in any realisations or not, together with payments made.

Our expenses

We set out at Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities for the period of the administration that may be payable as an expense because amounts due or to be reclaimed will depend on the position at the end of each tax accounting period.

Our fees

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

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. This information can also be found in the guide to fees at:

https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx

You can also get a copy free of charge by telephoning Catherine Elliott on 0113 289 4000.

What we still need to do

Based on what we currently know, the key remaining matters are as follows

- Continue to deal with licensing and lease surrenders, including by way of deeds of surrender where requested;
- Finalise the recovery of outstanding business rates refunds due to the Company;
- Consider the implications of any ongoing action by HMRC on treatment of VAT on carpet fitters' costs.
- Reviewing and adjudicating any revised claim HMRC submits as a Secondary preferential creditor and then paying a dividend;
- Make distributions to the Secondary preferential creditor;
- Determining the position for Unsecured creditors once the VAT Tribunal and any impact on HMRC's secondary preferential claim is determined;
- Continue to comply with our duties as Administrators including Tax and VAT reporting;
- Attend to closure matters, including drafting and issuing the final progress report.

Future dividends for creditors

We have provided an estimate of the amount and likely timing of the payment of dividends to Secondary preferential creditors in the Key Messages section at the beginning of this report.

Based on current information, we do not anticipate making a distribution to Unsecured creditors from the Prescribed Part or otherwise.

Future reports and contact information

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, you can contact the Administrators at uk_carpetright_creditors@pwc.com or writing to us at Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Yours faithfully
For and on behalf of the Company

Rachael Wilkinson
Joint Administrator

Appendix A: Receipts and payment

Sterling account

Statement of affairs		Notes	22 July 2024 to 21 January 2026 (£)	22 January 2026 to 21 July 2026 (£)	Cumulative from 22 July 2024 to 21 July 2026 (£)
	Fixed charge assets				
21,586,000	Intangible assets		-		-
	Floating charge assets				
	Bank interest gross		652,387.53	148,706.64	801,094.17
	Business intellectual property rights	1	1.00	-	1.00
	Business records	1	1.00	-	1.00
	Cash float	1	1.00	-	1.00
	Costs recharged to the Purchaser	2	40,746.50	-	40,746.50
	Customer contracts	1	1.00	-	1.00
	CVA Funds		-	157,011.41	157,011.41
	Extension costs		128,838.00	-	128,838.00
1,657,000	Fixtures and fittings		750.00	-	750.00
	Goodwill	1	1.00	-	1.00
	Interest from HMRC		912.44	0.33	912.77
	IT systems	1	38,873.86	-	38,873.86
	Lease premium		2,553,214.62	-	2,553,214.62
1,949,000	Leasehold property	1	1,769,994.00	-	1,769,994.00
	Motor vehicles		81,325.00	-	81,325.00
	Office equipment		15,690.00		15,690.00
	Merchant services collateral	10	1,515,640.22	32,402.51	1,548,042.73
	Hypothec claim funding		-	-	-
	Other interest received		1,157.00	-	1,157.00
	Payroll funding for TFR Staff		103,845.71	-	103,845.71
	Plant and equipment	1	380,440.00		380,440.00
8,815,000	Pre appointment cash at bank		7,826,053.71	49,123.99	7,875,177.70
	Rates refunds		1,160,763.37	86,062.09	1,246,825.46
	Sale of tax losses		97,000.00	-	97,000.00
	Stock	1	1,632,984.23	-	1,632,984.23
	Sundry debts and refunds		66,394.44	7,657.64	74,052.08
	Third party supplier costs recharged to TFR		31,026.95	-	31,026.95
	Utilities & Rates		355.41		355.41
	Total receipts		**18,098,397.99**	**480,964.61**	**18,579,362.60**

Cost of realisations				
Agents' disbursements		(10,391.77)	-	(10,391.77)
Agents' fees - property and assets		(556,624.53)	-	(556,624.53)
Agency & security fee		(25,000.00)	-	(25,000.00)
Critical IT supply		(10,363.25)	-	(10,363.25)
Employee / subcontractor costs and expenses		(51,858.95)	-	(51,858.95)
Interim property payments	5	(224,970.88)	-	(224,970.88)
Insurance		(50,457.18)	-	(50,457.18)
IT and data costs		(43,229.74)	-	(43,229.74)
Legal fees and expenses		(324,998.00)	(5,836.00)	(330,834.00)
Legal fees recharged to the Purchaser	2	(650.00)	-	(650.00)
Office holders' fees	7	(2,640,746.50)	(921,629.20)	(3,562,375.70)
Office holders' expenses	11	(21,622.56)	-	(21,622.56)
Office costs, stationery and postage		(93,241.51)	(70.00)	(93,311.51)
PAYE / NIC and pension deductions		(456,021.70)	-	(456,021.70)
Pre-appointment Administrators' expenses	4	(394.00)	-	(394.00)
Pre-appointment Administrators' fees	4	(586,260.00)	-	(586,260.00)
Pre-appointment agent's fees	4	(8,050.00)	-	(8,050.00)
Pre-appointment legal fees	4	(179,385.00)	-	(179,385.00)
Professional fees	12	(154,889.74)	(7,398.74)	(162,288.48)
Storage Costs		(1,772.84)	-	(1,772.84)
Retention of title claim		(25,000.00)	-	(25,000.00)
Security costs		(50,441.11)	-	(50,441.11)
Statutory advertising		(99.00)	(109.00)	(208.00)
Utilities and rates		(58,695.72)		(58,695.72)
Wages and salaries		(1,707,458.37)	-	(1,707,458.37)
Total payments		**(7,282,622.35)**	**(935,042.94)**	**(8,217,665.29)**
Dividend paid to Ordinary preferential creditors (100p in the £)	8	-	(2,028,280.65)	(2,028,280.65)
Surplus LtO Funding	3	334,031.91	(120,329.95)	213,701.96
VAT Control		(90,088.00)	(148,773.02)	(238,861.02)
Net receipts/(payments)		**11,059,719.55**	**(2,751,461.95)**	**8,308,257.60**
Represented by				
Barclays Bank Plc - non-interest bearing		4,756,967.45	(2,515,344.44)	2,241,623.01
HSBC Bank Plc - non-interest bearing		5,259,944.92	83,544.09	5,343,489.01
Barclays Bank Plc - Third party funds - non-interest bearing		1,042,807.18	(319,661.60)	723,145.58
	6	**11,059,719.55**	**(2,751,461.95)**	**8,308,257.60**

	22 July 2024 to 21 January 2026 (£)	22 January 2026 to 21 July 2026 (£)	Cumulative from 22 July 2024 to 21 July 2026 (£)
Licence to Occupy - Third party funds			
Third party LtO receipts	9,254,635.94	-	9,254,635.94
Third party LtO payments	(8,920,604.03)	(120,329.95)	(9,040,933.98)
Third party net receipts / payments	**334,031.91**	**(120,329.95)**	**213,701.96**

Euro account

Statement of affairs		Notes	22 July 2024 to 21 January 2026 (€)	22 January 2026 to 21 July 2026 (€)	Cumulative from 22 July 2024 to 21 July 2026 (€)
	Floating charge assets				
	Merchant services collateral	11	37,771.61	-	37,771.61
	Total receipts		37,771.61	-	37,771.61
	Cost of realisations				
	Release of Funds		-	(37,771.61)	(37,771.61)
	Total payments		-	(37,771.61)	(37,771.61)
	Net receipts/(payments)		37,771.61	(37,771.61)	-
	Barclays Bank Plc - interest bearing account		37,771.61	(37,771.61)	-
			37,771.61	**(37,771.61)**	**-**

Notes to the R&P

1. These amounts relate to the sales consideration received from the pre-packaged sale, as detailed in the APA between the Company, the Joint Administrators, CWHP and Tapi dated 22 July 2024 and the addendum dated 25 July 2024.
2. Additional legal costs were incurred for work done in relation to assisting Tapi. The costs incurred were recharged to Tapi.
3. The LtO funding surplus is included within the main receipts and payments account; however, it does not form part of the administration estate, as it represents third-party funds. These funds are applied solely towards LtO-related expenses, including rent, insurance and service charges. A detailed breakdown of the LtO receipts and payments is provided separately above.
4. The pre-administration costs were approved by the secured and preferential creditors on 16 August 2024.
5. As certain LtOs took effect post-appointment, the Company remained liable for property-related costs in respect of the relevant sites until the LtOs were agreed. Accordingly, we have settled the associated cost from the date of appointment to the effective dates of the respective LtOs.
6. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group or exclude monies which will be received in due course from these parties.

7. The Joint Administrators’ remuneration and expenses were approved by the secured and preferential creditors on 27 March 2025. As explained further in Appendix C, our fees are based on a combination of bases. The table below shows the amounts paid in the Period and total to date:

Fee basis	This period (£)	Total (£)
Percentage of realisations	21,629.20	62,375.70
Set fee	900,000.00	3,500,000.00
Total	**921,629.20**	**3,562,375.70**

8. On 22 June 2026, we paid the first and final dividend to the Ordinary preferential creditors at the rate of 100p in the £.

9. There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.

10. We received €37k in respect of funds originally retained by a second finance provider, net of chargebacks and refunds. These funds were originally held in a separate Euro account. In the Period we transferred these funds to the administration’s sterling account and the Euro-denominated account was closed.

11. Office holders’ expenses refer to €25,000 (£21,622.56) paid to PwC Ireland and classed as a ‘Category 2’ disbursement in accordance with the policy explained in Appendix B. As PwC Ireland is also an associate, we obtained approval to pay these costs in line with the policy explained in Appendix C.

12. In Appendix B, we explain what work has been sub-contracted out (that would otherwise have been done by us). The amounts paid for those services during the Period were £7,398.74 to Capa and this amount is included in professional fees above.

13. Following the closure of the Euro-denominated bank account, only the Sterling bank accounts remain open in the administration.

Appendix B: Expenses

Expenses are amounts properly payable by us as administrators from the estate but excludes 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	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the Office holder.
Category 2	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).

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 body of creditors who approve our fees (in this case the secured and preferential creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Administrators’ own firm (Category 2 expenses) may periodically rise (for example, to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the Period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case

Category	Cost incurred by	Basis of cost	Costs incurred (£)
2	PwC	Photocopying - up to 20 pence per side copied, only charged for circulars to creditors and other bulk copying.	5,840.05
1	PwC	Courier charges	58.19
1	PwC	Postage	3,615.00
		Total	***9,513.24***

The expense policy set out above has been approved by the secured and preferential creditors.

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

	Brought forward from preceding period (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
Agency and security fee	25,000.00	-	25,000.00	-	25,000.00	-	(25,000.00)
Agents' disbursements	10,391.77	-	10,391.77	-	10,391.77	10,391.77	-
Agents' fees - property and assets	555,624.53	-	555,624.53	-	555,624.53	408,042.83	(147,581.70)
Critical IT supply	10,363.25	-	10,363.25	-	10,363.25	10,363.25	-
Employee / subcontractor costs and expenses	51,858.95	-	51,858.95	-	51,858.95	50,342.79	(1,516.16)
Insurance	56,087.13	-	56,087.13	-	56,087.13	-	(56,087.13)
Interim property payments	224,970.88	-	224,970.88	-	224,970.88	132,669.51	(92,301.37)
IT and data costs	43,229.74	-	43,229.74	Unknown	43,229.74	43,229.74	-
Legal fees and expenses	325,558.70	19,198.00	344,756.70	5,000.00	349,756.70	398,578.53	48,821.83
Legal fees recharged to the Purchaser	650.00	-	650.00	-	650.00	650.00	-
Office costs, stationery and postage	93,241.51	70.00	93,311.51	210.00	93,521.51	84,721.54	(8,799.97)
PAYE / NIC and pension deductions	456,021.70	-	456,021.70	-	456,021.70	453,048.63	(2,973.07)
Payment of Hypothec claim	-	-	-	-	-	10,096.50	-
Pre-appointment administrators' expenses	394.00	-	394.00	-	394.00	394.00	-
Pre-appointment administrators' fees	586,260.00	-	586,260.00	-	586,260.00	586,260.00	-
Pre-appointment agent's fees	8,050.00	-	8,050.00	-	8,050.00	8,050.00	-
Pre-appointment legal fees	179,385.00	-	179,385.00	-	179,385.00	179,385.00	-
Professional fees	156,870.53	7,398.74	164,269.27	7,260.00	171,529.27	63,877.44	(107,651.83)
Retention of title claim	25,000.00	-	25,000.00	-	25,000.00	25,000.00	-
Security costs	50,441.11	-	50,441.11	-	50,441.11	50,441.11	-
Statutory advertising	99.00	109.00	208.00	-	208.00	349.00	141.00
Storage costs	1,772.84	-	1,772.84	-	1,772.84	-	(1,772.84)
Utilities and rates	58,695.72	-	58,695.72	-	58,695.72	62,695.72	4,000.00
Wages and salaries	1,707,458.37	-	1,707,458.37	-	1,707,458.37	1,707,458.37	-
Administrators' category 2 expenses	26,304.08	5,840.05	32,144.13	200.00	32,344.13	26,655.47	(5,688.66)
Administrators' category 1 expenses	10,851.80	3,673.19	14,524.99	100.00	14,624.99	11,038.35	(3,586.64)
Total	**4,664,580.61**	**36,288.88**	**4,700,869.59**	**12,770.00**	**4,713,639.59**	**4,323,739.55**	**(399,996.54)**

Notes to the expenses table:

1. Future costs for Data and IT are shown as unknown as we are awaiting final confirmation from some IT suppliers.
2. The table excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.
3. The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.
4. As previously reported, our expenses exceed the estimate initially provided to all creditors before the basis of our fees was fixed. This is because the main categories of expenses that have exceeded the estimate are agents' fees (property and assets) and professional fees. At the time the initial estimate was prepared, the level and extent of work required in these areas was not known and could not be reliably quantified. In the first progress report and combined remuneration report, future costs within these categories were therefore described as uncertain, as agents' fees were dependent upon the timing and completion of property transfers to various purchasers and estimates from CAPA in respect of future business rates liabilities were not available at that time. As a result, there is a significant variance between the anticipated total costs and the original estimates, reflecting the additional information and certainty available since the estimates were prepared.

The principal reasons for exceeding the initial estimate are as follows:

- **Agents' fees - property and assets:** These expenses relate to property-related work, including facilitating and managing landlord requests, overseeing store access and key management, and arranging for the collection and secure handling of GDPR-sensitive data from stores. The extent of this work, particularly the GDPR data exercise and associated landlord engagement, was not known at the time the initial estimate was prepared and therefore could not be fully provided for. Due to the nature of the GDPR data collection exercise, these costs have been paid directly from the administration estate and have not been recharged through the LtOs.

- **Professional fees:** These costs have arisen from ongoing asset realisations, primarily in relation to business rates refunds. This has involved liaising with local authorities regarding retail reliefs, discounts, historic billing adjustments, empty rates relief and associated recoveries. The scale and duration of this work was not known at the time the estimate was prepared, as the level of potential recoveries and related enquiries had not yet been established. These costs have, however, resulted in a significant benefit to the estate as they have resulted in higher recoveries.

- **Insurance:** When the initial expenses estimate was prepared, the ongoing requirement for insurance cover and its likely duration had not been determined and no provision was therefore included. As insurance has remained necessary for certain properties during the administration, these costs have continued to be incurred, resulting in a variance against the original estimate.

- **Interim property payments:** The initial estimate for interim property payments was prepared at a time when insufficient information was available regarding the likely level of liabilities arising prior to LtOs taking effect. Actual costs exceeded the preliminary estimate. Making these payments allowed us to remain in occupation and realise value for the benefit of creditors from these properties.

Details of subcontracted work

The following work, which we or our staff would normally do, has been done by subcontractors.

Collection of rates refunds

We have subcontracted the identification and recovery of potential business rates refunds to CAPA, a specialist firm in rates auditing. CAPA is instructed on the basis that it was considered more cost effective for this work to be undertaken externally. CAPA's remuneration is 13.5% of any realisations achieved in respect of rates refunds recovered. This contingent fee arrangement ensures that costs are incurred only when recoveries have been made which aligns CAPA's remuneration with a directed benefit to the administration estate.

Payroll services

In previous periods, we engaged Numerus to process payroll for staff that were retained in the early days of the administration and to prepare P11Ds.

Payments to associates

No payments have been made to associates during the Period.

PwC Ireland were instructed to assist with matters arising following the redundancies of the Company's employees based in the Republic of Ireland. Following the appropriate approval of the secured and preferential creditors, a payment of €25k (£21,622.56) has been made to PwC Ireland in respect of this work. This payment is shown in the receipts and payments account at Appendix A as Officeholders' expenses.

Legal and other professional firms

We've instructed the following professionals on this case:

Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties are based on standard commercial terms.

Service provided	Name of firm	Reason selected	Basis of fees
Legal advice, including: ● Drafting documentation relevant to the appointment of the Joint Administrators ● Providing ongoing property litigation advice to the Joint Administrators ● Providing advice in relation to retention of title claims and VAT assessment ● Drafting property documents and work in relation to property related matters; ○ Drafting LtO documents ○ Other advice as and when needed ∉ Providing advice and assisting with the extension application to court	● Travers Smith LLP	● Industry knowledge and expertise	● Time costs basis
Legal advice, including: ● Preparing relevant documentation in relation to the Scottish properties ● Assisting in the finalisation and execution of any Scottish law governed documentation	● Burness Paull LLP	● Scottish law expertise	● Time costs basis
Legal advice ● Providing legal advice in relation to the Company's Irish properties	● Arthur Cox LLP	● Irish law expertise	● Time costs basis
Legal advice, including: ● To understand Joint Administrators' obligations of recognition in Jersey to enable the employees based in Jersey to make a claim.	● Ogier (Jersey) LLP	● Channel Islands legal expertise	● Time costs basis
Property ● Assisting the Joint Administrators with realising lease premium amounts ● Portfolio disposal advice in relation to the sale of leasehold interests	● CBRE	● Industry knowledge and expertise	● 15% (plus VAT) of any premiums received in the sale of interests where CBRE introduce the acquirer

Employee advice ● Assistance provided in relation to redundancies for those employees based in the Republic of Ireland	● PwC Ireland	● Industry knowledge and expertise	● Fixed fee approved by the secured and preferential creditors on 27 March 2025
Payroll Services ● Processing the payroll and p11d's for retained employees	● Numerus	● Industry knowledge and expertise	● Cost basis agreed per employee
Sale of assets ● Dealing with the Purfleet site and selling various items by way of auction	● Hilco Appraisal Ltd	● Industry knowledge and expertise	● 15% buyer premium on all assets (excluding vehicles) + 5% vendors commission ● 10% buyers premium on vehicles
Valuations and consultancy ● Services provided in relation to store closures	● Hilco	● Industry knowledge and expertise	● Day rate of £1,150 (plus VAT)
Providing Advice in relation to VAT fitters claim ● Dealing with and assisting the Joint Administrators with the HMRC dispute against Carpetright in relation to the VAT liability in relation to the Fitters' claim	● Evelyn Partners	● Industry knowledge and prior involvement in the matter	● Time costs
Providing Advice in relation to VAT fitters claim ● Dealing with and assisting the Joint Administrators with the HMRC dispute against Carpetright in relation to the VAT liability in relation to the Fitters' claim	● KPMG	● Industry knowledge	● Time costs
Security and facilities management, specialists: ● Facilitating and managing landlord access requests; ● Ensuring the collection of GDPR data from stores and liaising with Iron Mountain to arrange these collections ● Holding responsibility for the secure management of keys including facilitating lock changes, Alarm monitoring and handing over to relevant parties	● MAPS	● Industry knowledge	● Fixed fee per property
Rates refunds and collection ● Liaising with councils in relation to property recovery for retail reliefs, discounts, historic billing charges and empty rate reductions and recoveries.	● CAPA	● Industry knowledge	● 13.5% of realisations (plus VAT)

Appendix C: Remuneration update

Fees on a percentage basis

The approved percentage is 100% of realisations. To date we have drawn fees of £95,820.70 in line with the approval given as shown below and in the receipts and payments account at Appendix A.

Our fees were approved as follows:

- 100% of the contribution to cost realisations received by the Company from Tapi/the other LtO parties in respect of the Joint Administrators' time attending to matters which do not form part of the Joint Administrators' obligations under the APA.
- 100% of the contribution to cost realisations received from Nestware Group in respect of the Joint Administrators' time attending to matters that relate to the wider group.

Fees as a set amount

Our fixed fee is £4m (plus VAT) for all work other than the LtO work not covered by the APA, and work to support the wider group, as set out in our remuneration report. To date we have drawn £3,500,000.00 as per the receipts and payments account at Appendix A.

We set out in Appendix B and later in this appendix details of our work to date, anticipated future work, subcontracted work and payments to associates.

Our relationships

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

Our work in the Period

In the following table we provide details on the key areas of work; this is not an exhaustive list.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury		
● Dealt with receipts, payments and journals in relation to the LtOs and the estate ● Completed bank reconciliations and transferred euro funds to the main estate account ● Managed bank account arrangements and monitored interest-bearing balances ● Verified bank details of employees ahead of ordinary preferential dividend ● Closure of the Euro account ● Independent verifications of suppliers' and landlords' bank details in order to process payments ● Drawn Officeholders' remuneration. Ensured that all invoices received accurately reflect the work undertaken by third parties. ● Ensured that all invoices received accurately reflect the work undertaken ● VAT accounting	● Complying with statutory and regulatory duties regarding the holding and accounting of funds	● Statutory and regulatory duties regarding the holding of and accounting for funds
Assets		
● Prepared LtO payment runs and ad hoc payment files ● Reviewed and responded to property-related creditor and landlord queries ● Reconciled property income and expenditure across managed sites ● Issued property surrender correspondence and addressed remaining leases ● Reviewed CAPA rates refund schedules ● Liaised with agents regarding outstanding property matters and CVA funds ● Reviewed and processed book debt realisations for the estate ● Dealt with landlords on formal surrender requests ● Handled property documentation, completions, reconciliations, agent correspondence, and internal records' maintenance.	● To realise funds for the benefit of creditors	● To realise funds for the benefit of creditors

Creditors		
● Responded to creditor enquiries and proofs of debt ● Resolved portal access issues for creditors submitting claims ● Liaised with our advisors in respect of the VAT tribunal ● Considered the implications of any VAT tribunal on treatment of VAT on any secondary preferential claim ● Adjudicated HMRC's secondary preferential claim ● Issued the notice of intended dividend to Secondary preferential creditor	● Work is required by statute and for the proper management of the case	● Required by statute.
Employees and Pensions		
● Dealt with ongoing employee enquiries in relation to claims ● Developed strategies and communications for employees ● Liaised with the RPS regarding claim assessments ● Corresponded with the Department for Social Protection ● Developed and tested the bespoke employee portal for claim agreements and bank detail submission ● Gave notice of our intention to declare dividend to ordinary preferential creditor ● Calculated and distributed funds to the Ordinary preferential creditors ● Issued correspondence to former employees to advise of their ordinary preferential claims ● Managed tribunal work and liaised with tribunals ● Dealt with correspondence relating to pension matters ● Dealt with pension related compliance task	∉ To ensure creditor claims are properly accounted for	● Required by statute ● To ensure a smooth transition of data to the Purchaser
Statutory and compliance		
● Finalised and issued the third progress report to creditors and Companies' House ● Preparation of the fourth progress report to creditors ● Applied to the court for extension of the administration ● Responded to a data subject access request with formal response ● Filing of documents ● Updating checklists and diary management system ● Ongoing case management	● Required by statute	● Required by statute

Strategy and Planning		
● Strategy meetings with case staff ● Preparation and review of 6-month case reviews ● Updated estimated outcome statement and budget ● Billing and monitoring fee budgets and costs	∉ To ensure effective and efficient management of the administration	● Necessary for administrative purposes and complying with statutory requirements
Tax and VAT		
● Preparing and filing tax computations ● Liaised with HMRC as required ● Prepared and submitted quarterly VAT returns. ● Considered VAT de-registration strategy and VAT fitters claim ● Handled VAT reconciliations, queries and data checks	∉ To comply with statutory duties	● Necessary for administrative purposes and/ or complying with statutory requirements

Our future work

We still need to do the following work to achieve the purpose of administration.

Work to be undertaken	What, if any, financial benefit will the work provide to creditors OR whether it is required by statute
Accounting and treasury	
● Deal with future receipts, payments and journals ● Complete bank reconciliations ● General account management ● Reissue dividend cheques and pay over unbanked cheques to the Insolvency Services Account, if required ● Close bank accounts upon finalisation of the Administration	● Statutory and regulatory duties regarding the holding and accounting of funds
Assets	
● Continue to liaise with landlords ● Managing formal lease surrender requests ● Complete the return monies to the various fund providers where required ● Continue to liaise with ratings authorities in order to receive rates refunds ● Deal with ad hoc queries ● Liaise with insurance brokers regarding ongoing insurance requirements ● Update insurers as and when leases are assigned	● To realise funds for the benefit of creditors
Creditors	
● Consider the implications of any ongoing action by HMRC on the treatment of VAT on carpet fitters' costs ● Calculate and distribute to the Secondary preferential creditor ● Determine if there will be any funds to pay a distribution to secured creditors under a floating charge, and a prescribed part distribution to unsecured creditors. If deemed necessary, make an application to the court to disapply the prescribed part. ● Deal with ongoing creditor queries	● Required by statute

Employees and Pensions	
● Ensure all pension related matters are concluded ● Issue cease to act notices to the relevant pension schemes ● Handle employee enquiries	● Required by statute
Statutory and compliance	
● Prepare and issue this progress report ● Prepare and issue future progress reports ● File relevant documents ● Deal with the Company's records ● Prepare six monthly case reviews ● Update checklists and diary management system ● Prepare a final review of the case	● Required by statute
Strategy and Planning	
● Strategy meetings with case staff to discuss distribution and closure strategies	● Necessary for administrative purposes and for complying with statutory requirements
Tax and VAT	
● File annual and final tax returns ● Liaise with HMRC as required ● Prepare and submit quarterly VAT returns ● Deregister for VAT and submit final returns ● Claim any outstanding via VAT 426	● Required by statute
Closure	
● Plan the closure strategy ● Obtain clearances from third parties ● Close down internal systems ● File relevant forms with the registrar of companies to exit administration ● Completing checklists and diary management system	● Required by statute