

Joint administrators' final progress report from 9 February 2025 to 1 August 2025

The Floor Room Limited- (in administration)

In the High Court of Justice Business and Property Courts of
England and Wales Insolvency & Companies List (ChD)
Case no. CR-2024-004798

1 August 2025

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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
Adyen	Adyen UK Limited
AMA process	Accelerated Merger or Acquisition process
B2C	Business-to-consumer
Company / TFR	The Floor Room Limited - in administration
CPR	CPR Realisations Limited (formerly Carpetright Limited - in administration)
DBT	Department for Business and Trade
DSAR	Data Subject Access Requests
Firm	PricewaterhouseCoopers LLP
First ranking preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
John Lewis	John Lewis Partnership Plc
John Pye	John Pye & Sons Limited
Joint Administrators /Administrators/we/us/our	Adam Seres, Peter Dickens and Zelf Hussain
Nestware Group	Nestware Holdings Limited and its subsidiaries
Prescribed part	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
Proposals	Joint Administrators' Proposals for achieving the purpose of administration - dated 24 September 2024
Protective Awards	A Protective Award is compensation granted by a UK Employment Tribunal to employees made redundant without proper consultation, ensuring employers comply with statutory collective redundancy procedures
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
Reporting Period	9 August 2024 to 8 February 2025
Secondary preferential creditors	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
Secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
SIP	Statement of Insolvency Practice (issued by regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply)
SIP2	Statement of Insolvency Practice 2: Investigations by office holders in administrations and insolvent liquidations and the submission of conduct reports by office holders
SIP9	Payments to insolvency office holders and their associates from an estate
Travers Smith	Travers Smith LLP
Unsecured creditors	Creditors who are neither secured nor preferential
V12	V12 Retail Finance Limited

This report has been prepared by Adam Seres, Peter Dickens and Zelf Hussain as Joint Administrators of the Company, solely to comply with the Joint Administrators' 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 www.pwc.co.uk/thefloorroom. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Adam Seres, Peter Dickens and Zelf Hussain have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both 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 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

We're pleased to let you know that our work in the administration of The Floor Room Limited is now complete and so, we set out below our final report.

You can still view our earlier reports on our website at www.pwc.co.uk/thefloorroom. Please get in touch with the team at uk_thefloorroom_creditors@pwc.com if you need the password to access the reports.

How much creditors have received

The following table summarises the final outcome for creditors:

Class of creditor	Actual paid (p in £)	Previous estimate (p in £)
First ranking preferential creditors	100 p/£	100 p/£
Secondary preferential creditors	Nil	Nil
Unsecured creditors	Nil	Nil

Secured creditors

The Company has no Secured creditors.

First ranking preferential creditors (mainly employees)

We issued a notice of intended dividend to First ranking preferential creditors, with a last date for proving set at 9 April 2025.

A first and final dividend to First ranking preferential creditors was paid on 27 May 2025, of 100p in the £.

Secondary preferential creditors (HMRC)

There will be no dividends payable for the Secondary preferential creditor.

Unsecured creditors

There will be no dividends payable for Unsecured creditors.

What you need to do

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

What happens next

The administration is due to end on 8 August 2025, however, as all matters are complete, we are ready to end the administration early. In line with our Proposals approved by creditors, we have filed the notice of move from administration to dissolution on 1 August 2025. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

Overview of our work

Why we were appointed

TFR was a B2C flooring retailer operating across 34 John Lewis concessions, one standalone store on Tottenham Court Road (sublet from CPR), and online. Incorporated on 18 February 2022, it formed part of the Nestware Holdings Limited Group — owned by the Meditor Group — which also included CPR Realisations Limited (formerly Carpetright, now in administration), Tradechoice Distribution Limited, and Keswick Flooring Limited.

TFR sold vinyl, wood, laminate and carpet products. It was heavily reliant on CPR, paying c.£4m annually for shared services including head office costs, warehousing, and rent. Approximately 30% of its customer product range was sourced via CPR.

In April 2024, CPR was hit by a cyber attack, halting trading for over a week and worsening its already fragile financial position. PwC was engaged in May 2024 to support with cashflow monitoring and explore turnaround funding options.

An AMA process was launched on 4 July 2024. On the same day, HMRC issued a 7-day warning letter to CPR for unpaid liabilities of c.£3.8m (TFR was not impacted due to standalone VAT registration). HMRC proceeded with winding-up action, and CPR filed a notice of intention to appoint administrators on 12 July 2024. Joint administrators were appointed on 22 July 2024 and executed a partial business sale to CWHP Ltd, who are part of the Tapi Group, including 54 stores, two logistics hubs, and 308 employees.

The AMA process yielded no interest in TFR. CPR's closure forced TFR to urgently establish its own logistics and back-office capabilities, driving a material funding need and operational complexity. Despite efforts to secure a solvent solution — including discussions with prospective acquirers and John Lewis — no viable options remained. TFR entered administration shortly thereafter.

Asset realisation

Cash at bank

As at the date of appointment, the cash balance stood at c£655k. Immediately upon our appointment we requested that the balance be remitted to the administration estate. The monies have been received and are reflected in the receipts and payments account at Appendix B.

Fixtures and fittings

As detailed in our Proposals, buyers have been sought for fixtures and fittings which mainly consist of furniture and stock samples within TFR's trading locations. The specialised nature of these assets, coupled with the branding led to the interested parties not making an offer for such assets. As such there were no recoveries for the benefit of the estate.

IT equipment

As previously advised, we enlisted a third party subcontractor to collect, factory reset and resell IT equipment consisting of laptops, tablets and phones held within concessions, and by head office staff and in-home consultants.

We have successfully sold the IT hardware, realising £7,553 plus VAT. Following deduction of agent's costs and commission of £3,823, net funds of £3,760 were received into the administration bank account. These are represented in the receipts and payments account at Appendix B.

Vehicles

The Company had 44 vehicles within the business that were leased through a third-party company. We assisted the third-party in contacting vehicle holders to arrange collection or drop-off to aid them in recovering their vehicles. This exercise is now complete and given that all vehicles were leased there were no recoveries to the estate.

Stock

At the date of our appointment, the vast majority of stock was held in CPR's distribution hubs. The administrators of CPR were in the process of vacating these hubs and therefore much of the stock was inaccessible by the time that the Joint Administrators were appointed in respect of TFR.

However, it was subsequently possible to reach an agreement to sell the largest collection of stock which was located at the CPR warehouse in Purfleet. This stock was collected by our agents, John Pye, and has since been sold at auction, realising £31,867 before VAT. Following deduction of agent's costs and commissions of £17,361, net funds of £14,506 were received into the administration bank account. These are shown on the receipts and payments account at Appendix B.

Trade debtors

We sought to realise the trade debtor balance, which consisted primarily of amounts owed to the Company by customers whose orders had been completed prior to the administration. We requested a copy of an up-to-date debtors ledger from the Company's management team and contacted all customers on the listing. We continued to chase for payment from individuals listed on the ledger, and cross-referenced to Company bank statements where debtors assert that they have already paid. £78,761 was recovered in this respect.

Other debtors

This is made up primarily of two balances;

- Adyen (a payment service provider that allowed TFR to accept e-commerce, mobile, and in-store payments) - this balance was money paid by customers but withheld by Adyen due to TFR's liquidity issues in the period prior to insolvency. After CPR went into administration, Adyen decided to retain a greater level of funds on hold as protection in the event that higher levels of refunds were requested by customers via their payment providers. Adyen expects to refund money to customers in excess of the balance being withheld and hence recovery to TFR is nil.
- V12 (a provider of interest free and interest bearing finance for customers, thus allowing customers to have payment plans to purchase from TFR) - this related to customer orders which had been fitted and which were financed by V12, but where the payments were yet to be remitted to TFR. V12 indicated that there was a balance owed to TFR from V12 relating to those customers with completed orders. We have received total funds of £23,743 into the administration bank account as represented in the receipts and payments account at Appendix B. No additional funds will be transferred to the administration estate as this exercise is now complete.

Property

The Company operated from 35 premises - 34 concessions within John Lewis Stores in the UK and its own store at Tottenham Court Road in London.

Shortly after our appointment we offered surrender of the lease on the Tottenham Court Road store which was sublet from a 'sister' entity, CPR.

The concession agreement held with John Lewis was terminated on 19th August 2024.

Other assets

As detailed in our Proposals, the Company's records indicated potential recoveries in relation to intercompany balances and prepayments. We identified two potential prepayments and approached both parties to request refunds. Following efforts, along with seeking legal advice, the Joint Administrators have concluded that the prepayments made to both parties are irrecoverable.

Furthermore, we have not been able to obtain adequate information to ascertain the nature of the intercompany balances and as a result, no realisations have been made from these balances.

Other issues

Data Subject Access Requests (DSARs)

During the period of the administration, Data Subject Access Requests were received from former Company employees. Due to the complex nature of these requests, in certain circumstances, external legal advice was sought.

To ensure compliance with UK General Data Protection Regulation, collating information from Company legacy systems and Company books and records currently available to the Joint Administrators, in addition to information held within the Joint Administrators own systems, was required. Collation followed by review and redaction (where appropriate) has been time intensive.

As a result, the Joint Administrators have worked closely with legal advisors to review and respond to these requests, leading to additional costs to the Administration.

John Lewis customers

Following the appointment of the Joint Administrators, the Company ceased trading and immediately closed all stores and concessions.

As a result of the administration, we were unfortunately unable to fulfil existing orders that had been placed. However, John Lewis decided to ensure that customers who placed orders through them would not incur any financial loss if they were unable to obtain a refund from their card provider.

After the appointment, John Lewis took steps to protect their customers by covering any unclaimed refunds. This process did not require assistance from the Joint Administrators, except for notifying customers with outstanding orders about the necessary steps to claim from John Lewis, if eligible.

Please be advised that there was a requirement that all refund support requests from John Lewis were to be submitted by 31st December 2024.

Employee issues

Overview

The Company employed 197 staff at the time of our appointment, with 193 employees being made redundant on the day of appointment. Four employees were retained by the Joint Administrators to assist with the handover of information and close down of operations. One of these employees was made redundant on 13 August 2024, whilst the remaining three were made redundant on 23 August 2024. Further details about this and our communications with employees are in our Proposals available on www.pwc.co.uk/thefloorroom

Wages, including benefits and pension (to the extent applicable) from 1 August 2024 to the date of appointment (being 9 August 2024), as well as all unpaid commissions were funded by Nestware Holdings Limited.

As the Joint Administrators did not have access to the CPR infrastructure, we engaged Numerus Payroll Services Ltd ("Numerus") to assist with the payroll. Numerus, with the assistance of the Joint Administrators' staff and the retained employees, calculated the amounts owed to each employee, the appropriate deductions, processed the payroll payments and submitted the relevant RTI forms to HMRC.

The wages payable to the four retained staff for their continued employment post-appointment have been met by the assets of the administration. Payment of these wages is reflected in the receipts and payments account at Appendix B.

One of our key priorities on appointment was to communicate with all affected employees, to quickly provide information and provide support as required. There was a dedicated helpline and email address established to support all those affected. To date we have received 304 employee queries through the dedicated email app.

Employment Tribunals / Protective Awards

A small number of individuals made claims for Protective Awards against the Company, with a smaller number of those individuals being eligible to bring protective claims (as they were in an establishment of 20 or more employees). The Joint Administrators have agreed to settle the claims where claimants were eligible to bring a claim for a Protective Award. A number of these claims have been finalised through a consent judgment, and the remainder of the eligible claimants (issued within a different tribunal, and in respect of whom we have only recently received claim numbers for) will be settled via a consent judgment imminently.

A number of Protective Award claims have been withdrawn and two have recently been struck out by reason of not being actively pursued (we were awaiting confirmation from the Employment Tribunal that a further claim is being struck out for the same reason but this has not yet been received. This issue does not require us to remain in office). One final Protective Award claim remains stayed, and this Claimant has been notified that he is not eligible to bring the Protective Award claim and encouraged to withdraw.

RPS

For all those employees who were made redundant, we have gathered the appropriate books and records to support the employees in claiming any statutory payments that may be due. It is our understanding that the RPS has paid all claims to those who have submitted the appropriate paperwork.

Pension and employee benefits schemes

The following tasks have been completed:

- Issuing of statutory notices on appointment in relation to occupational pension schemes;
- Liaison with the pension provider, Aegon, to facilitate the payment of August 2024 pension contributions;
- Dealing with queries from members regarding the pension contribution position; and
- Correspondence with Canada Life regarding the group life assurance schemes operated.

Connected party transactions

No assets have been disposed of by the Joint Administrators to a party (person or company) with a connection to the directors, shareholders of the Company or their associates and the Joint Administrators are not seeking approval from creditors to make a substantial disposal to a connected person.

Approval of our Proposals

We issued to creditors our Proposals for achieving the purpose of administration dated 24 September 2024.

We said in our Proposals that we thought the Company does not have enough assets to pay a dividend to Unsecured creditors other than from the Prescribed part.

This meant that we did not have to seek a decision from creditors regarding the approval of our 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 14 October 2024.

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 SIP2.

Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed VAT and corporation tax returns for all relevant accounting periods. HMRC raised no queries on our returns.

Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 9 February 2025 to 1 August 2025 and the full period of the administration.

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/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx>

If you've got any questions, please get in touch with the team at uk_thefloorroom_creditors@pwc.com.

Yours faithfully
For and on behalf of the Company

A handwritten signature in dark ink, reading "Adam Seres". The signature is written in a cursive style with a horizontal line underneath the name.

Adam Seres
Joint Administrator, acting as agent and without personal liability

Appendices

Appendix A: Summary of our Proposals

This is a summary of our Proposals which were issued on 24 September 2024.

According to IA86, the purpose of an administration is to achieve one of these objectives

- (a) Rescuing the company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
- (b) 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 finally, if that is not possible
- (c) Realising the company's assets to pay a dividend to Secured or preferential creditors

The Joint Administrators pursued statutory objective (b) being to achieve 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), as it was not reasonably practicable to rescue the Company as a going concern and the Joint Administrators aimed to maximise realisations for creditors through a sale of the business and assets.

The business was not traded by the Joint Administrators following their appointment. Prior to administration, the management team had exhausted all options to secure further funding or a potential sale of the business and assets. After appointment, the Joint Administrators focused on realising the Company's assets rather than continuing to trade.

Of 197 employees, 193 were made redundant on appointment. Four employees were retained temporarily to assist with the handover and closure of operations; one of these was made redundant on 13 August 2024, and the remaining three on 23 August 2024. Wages and benefits up to the date of administration were funded by the parent group, while wages for the retained staff post-appointment were paid from the administration estate. The Joint Administrators prioritised clear communication and support for affected employees throughout the process.

The Company's principal assets are included in the section above.

The administration was financed by the Company's own cash at bank and asset realisations. Wages for employees made redundant at appointment were funded by the group (Nestware Holdings Limited) for the period 1 to 9 August 2024. Wages for the four retained staff post-appointment were paid from the assets of the administration.

The First ranking preferential creditors were expected to receive 100% of their claims within 6-9 months, while Second Ranking preferential creditors were anticipated to receive a dividend of between 22% and 52% in the same timeframe. However, Unsecured creditors were not expected to receive any dividend. There are no Secured creditors in this case.

No assets have been disposed of by the Joint Administrators to any party connected to the directors, shareholders, or their associates. The Joint Administrators are not seeking approval for any substantial disposals to connected persons.

Finally we explained how we would expect the administration to end. In summary:

1. **Dissolution:** We anticipated that, If there were not enough funds to pay Unsecured creditors, the Company will simply be dissolved after the administration is finished. This means it will be removed from the register and will cease to exist.
2. **CVL:** If, unexpectedly, there were enough funds to pay a dividend to Unsecured creditors, the Company would move into liquidation so that the available money can be distributed.
3. **Compulsory Liquidation:** If there are matters that require further investigation or action that can only be dealt with in liquidation, the Joint Administrators may ask the court to wind up the Company.

Appendix B: Receipts and payments

Statement of Affairs £

		From 09/08/2024 To 08/02/2025 £	From 09/02/2025 To 01/08/2025 £	Total
	ASSET REALISATIONS			
	Bank Interest Gross	12,513.36	4,635.75	17,149.11
13,659.00	IT Hardware	0.00	7,552.79	7,552.79
48,820.00	Trade debtors	77,704.06	1,057.12	78,761.18
	Other debtors	11,870.55	11,872.94	23,743.49
655,547.00	Cash in hand	655,547.01	-	655,547.01
40,000.00	Stock	31,867.00	-	31,867.00
758,026.00		789,501.98	25,118.60	814,620.58
	COST OF REALISATIONS			
	Utilities	1,924.39	-	1,924.39
	Prior appointee fees & expenses	-	154,868.00	154,868.00
	Office holders' fees	-	482,764.38	482,764.38
	Office holders' expenses	-	6,663.54	6,663.54
	Legal fees & Expenses	14,980.05	12,879.65	27,859.70
	Pre appointment legal fees	-	24,098.95	24,098.95
	Agents' disbursements	17,361.40	3,823.00	21,184.40
	Storage Costs	-	5.95	5.95
	Professional Fees	3,088.55	-	3,088.55
	Distribution to First ranking preferential creditors	-	79,813.40	79,813.40
	ISA unclaimed dividend fee	-	25.75	25.75
	Statutory advertising	99.00	104.00	203.00
	Insurance	1,719.54	-	1,719.54
	Wages, PAYE/NIC & pensions	10,401.03	-	10,401.03
		49,573.96	765,046.62	814,620.58
	Total realisations	739,928.02	(739,928.02)	-
	VAT Control Account	(3,472.28)	3,472.28	-
	Cash at Bank	736,455.74	(736,455.74)	-

Notes to the R&P

1. Funds were held in an interest bearing account with Barclays Bank Plc, but the account has since been taken off interest bearing to enable us to finalise the Company's tax position.
3. Amounts shown exclude VAT.
4. A dividend of 100p in the £ was paid to First ranking preferential creditors on 27 May 2025.
5. As explained further in Appendix D, our fees are based on a fixed fee basis. The receipts and payments account shows the amount paid in the period and total to date.

Appendix C: Expenses

Expenses are amounts properly payable by us as Joint Administrators but 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
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 general body of creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Joint 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	Policy	Costs incurred (£)
2	PwC	Photocopying/printing - Up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	158.52
2	PwC	For Petrol/ diesel/ hybrid at a maximum of 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc); For fully electric at a maximum of 72 pence per mile; and For a bicycle at a maximum of 12 pence per mile	Nil
1	PwC	Postage	495.92
		B/f from prior period	9,251.63
		Total	9,906.07

The expense policy set out above has been approved by the general body of creditors.

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

Nature of expenses	9 August 2024 to 8 February 2025 (£)	9 February 2025 to 1 August 2025 (£)	Cumulative (£)	Initial estimate (£)	Variance (£)
Office holders' pre-appointment costs (note 1)	154,868	-	154,868	154,868	-
Pre-appointment legal fees and disbursements	24,099	-	24,099	24,099	-
Statutory advertising	99	104	203	99	(104)
Utilities	1,924	-	1,924	1,924	-
Wages, PAYE/NIC & pensions	10,401	-	10,401	10,401	-
Agents costs					
- Recycle Your Tec	3,793		3,823	3,793	(30)
- John Pye	17,361	30	17,361	17,361	
Office holders' disbursements	9,252	655	9,907	9452	-
Storage costs	-	6	6	-	(455)
Insurance	1,720	-	1,720	1,720	(6)
Legal fees and expenses (Travers Smith)	27,860	-	27,860	29,860	2000
ISA unclaimed dividend fee	-	26	26	-	(26)
Professional fees	3,089	-	3,089	3,089	-
Total expenses	254,466	821	255,287	256,666	1,379

Note 1 - Total office holders' pre-appointment costs incurred were £165,306, of which £10,438 was paid prior to our appointment. The remaining £154,868 has been paid in the period since our last report, as have the pre appointment legal fees of £24,099.

We have not included the Joint Administrators' fees as shown in the receipts and payments account as these are not categorised as expenses.

Appendix D: Remuneration update

Our fees were approved on a fixed fee basis by the general body of creditors. Our fixed fee is £500,000. We've drawn fees of £482,764.38 in line with the approval given, as shown on the enclosed receipts and payments account.

We set out later in this Appendix details of our work, 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 since our last report.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Administration		
<u>Accounting and treasury</u>		
<ul style="list-style-type: none"> Dealing with receipts, payments and journals Sanction screening of third party bank accounts before release of payments Carrying out bank reconciliations and managing funds Closing bank accounts 	<ul style="list-style-type: none"> Undertaking statutory accounting duties Proper stewardship of funds on behalf of the creditors 	<ul style="list-style-type: none"> Ensuring good stewardship of funds held on behalf of creditors
<u>Strategy and planning</u>		
<ul style="list-style-type: none"> Monitoring costs Holding team meetings and discussions regarding the status of administration and strategy in regards to asset sales, VAT and tax matters and estimated outcome for stakeholders 	<ul style="list-style-type: none"> To ensure proper management of the administration 	<ul style="list-style-type: none"> Work is required by statute and for the proper management of the case
Assets		
<u>Trade debtors</u>		
<ul style="list-style-type: none"> Corresponding with debtors regarding outstanding balances Liaising with debtors to collect remaining balances due to the administration estate 	<ul style="list-style-type: none"> To ensure returns to creditors are maximised 	<ul style="list-style-type: none"> To recover the maximum value of assets
Creditors		
<ul style="list-style-type: none"> Receiving and following up creditor enquiries via telephone, email and post Reviewing and preparing correspondence to creditors and their representatives Corresponding with employees regarding dividend Preparing, issuing and receiving employee preferential claim agreement forms Calculating dividend rate and preparing dividend file for First ranking preferential creditors Advertising dividend notice for First ranking preferential creditors Preparing and paying distribution for First ranking preferential creditors 	<ul style="list-style-type: none"> Work is required by statute and for the proper management of the case 	<ul style="list-style-type: none"> To provide creditors with information requested
Statutory and compliance		

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| <ul style="list-style-type: none"> • Preparing and circulating to creditors our remuneration report giving details of the work we expected to carry out during the case and the expenses that are likely to be incurred and seeking approval to our fee basis • Managed and updated Aryza tasks, maintained permanent files, and ensured all statutory notices and filings were completed and uploaded to relevant systems • Conducted regular team meetings, handovers, and progression calls to monitor outstanding matters, action points, and compliance with statutory requirements • Responded to queries from stakeholders, updated the case website, and managed communications regarding statutory and compliance matters • Filing form AM19 with the Registrar of Companies to move the Company from administration to dissolution • Closing down internal systems • Completing statutory permanent file | <ul style="list-style-type: none"> • Work is required by statute and for the proper management of the case | <ul style="list-style-type: none"> • Required by statute |
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Tax and VAT

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| <ul style="list-style-type: none"> • Preparing tax computations • Determining that all tax matters have been suitably concluded, prior to ceasing to act • Preparing and submitting VAT returns • Liaising with HMRC • Preparing the VAT deregistration form and submission to HMRC • Preparing and finalising VAT426s before closure | <ul style="list-style-type: none"> • Work is required by statute | <ul style="list-style-type: none"> • Required by statute |
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Employees and pensions

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| <ul style="list-style-type: none"> • Receiving and following up employee enquiries via telephone, post and email, including dealing with DSARs • Deal with employment related legal matters, including the Protective Award claims • Liaising with employees and their representatives in regard to Protective Award claims | <ul style="list-style-type: none"> • To implement the strategy regarding employees • Work is required by statute and for the proper management of the case | <ul style="list-style-type: none"> • Required by statute |
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Our previous work

As this progress report is the first to be issued following the approval of the basis of our fees, below are details of work carried out by the Administrators in previous periods.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Administration		
<u>Accounting and treasury</u>		
<ul style="list-style-type: none"> Opening the post appointment bank account and arranging facilities Dealing with receipts, payments and journals Sanction screening of third party bank accounts before release of payments Carrying out bank reconciliations and managing investment of fund Corresponding with the Company's pre-appointment bank to arrange sweep of funds into the administration bank account 	<ul style="list-style-type: none"> Undertaking statutory accounting duties Proper stewardship of funds on behalf of the creditors 	<ul style="list-style-type: none"> Ensuring good stewardship of funds held on behalf of creditors
<u>Strategy and planning</u>		
<ul style="list-style-type: none"> Completing tasks relating to job acceptance Preparing fee budgets and monitoring cost Holding team meetings and discussions regarding the status of administration and strategy in regards to asset sales, VAT and tax matters, investigations and estimated outcome for stakeholders 	<ul style="list-style-type: none"> To ensure proper management of the administration 	<ul style="list-style-type: none"> Work is required by statute and for the proper management of the case
Assets		
<u>Property</u>		
<ul style="list-style-type: none"> Surrendering the lease on the Tottenham Court Road store Liaising with John Lewis regarding concession agreement termination 	<ul style="list-style-type: none"> To ensure returns to creditors are maximised 	<ul style="list-style-type: none"> To recover the maximum value of assets To ensure adequate insurance cover in place
<u>Trade debtors</u>		
<ul style="list-style-type: none"> Reviewing and assessing debtors' ledgers Corresponding with debtors regarding outstanding balances Liaising with debtors to collect remaining balances due to the administration estate 		
<u>Other debtors</u>		
<ul style="list-style-type: none"> Reviewing and assessing the recoverability of Adyen and V12 debtors Maintaining debtor schedule regarding the collection of debtor receipts 		
<u>Stock</u>		
<ul style="list-style-type: none"> Conducting stock takes Reviewing stock values Liaising and monitoring with agents (John Pye) regarding stock realisation Settling agent's costs 		
<u>Other assets</u>		

- Discussions regarding fixtures and fittings and communication with interested parties
- Enlisting a third party subcontractor to collect, factory reset and resell IT equipment, and collecting final amounts due to the estate
- Liaising with the lease company regarding collection and return of all vehicles
- Liaising with valuers, auctioneers and interested parties
- Reviewing asset listings
- Intercompany and prepayments

Insurance

- Reviewing insurance policies
- Corresponding with insurer regarding initial and ongoing insurance requirements
- Maintaining insurance as required for specifics of the case
- Cancelling insurance cover

Creditors

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| <ul style="list-style-type: none"> • Setting up a dedicated website for delivery of initial and ongoing communications and reports • Receiving and following up creditor enquiries via telephone, email and post • Reviewing and preparing correspondence to creditors and their representatives • Handling and providing high volume of support to John Lewis customers • Receipting and filing proofs of debt when not related to a dividend • Corresponding with employees regarding dividend • Preparing, issuing and receiving employee preferential claim agreement forms • Corresponding with the RPS regarding proof of debt • Receipting and filing proofs of debt | <ul style="list-style-type: none"> • Work is required by statute and for the proper management of the case | <ul style="list-style-type: none"> • To provide creditors with information requested |
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Investigations

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| <ul style="list-style-type: none"> • Collecting Company books and records where related to investigatory work • Reviewing books and records • Preparing comparative financial statements • Reviewing specific transactions • Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills | <ul style="list-style-type: none"> • Work is required by statute and for the proper management of the case | <ul style="list-style-type: none"> • Required by statute |
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Statutory and compliance

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| <ul style="list-style-type: none"> • Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment | <ul style="list-style-type: none"> • Work is required by statute and for the proper management of the case | <ul style="list-style-type: none"> • Required by statute |
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- Writing to the Company's directors to request the statement of affairs of the Company
- Drafting and reviewing our Proposals to creditors including preparing receipts and payments accounts and statutory information
- Circulating notice of the Proposals to creditors, members and the Registrar of Companies
- Preparing decision notice and associated documentation
- Preparing and sending notices of approval of the Proposals to the creditors and Registrar
- Preparing and circulating to creditors our remuneration report giving details of the work we expect to carry out during the case and the expenses that are likely to be incurred and seeking approval to our fee basis
- Collecting the Company's books and records where not related to investigatory work
- Dealing with records in storage
- Sending job files to storage
- Filing of documents
- Updating checklists and diary management system
- Conducting case reviews after the first month and then every six months

Tax and VAT

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| <ul style="list-style-type: none"> • Gathering information for the initial tax review • Carrying out tax review and subsequent enquiries • Considering Senior Accounting Officer obligations and submission of certificates to HMRC • Gathering information for the initial VAT review • Carrying out VAT review and subsequent enquiries • Filing post appointment VAT return for period ending December 2024 | <ul style="list-style-type: none"> • Work is required by statute | <ul style="list-style-type: none"> • Required by statute |
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Employees and pensions

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| <ul style="list-style-type: none"> • Issuing statutory notices on appointment • Drafting, issuing and delivering initial communications and announcements • Preparing letters to employees advising of their entitlements and options available • Receiving and following up employee enquiries via telephone, post and email, including dealing with DSARs • Reviewing employee files and Company's books and records • Reviewing awards and payroll structure • Calculating and paying periodic payroll • Deducting and paying over PAYE/NIC to HMRC and other deductions to relevant agencies and third parties • Determining a selection criteria and making redundancies | <ul style="list-style-type: none"> • To implement the strategy regarding employees • Work is required by statute and for the proper management of the case | <ul style="list-style-type: none"> • Required by statute |
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- Preparing letters to employees to advise them of redundancy and entitlements
 - Liaising with the RPS and submitting relevant documentation in respect of employee claims
 - Deal with employment related legal matters, including the Protective Award claims
 - Liaising with employees and their representatives in regard to Protective Award claim
 - Reviewing insurance policies
 - Understanding the pension and employee benefit arrangements
 - Payment of post-appointment pension contributions
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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 approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

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

We instructed Numerus to assist with the payroll in order to ensure it was completed accurately and on a timely basis, utilising their specialist knowledge and software. This was more cost effective for the estate.

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm	Reason selected	Basis of fees and actual/estimated cost of the work
Legal services, including: <ul style="list-style-type: none">• Concession agreement advice• Supporting the Joint Administrators in relation to general data protection regulation advice and DSARs;• General post-appointment administration advice; and• Employment queries	Travers Smith LLP	Travers Smith is a global law firm with insolvency specialists	Time costs and disbursements <i>Actual cost £51,959 incurred for pre and post-appointment costs; no further costs anticipated</i>
Payroll Services: <ul style="list-style-type: none">• Specialist payroll services in order to ensure payroll was completed accurately and in a timely basis (in line with regular payment date of 26th of the month)	Numerus	Numerus is a specialist payroll services provider in the UK with insolvency experience	A combination of: Fixed fee in respect of set up fee; and then cost per head and expenses for posting payslips <i>Actual cost: £3,089, no further costs anticipated</i>
Collection, wiping and selling employee and concession devices including laptops, tablets and phones	Recycle Your Tec	Recycle Your Tec is an established business that specialises in the recovery, resetting and resale of IT equipment	Fixed fee per item <i>Actual costs of £3,823</i>
Auctioneers: <ul style="list-style-type: none">• Collection and sale of stock through auction house	John Pye & Sons Limited	John Pye is an established commercial auction house network within the UK. They have specialist knowledge and the infrastructure to be able to collect and sell high volume goods in a more efficient manner than if we undertook this directly	Fixed fee expenses and commission <i>Actual cost: £17,361, no further costs anticipated</i>

We require all third party professionals to submit time costs analyses and narrative in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- Confirm the Joint Administrators issued the instructions listed on the invoice;
- Detailed review of narrative provided in support of the time charged;
- Assess whether the work was undertaken in line with our expectations, in respect of the quality and amount of time taken;
- Assess the reasonableness of the fees charged in the context of the advice sought and complexity of the matter; and
- Reviewing asset realisations inventories and sale values against the agreed percentage of realisations where relevant.

Appendix E: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Joint Administrators but with a view to the Company entering administration. Details of the work done and expenses incurred were included in our Proposals.

	Details of agreement including date and parties to it	Paid amount (£)	Unpaid amount (£)
Our fees as Administrators-in-waiting	Letter of engagement between Nestware Group and PwC dated 21 June 2024	10,438	154,868
Our expenses as Administrators-in-waiting	Letter of engagement between Nestware Group and PwC dated 21 June 2024	Nil	Nil
Legal fees (Travers Smith)	We understand there was a letter of engagement with the Company	Nil	24,044
Legal disbursements (Travers Smith)		Nil	55
Total		10,438	178,967

During the period since our last report, we have sought approval for payment of the unpaid pre-appointment costs detailed in our Proposals, which has subsequently been approved by the general body of creditors.

Following this, these pre-administration costs have been drawn, and are shown in our receipts and payments account at Appendix B.

Appendix F: Other information

Court details for the administration:	In the High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD) CR-2024-004798
Company's registered name:	The Floor Room Limited
Trading name:	The Floor Room Limited
Registered number:	13925555
Registered address:	8th Floor, Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL (formerly Nestware House Purfleet Bypass Purfleet Essex RM19 1TT)
Date of the Joint Administrators' appointment:	9 August 2024
Joint Administrators' names, addresses and contact details:	Adam Seres of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT Peter Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester, M3 3EB Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT
Extension to the initial period of appointment:	N/A