

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 02910567

Company name in full Property Portfolio (No 14) Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List

Court number C R - 2 0 2 0 - 0 0 2 9 2 6

3 Administrator's name

Full forename(s) Yulia

Surname Marshall

4 Administrator's address

Building name/number PricewaterhouseCoopers LLP

Street 7 More London Riverside

Post town London

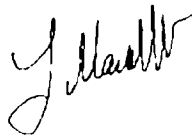
County/Region

Postcode S E 1 2 R T

Country

AM23

Notice of move from administration to dissolution

5 Administrator's name ①		① Other administrator Use this section to tell us about another administrator.
Full forename(s)	Zelf	
Surname	Hussain	
6 Administrator's address ②		② Other administrator Use this section to tell us about another administrator.
Building name/number	PricewaterhouseCoopers LLP	
Street	7 More London Riverside	
Post town	London	
County/Region		
Postcode	S E 1 2 R T	
Country		
7 Final progress report		
☒ I have attached a copy of the final progress report		
8 Sign and date		
Administrator's signature	Signature 	
Signature date	d 1 d 3 m 1 m 2 y 2 y 0 y 2 y 2	

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Catherine Elliott

Company name

PricewaterhouseCoopers LLP

Address

Central Square

29 Wellington Street

Post town

Leeds

County/Region

Postcode

L

S

I

4

D

L

Country

DX

Telephone

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶
Attach this to the relevant form.
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Peter David

Surname

Dickens

3 Insolvency practitioner's address

Building name/number

PricewaterhouseCoopers LLP

Street

No 1 Spinningfields

1 Hardman Square

Post town

Manchester

County/Region

Postcode

M 3 3 E B

Country

Joint administrators' final progress report from 30 June 2022 to 13 December 2022

Property Portfolio (No1) Limited, Property Portfolio (No2) Limited, Property Portfolio (No8) Limited, Property Portfolio (No14) Limited, Property Portfolio (No15) Limited, Property Portfolio (No17) Limited and Blue Group UK Furniture Limited - all in administration

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The following table shows the Companies that are the subject of this report. Also shown are the court references, company registration numbers and abbreviations we may use to describe them. In all cases, the relevant court is the High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD).

Company	Abbreviation	Court reference	Company number
Blue Group UK Furniture Limited	BGUKF	CR-2020-002918	02237159
Property Portfolio (No 1) Limited	PP1	CR-2020-002919	00281055
Property Portfolio (No 2) Limited	PP2	CR-2020-002917	03511999
Property Portfolio (No 8) Limited	PP8	CR-2020-002921	02347258
Property Portfolio (No 14) Limited	PP14	CR-2020-002926	02910567
Property Portfolio (No 15) Limited	PP15	CR-2020-002925	00884341
Property Portfolio (No 17) Limited	PP17	CR-2020-002924	02287644

The current registered office of each Company is Level 8, Central Square, 29 Wellington Street, LS1 4DL.

Abbreviations and definitions

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

Abbreviation or definition	Meaning
Joint Administrators / we / us / our	Zelf Hussain, Peter David Dickens and Yulia Marshall in respect of all the Companies
BDO	BDO LLP
Alteri	Alteri Partners LLP t/a Alteri Investors
Blue Group/the Group	The Companies and the wider group as set out in Appendix F
Brownlow	Brownlow Utilities Limited
CAPA	Consultiam Property Limited, trading as CAPA
the Companies	BGUKE, PP1, PP2, PP8, PP14, PP15, PP17
HMRC	HM Revenue and Customs
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
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
IRS	AUA Insolvency Risk Services Limited, trading as Insolvency Risk Services
LTO	Licence to occupy leasehold premises
PHD	PHD Property Advisory Limited
Pre-packaged sale	The sale of certain of the Companies' business and assets, completed immediately following our appointment as Joint Administrators. The transaction largely related to the Bensons for Beds business and is explained more fully in our Proposals
Preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Proposals	Joint Administrators' proposals for achieving the purpose of administration dated 8 July 2020
the Bensons Purchasers	Bensonsforbedsretail Limited, Bensonsforbedsmanufacturing Limited and BlueGroup Propco Limited
the Relyon Purchaser	Relyon Beds Limited (formerly Michco 2001 Limited)
the Purchasers	together, the Bensons Purchasers and the Relyon Purchaser
PwC/firm	PricewaterhouseCoopers LLP
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory

	2 claims of employees of insolvent companies under the Employment Rights Act 1996.
SEC	The Securities and Exchange Commission
Secured creditors	A creditor with security in respect of their debt, in accordance with Section 248 IA86.
Shoosmiths	Shoosmiths LLP (a law firm)
Sch B1 IA86	Schedule B1 to the 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 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
Steinhoff	Steinhoff International Holdings NV
Unsecured creditors	Creditors who are neither secured nor preferential
VAT	Value Added Tax
VAT Group	All of the Blue Group are part of a VAT Group meaning they can submit a VAT return together and simplify the process.

This report has been prepared by Zelf Hussain, Peter Dickens and Yulia Marshall as Joint Administrators of the Companies, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administrations, 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 Companies.

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 Companies' creditors, which can be found at [pwc.co.uk/bluegroup](https://www.pwc.co.uk/bluegroup). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain, Peter Dickens and Yulia Marshall have been appointed as Joint Administrators of the Companies to manage their affairs, business and property as its agents and act without personal liability. All 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 Companies 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/bluegroup. Please get in touch with us at uk_insolvencydocsrequests@pwc.com if you need any of the passwords to access the reports.

There are companies within the Blue Group which remain in administration, further updates will be provided in relation to these entities in the next progress report which will be available to creditors on the above website by 29 January 2023.

How much creditors may have received

The following table summarises the final outcome for creditors.

Company	Secured Creditor(s)	Preferential Creditors	Unsecured Creditors
BGUKF			
Final position	n/a	n/a	Nil
Previous estimate	n/a	n/a	Nil
PP1			
Final position	n/a	n/a	Nil
Previous estimate	n/a	n/a	Nil
PP2			
Final position	n/a	n/a	Nil
Previous estimate	n/a	n/a	Nil
PP8			
Final position	n/a	n/a	Nil
Previous estimate	n/a	n/a	Nil
PP14			
Final position	n/a	n/a	Nil
Previous estimate	n/a	n/a	Nil
PP15			
Final position	n/a	n/a	Nil
Previous estimate	n/a	n/a	Nil
PP17			
Final position	n/a	n/a	Nil
Previous estimate	n/a	n/a	Nil

The Companies did not have any secured creditors or preferential creditors.

As previously reported, there are no funds available for distribution to non-preferential unsecured creditors of the Companies as there were insufficient assets which would enable us to do so.

What you need to do

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

What happens next

On 13 December 2022 we filed notices of move from administration to dissolution for the Companies. The Companies will be dissolved three months after the notice has been registered by the Registrar of Companies.

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

We ceased to act on 13 December 2022. As decided by the general body of creditors, we will be discharged from liability in respect of any of our actions as Joint Administrators 14 days after this report is filed by the Registrar of Companies.

Overview of our work

Why we were appointed

The Companies were members of the Blue Group, which was a vertically integrated UK retailer that operated a multi-channel strategy through stores, online and telesales. The principal activities of the Blue Group were the manufacture, distribution and retail of beds/mattresses and home furniture products. The retail group operated under the brands of:

- Bensons for Beds, a leading UK retailer selling a comprehensive assortment of leading bed brands; and
- Harveys, a leading home retail specialist in the UK focusing on upholstery, dining and living room furniture.

At the time of our appointment, the Blue Group traded across a large number of retail stores in the UK and employed 3,469 people. As noted above, the Companies were not employing entities.

On appointment the Companies held a number of property leases for the trading entities within the Group, but did not trade.

Since 2017, the Group experienced a combination of challenges including the financial performance of its previous ultimate parent entity, a difficult economic environment and global events which disrupted trading.

In June 2019, the Group completed a significant restructuring, which simplified the intercompany debt structure, secured continued funding of the defined benefit pension scheme as it was transferred to Homestyle Pension Company Limited (a Steinhoff entity outside of the Group, and backed by parent guarantees) and introduced a new credit facility.

Following continued trading issues the Group's shareholders and lenders indicated that there was no appetite to continue providing funding. Consequently, in February 2020, there was a solvent sale of the Group to Alteri.

Due to ongoing trading issues and the impacts on the business of the Covid 19 pandemic, there was a forecast funding requirement. Alteri were not prepared to provide additional funding and re-set covenants and so the Group was mothballed and marketed for sale.

In June 2020, with the gradual re-opening of the UK retail sector, Alteri submitted an offer for certain elements of the Group's business and assets, the only offer received.

Following our appointment as Joint Administrators on 30 June 2020, we completed an immediate sale of certain of the Group's business and assets. The transaction included elements of the retail manufacturing, warehousing and distribution divisions.

The Companies detailed in this report were placed into administration as they held leases for which we granted a number of LTO's to the Purchasers. Granting these LTO's resulted in the best realisations for creditors as a whole across the Group and had the effect of reducing certain unsecured claims in the Companies.

A detailed narrative explanation and justification of why a pre-packaged sale was undertaken and alternatives considered can be found in our SIP 16 disclosure, a copy of which can be found on our website at www.pwc.co.uk/bluegroup.

Further details in relation to the history of the Group, the reasons for the Group being placed into administration and details of work carried out since our appointment can be found in the Proposals, our progress reports dated 27 January 2021, 23 July 2021 and 28 January 2022 and our most recent progress report dated 29 July 2022, which are also available on the website. Please get in touch with us at uk_insolvencydocsrequests@pwc.com if you need any of the passwords to access the reports.

Asset realisation

Following an initial review, we decided the most appropriate strategy was to work to achieve the assignment of leases held by the Companies to the Purchasers to reduce the level of unsecured claims within the administrations.

As explained in our earlier reports, the main work streams undertaken in relation to the Companies have been as follows:

- Dealing with properties under the LTO, including collecting licence fees from the Purchasers;
- Paying ongoing rent, service charge and insurance from appointment;
- Seeking assignment or where not possible the surrender of leases;
- Dealing with extension of LTO agreements to 28 April 2022;
- Instructing agents to conduct property reviews;
- Rates refunds in relation to PP1, PP14 and PP15 as set out in the table below;

Entity	Total refund £
PP1	175,357
PP14	17,936
PP15	160,844

- Water rates refunds totalling £11,822 were received into PP1 and £9,083 into PP15;
- Review, amendment and cancellation of insurance policies and confirming refunds due of £19 in PP14 and £24 in PP15;
- Discharging our statutory obligations, such as reporting to creditors, and dealing with the Company's VAT and tax affairs; and
- Responding to Unsecured creditor queries via email, telephone and post.

During the period since we last reported, we have contacted all landlords to confirm the final position in respect of property surrenders and assignments. We have confirmed that we now consider all matters in this respect to be finalised.

We have now finished realising the Companies' assets.

Connected party transactions

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

Other issues

We've stayed in office to conclude asset realisations across the Blue Group, statutory matters and comply with tax and VAT obligations.

Since we last wrote to you, we've sought fee approvals from the general body of creditors for PP1, PP2, PP8, PP14, PP15 and PP17 and we have sought formal final tax clearance in relation to the Companies from HMRC.

We've now completed our work to resolve these matters.

Approval of our proposals

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

None of the Companies had enough assets to pay a dividend to Unsecured creditors. This meant that we did not have to seek a decision from creditors regarding the approval of Proposals and our Proposals would be treated as approved if creditors did not request a decision in the required manner.

As creditors did not request a decision to be sought, our Proposals were deemed approved on 22 July 2020. We attach a summary of our Proposals at Appendix A.

Investigations and actions

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

Tax clearance

We fulfilled our duties as proper officers for tax during the administrations. HMRC has raised no queries in relation to the Companies during the administrations and has confirmed that it has no objection to the administrations of BGUKF, PP1, PP2, PP8, PP14, PP15, PP17 ending. However, they have verbally confirmed clearance and we expect to receive the official paperwork shortly.

We are finalising the VAT matters in respect of the Companies as part of the VAT Group.

Our final receipts and payments account

We set out in Appendix B accounts of our final receipts and payments in the administrations from 30 June 2022 to 13 December 2022.

Our expenses

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

Our fees

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

Pre-administration costs

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

Creditors' rights

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

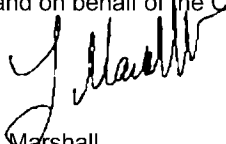
<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

You can also get a copy free of charge by contacting us at uk_insolvencydocsrequests@pwc.com.

Ongoing matters

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

Yours faithfully
For and on behalf of the Companies

A handwritten signature in black ink, appearing to read 'Y. Marshall', written over the printed name.

Yulia Marshall
Joint Administrator

Appendices

Appendix A: Summary of our proposals

The Proposals dated 8 July 2020 were drafted in relation to all of the Blue Group entities. The summary below relates to all of the Blue Group entities, but where possible we have indicated the matters that are not relevant to the Companies covered by this report.

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

- (a) rescuing the companies 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 companies' creditors as a whole than would be likely if the companies were wound up (without first being in administration), or finally, if that is not possible
- (c) realising the companies' assets to pay a dividend to secured or preferential creditors.

The Administrators pursued statutory objective (b) being to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration), as it was not practically possible to rescue the Companies as going concerns.

Achieving a better outcome for creditors arises from maximising the value of assets, minimising the costs of releasing those assets (and costs of the administrations generally) and reducing the level of creditor claims against the Companies. This was achieved through the property work and assignment and surrender of leases.

In a number of companies (including the Companies) there is no secured debt or dividends to any class of creditors. This typically related to the entities that held leases that were included in the sale, for relatively low value. We explained that if our investigations into the affairs of those companies, including a review of the directors' statements of affairs, concluded that objective (b) was not appropriate in the circumstances, then we would arrange for those administrations to be concluded and our appointments to cease to have effect at the earliest practical opportunity. The outcome for the secured creditor (in relation to those entities which granted security over their assets by way of a debenture) was expected to have been maximised by virtue of the pre-pack sale and realisation of other assets subject to its security. Preferential creditors (that sit with other companies within the Blue Group) were expected to be paid in full. It was also expected that certain companies within the Blue Group would be able to pay a dividend to the Unsecured creditors, via the prescribed part that would likely have been reduced or unavailable in other scenarios.

We explained that we would continue to manage and finance the Blue Group's businesses, affairs and assets from asset realisations, and that we may also investigate and, if appropriate, pursue any claims the Blue Group might have. Finally, we said that we would also do anything else we think appropriate, to achieve the purpose of the administrations or to protect and preserve the Blue Group's assets or to maximise realisations or for any other purpose incidental to the proposals.

We explained that whilst we had completed the sale of a large part of the Blue Group's business and assets, there remained a significant amount of work to do in the administrations. In broad terms, this was expected to include:

- Working with the Purchasers on post-sale matters connected to the orderly transfer of the Bensons for Beds business and fulfilment of outstanding customer orders;
- Continuing to trade the remainder of the business and exploring options for the realisation of its assets;
- Collecting licence fees from the Purchasers and making ongoing payments of rent (and associated costs) for the period of ongoing occupation;
- Assisting the Purchasers in the assignment of property leases;
- Fulfilling our statutory duties as joint administrators, including responsibility for the companies' VAT and tax affairs; and
- Winding down the companies' affairs generally with a view to their dissolution in due course.

Our overriding objective was to achieve the best possible outcome for creditors, typically achieved by maximising asset realisations and minimising costs and claims against the insolvent estates. In this case, we concluded that the best outcome for creditors would include an immediate sale of the Bensons for Beds business and assets to the Purchasers. The transaction included certain elements of the retail manufacturing, warehousing and distribution divisions.

Below is a summarised explanation and justification of why a pre-packaged sale was undertaken:

- There were no offers to acquire the Blue Group (or any part of it) on a solvent basis. Given the Blue Group's financial position, this lack of offers confirmed that it was insolvent and an insolvency process was inevitable.
- The lack of offers other than that from Alteri (for £23m), also strongly indicated that continuing to trade the businesses during an administration process (if funding could be secured) would be unlikely to generate any new or better offers.
- Our assessment showed that a pre-packaged sale to Alteri, in combination with the realisation of assets excluded from the sale, would generate better value for creditors than the break-up value of the assets.
- In addition to acquiring the ongoing Bensons for Beds business, the Purchasers have committed to fulfilling customer orders which were unfulfilled at the date of administration. In relation to these orders, customers had made deposits totalling £27m plus VAT. Therefore, fulfilment of the orders will significantly mitigate the value of Blue Group UK Retail Limited's unsecured creditors, resulting in a higher dividend to the remaining unsecured creditors from the prescribed part due to a reduced creditor pool;
- The secured creditor of certain of the Blue Group companies supported the transaction; and
- The sale resulted in the transfer of 1,899 people to the purchasing companies (representing 55% of the overall workforce) thereby mitigating preferential and unsecured creditor claims. The anticipated formal transfer of a large portion of the Blue Groups retail store network will reduce or mitigate significant claims from landlords.

We outlined the work we had done at the time of publishing the proposals. In summary:

- Briefed employees on appointment.
- Implemented temporary additional controls and systems for ongoing trading.
- Opened communications with creditors and other stakeholders.
- Commenced marketing of the remaining business and assets.
- Complied with immediate statutory obligations.

We explained the connected party transaction, advising that the Purchasers, who acquired certain business and assets of the Blue Group as described earlier, are connected to the Blue Group due to having a common ultimate parent (Alteri). We also stated that certain directors of the Blue Group were also involved in the management of the Purchasers.

A number of assets were specifically excluded for the sale to the Purchasers. These include the following:

- An element of cash at bank and in hand;
- Certain leasehold and properties;
- Book debt realisations;
- Stock subject to retention of title (ROT);
- Certain property, business and assets of the Harvey's retail and manufacturing businesses;
- Manufacturing rent deposits; and
- Merchant services cash collateral deposits.

We explained that we would take steps to realise any value in these assets or otherwise deal with them in the appropriate manner, including providing reasonable assistance to third parties with a proprietary interest in them. A key area of our work was the supervision of ongoing trading of the Harveys business and the realisation of its assets.

We also explained that we were working with the Purchasers for the purpose of agreeing the correct apportionment of cash balances and ongoing receipts into the Blue Group's bank accounts.

On appointment, we continued to work through the companies' records on the property portfolio, reviewing the position of over 250 properties and the status of each one.

The sale to the Purchasers included a licence to occupy all of the retail stores. We explained that we would be providing reasonable assistance to the Purchasers with regards to the assignment or surrender of the leases. We stated our intention was to continue to collect licence fees from the Purchaser as normal during this period and pay ongoing rent (calculated on a daily basis) from the date of appointment. We expected this to be a significant area of ongoing work, reducing over time as the number of properties remaining under licence also reduces.

We gave creditors an estimated outcome. In summary:

- The secured creditor was owed £41.7m at the time the Blue groups entered into administration. The above sale immediately reduced the secured creditor's indebtedness by £23m. Further recoveries were expected for the secured creditor from the assets excluded from the sale. At the time of publishing the proposal, we estimated that the secured creditor's overall recovery from the Blue Group's administrations would be in the region of 61% to 69%.
- We expected preferential claims to arise in BGUKR, Wellington Realisations Limited, Formation Furniture Limited and UL (it came to light later in the case that there were no employees in UL and thus there were no preferential claims) only. We confirmed that we expected there to be sufficient assets available to pay these claims in full.

- At the date of the proposals we weren't able to give unsecured creditors a realistic estimate of the dividends that would be paid from the prescribed part because the final level of claims from unsecured creditors was uncertain. We also explained that the level of costs incurred in agreeing claims, declaring and paying dividends would also be a factor, as these would be paid from the prescribed part funds with the net amount available to creditors. We didn't think there would be any dividend for unsecured creditors (in any of the companies) based on what we knew at the time, outside of the prescribed part.

We gave a summary of how we expected our fees and disbursements to be determined. We intended to propose that they be determined as one, or a combination, of the following:

- based on the time we and our staff spend on the administrations at our normal charge out rate for this type of work (a time cost basis).
- a set fee.

We explained that it would be up to the creditors' committee to fix the basis of our fees and Category 2 disbursements. But if there was no committee, and because we said we thought the companies would not have enough assets to pay anything to unsecured creditors other than via the prescribed part (in certain cases), it would be for the secured creditor and (where appropriate) the preferential creditors to do so instead. We explained that we would seek approval from those classes of creditors in due course by providing the following information:

- Details of the work we have done and propose to do (much of which has been included in this report);
- Details of the expenses we expect to incur; and
- If any element of our remuneration is to be paid on a time cost basis, an estimate of the hours likely to be incurred and the hourly rates for that work (a fees estimate).

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

- We thought there would be a dividend for unsecured creditors from the prescribed part for certain of the Blue Group companies. We said we would file notices with the Registrar of Companies, once we had paid the prescribed part dividend and we'd finished our work and those companies would be dissolved three months later.
- We also explained that in the very unlikely event that funds became available to pay a distribution other than from the prescribed part, we would apply to the court for permission to pay any surplus to the unsecured creditors. Should this be granted, once we had paid the dividend and finished our work, we would end the administration by filing notices with the Registrar of Companies and such companies would be dissolved three months later.
- If we didn't get permission to pay the dividend, we would put the relevant company into creditors' voluntary liquidation, or comply with any Court order if different. If that were to happen, we proposed that Zelf Hussain, Peter David Dickens and Yulia Marshall were appointed as joint liquidators (or, if replacement administrator(s) are appointed, any person(s) appointed as administrator(s) at the time of the registration of notice of moving from administration to creditors' voluntary liquidation per Paragraph 83(4) Sch B1 IA86) and that any act required or authorised to be done by the joint liquidators can be done by either or all of them. We explained that Creditors may nominate a different person or persons as liquidator(s), in accordance with Paragraph 83(7)(a) Sch B1 IA86 and Rule 3.60(6) IR16 (prior to the proposals being approved).
- We explained that where no dividends were available to unsecured creditors, it was most likely that we would file notices with the Registrar of Companies and the Companies would be dissolved three months later.
- We went on to explain that if necessary, to achieve the objective of any administration and complete our work, we may seek an extension to the period of the administration (beyond the statutory period of one year), by consent of the appropriate class of creditor, or by an order of the Court.
- We stated that we would be discharged from liability in respect of any of our actions as administrators at a time set by consent of the appropriate class of creditors, or by an order of the Court.
- Finally, we stated that the administrations may end in different ways and at different times.

Appendix B: Receipts and payment

The receipts and payments accounts below show the amounts paid in the period and total to date.

The following notes apply throughout:

- a. All items stated are net of VAT. Funds currently held may include monies due from HMRC; these monies will be assigned to PwC to settle the final elements of any administration fees.
- b. Funds are held on non-interest bearing accounts.
- c. In a number of estates, the realisable value of Cash at bank in the Statement of Affairs included an expected amount due from the cash pooling agreement. After seeking Counsel's advice on the beneficiaries' entitlement of the cash pool funds, it was identified that the original calculation was inaccurate and therefore, the cash at bank was adjusted. The adjustment resulted in a redistribution of the cash pool funds across relevant entities, creating differences between the Statement of Affairs' expected realisable value, and actual receipts into estates.
- d. Where the receipts and payments accounts state "Cash allocation re leasehold properties" further details in regards to this can be found in the SIP16 report included with our Proposals dated 8 July 2020.
- e. There have been no payments made to us (other than remuneration and expenses), our firm or our associates other than from the insolvent estate as shown in the receipts and payments accounts provided below.
- f. As noted in the report the LTO was in place for the benefit of the trading entities within the Blue Group, as such rents were paid for by the Purchasers and paid out to the landlords. The main trading entity within the Blue Group was Blue Group UK Retail Limited and as such funds have been moved to set off the receipts and ensure any further payments are dealt with in BGUKR.
- g. As part of the agreement to extend the LTO, the Bensons Purchaser agreed to contribute to the associated office holder costs. These are shown in the R&P's for the relevant companies as LTO extension fees, and have been drawn as office holders' fees.

Property Portfolio (No 1) Limited - in Administration

Statement of Affairs		Notes	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
£	Encumbered assets		£	£	£
	Receipts		-	-	-
-	Total receipts		-	-	-
	Payments		-	-	
	Total payments		-	-	-
	Net cash position		-	-	-
£	Unencumbered assets				
	Receipts				
	Trading profit/(loss)	1	137,068.91	(137,069.00)	(0.09)
	Licence to Occupy account		241,082.07	(241,082.07)	-
	Leasehold Property		30,000.00	-	30,000.00
	LTO extension monies		10,000.00	-	10,000.00
	Bank interest		556.38	-	556.38
	Sundry debts & refunds		181,991.13	5,188.32	187,179.45
-	Total receipts		600,698.49	(372,962.75)	227,735.74
	Payments				
	Heat, Light & Insurance		(12,351.34)	(22.74)	(12,374.08)
	Agents' Fees - Property & Assets		(19,748.60)	(4,071.65)	(23,820.25)
	Office holders fees and disbursements		-	(187,316.81)	(187,316.81)
	Pre-appointment agents' fees		-	(339.71)	(339.71)
	Pre-appointment legal fees		-	(881.18)	(881.18)
	Legal fees & Expenses		(335.57)	(2,668.14)	(3,003.71)
	Total payments		(32,435.51)	(195,300.23)	(227,735.74)
	Net realisations		568,262.98	(568,262.98)	-
	Total assets held		594,122.12	(594,122.12)	-
	VAT control account		25,859.14	(25,859.14)	-
	Total cash held		594,122.12	(594,122.12)	-

Property Portfolio (No 1) Limited - in Administration

	Notes	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
LTO Account		£	£	£
Receipts				
Licence Fees - Rent		828,028.02	593,720.68	1,421,748.70
Licence Fees - Service Charges		67,477.72	56,488.57	123,966.29
Total receipts		895,505.74	650,209.25	1,545,714.99
Payments				
LTO - Rent		(593,720.68)	(828,028.02)	(1,421,748.70)
LTO - Service Charge		(56,488.57)	(67,477.72)	(123,966.29)
LTO - Insurance		(4,214.42)	4,214.42	-
Total payments		(654,423.67)	(891,291.32)	(1,545,714.99)
Net LTO receipts/(payments)		241,082.07	(241,082.07)	-

	Notes	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
Trading Account		£	£	£
Receipts				
Contribution to costs	1	194,192.91	(137,069.00)	57,123.91
Total receipts		194,192.91	(137,069.00)	57,123.91
Payments				
Rent		(55,529.00)	-	(55,529.00)
Service Charges		(1,362.00)	-	(1,362.00)
Property Insurance		(233.00)	-	(233.00)
Total payments		(57,124.00)	-	(57,124.00)
Net trading receipts/(payments)		137,068.91	(137,069.00)	(0.09)

Notes

1 - As previously the properties were held and retained for the benefit of the trading entities within the Blue Group, as such rents were paid for by these respective companies and paid out to the landlords. The main trading entity within the Blue Group was Blue Group UK Retail Limited and as such funds have been moved to set off the trading account and ensure any further payments are dealt with in BGUKR.

Property Portfolio (No 2) Limited - in Administration

From 30 June 2020 **From 30 June 2022** **From 30 June**
to 29 June 2022 **to 12 December** **2020**
2022 **to 12 December**
2022

**Statement of
Affairs**

£		£	£	£
	Encumbered assets			
	Receipts			
-	Total receipts	-	-	-
	Payments	-	-	-
	Total payments	-	-	-
	Net cash position	-	-	-
£	Unencumbered assets			
	Receipts			
	Leasehold Property	15,000.00	-	15,000.00
	Bank interest	21.46	-	21.46
	Licence to Occupy account	9,167.09	(9,167.09)	-
-	Total receipts	24,188.55	(9,167.09)	15,021.46
	Payments			
	Heat, Light & Insurance	(101.63)	(161.91)	(263.54)
	Agents' Fees - Property & Assets	(525.00)	-	(525.00)
	Pre-appointment agents' fees	-	(169.86)	(169.86)
	Pre-appointment legal fees	-	(445.42)	(445.42)
	Office holders fees and disbursements	-	(11,127.70)	(11,127.70)
	Irrecoverable VAT	-	(751.03)	(751.03)
	Legal fees & Expenses	-	(1,738.91)	(1,738.91)
	Total payments	(626.63)	(14,394.83)	(15,021.46)
	Net realisations	23,561.92	(23,561.92)	(0.00)
	Total assets held	23,561.92	(23,561.92)	-
	VAT control account	(300.00)	300.00	-
	Total cash held	23,261.92	(444.56)	(0.00)

Property Portfolio (No 2) Limited - in Administration

	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
LTO Account	£	£	£
Receipts			
Contribution to costs	-	-	-
Licence Fees - Rent	100,984.17	92,539.58	193,523.75
Licence Fees - Service Charges	5,202.75	4,480.25	9,683.00
Total receipts	106,186.92	97,019.83	203,206.75
Payments			
LTO - Rent	(92,539.58)	(100,984.17)	(193,523.75)
LTO - Service Charge	(4,480.25)	(5,202.75)	(9,683.00)
LTO - Insurance	-	-	-
Total payments	(97,019.83)	(106,186.92)	(203,206.75)
Net trading receipts/(payments)	9,167.09	(9,167.09)	-

Property Portfolio (No 8) Limited - in Administration

Statement of Affairs	From 30 June 2020 to 29 June 2022				From 30 June 2022 to 12 December 2022				From 30 June 2020 to 12 December 2022			
	£	Encumbered assets	Note	£	£	£	£	£	£	£	£	£
		Receipts		-	-	-	-	-	-	-	-	-
	-	Total receipts		-	-	-	-	-	-	-	-	-
		Payments		-	-	-	-	-	-	-	-	-
		Total payments		-	-	-	-	-	-	-	-	-
		Net cash position		-	-	-	-	-	-	-	-	-
	£	Unencumbered assets										
		Receipts										
		Bank interest		63.61	-	-	-	63.61				
		Licence to Occupy account		50,895.64	(50,895.64)	-	-	-				
		Legal fees		1,500.00	-	-	-	1,500.00				
		Leasehold Property		15,000.00	-	-	-	15,000.00				
	-	Total receipts		67,459.25	(50,895.64)			16,563.61				
		Payments										
		Heat, Light & Insurance		(678.08)	(42.39)	-	-	(720.47)				
		Legal fees		-	(3,352.51)	-	-	(3,352.51)				
		Pre-appointment agents' fees		-	(169.86)	-	-	(169.86)				
		Pre-appointment legal fees		-	(470.12)	-	-	(470.12)				
		Office holders fees and disbursements		-	(11,850.65)	-	-	(11,850.65)				
		Total payments		(678.08)	(15,843.14)			(16,563.61)				
		Net realisations		66,781.17	(15,885.53)			-				
		Total assets held		66781.17	(15,885.53)	-	-	-				
		VAT control account		(4,086.33)	4,086.33	-	-	-				
		Total cash held		62,694.84	(11,799.20)			-				

Property Portfolio (No 8) Limited - in Administration

LTO Account	Note	From 30 June 2020	From 30 June 2022 to	From 30 June 2020
		to 29 June 2022	12 December 2022	to 12 December 2022
		£	£	£
Receipts				
Contribution to costs		-	-	-
Licence Fees - Rent		158,791.67	107,502.61	266,294.28
Licence Fees - Service Charges		18,994.21	14,364.99	33,359.20
Total receipts		177,785.88	121,867.60	299,653.48
Payments				
LTO - Rent		(107,502.61)	(158,791.67)	(266,294.28)
LTO - Service Charge		(14,364.99)	(18,994.21)	(33,359.20)
LTO - Insurance		(650.20)	650.20	-
LTO Heat, Light & Water		(3,247.44)	3,247.44	-
Agents' Fees - Property & Assets		(1,125.00)	1,125.00	-
Total payments		(126,890.24)	(172,763.24)	(299,653.48)
Net trading receipts/(payments)		50,895.64	(50,895.64)	-

Property Portfolio (No 14) Limited - in Administration

Statement of Affairs		From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
£		£	£	£
	Encumbered assets			
	Receipts	-	-	-
-	Total receipts	-	-	-
	Payments	-	-	-
	Total payments	-	-	-
	Net cash position	-	-	-
£	Unencumbered assets			
	Receipts			
	Bank interest	90.27	-	90.27
	Leasehold Property	15,000.00	-	15,000.00
	Trading profit / loss 1	99,348.08	(99,348.00)	0.08
	Licence to Occupy account	21,257.72	(21,257.72)	-
	Sundry debts & refunds	17,936.25	-	17,936.25
-	Total receipts	153,632.32	(120,605.72)	33,026.60
	Payments			
	Heat, Light & Insurance	(1,011.22)	19.44	(991.78)
	Pre appointment agents fees	-	(169.86)	(169.86)
	Pre appointment legal fees	-	(593.63)	(593.63)
	Office holders fees and disbursements	-	(25,097.83)	(25,097.83)
	Legal fees & Expenses	(5,008.36)	(1,165.14)	(6,173.50)
	Total payments	(6,019.58)	(27,007.02)	(33,026.60)
	Net realisations	147,612.74	(147,612.74)	-
	Total assets held	147612.74	(147612.74)	-
	VAT control account	(1,383.96)	1,383.96	-
	Total cash held	146,228.78	(146,228.78)	-

Property Portfolio (No 14) Limited - in Administration

	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
LTO Account	£	£	£
Receipts			
Licence Fees - Rent	572,802.02	518,622.06	1,091,424.08
Licence Fees - Service Charges	25,325.66	43,607.22	68,932.88
Total receipts	598,127.68	562,229.28	1,160,356.96
Payments			
LTO - Rent	(518,622.06)	(572,802.02)	(1,091,424.08)
LTO - Service Charge	(43,607.22)	(25,325.66)	(68,932.88)
LTO - Insurance	(5,732.02)	6,555.02	823.00
LTO - Rates	(5,639.09)	4,816.09	(823.00)
Agents' Fees - Property & Assets	(3,269.57)	3,269.57	-
Total payments	(576,869.96)	(583,487.00)	(1,160,356.96)
Net LTO receipts/(payments)	21,257.72	(21,257.72)	-

	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
Trading Account	£	£	£
Receipts			
Contribution to costs	187,223.08	(99,348.00)	87,875.08
Total receipts	187,223.08	(99,348.00)	87,875.08
Payments			
Rent	(84,959.00)	-	(84,959.00)
Service Charge	(2,093.00)	-	(2,093.00)
Property Insurance	(823.00)	-	(823.00)
Total payments	(87,875.00)	-	(87,875.00)
Net Trading receipts/(payments)	99,348.08	(99,348.00)	0.08

Notes

1 - As previously the properties were held and retained for the benefit of the trading entities within the Blue Group, as such rents were paid for by these respective companies and paid out to the landlords. The main trading entity within the Blue Group was Blue Group UK Retail Limited and as such funds have been moved to set off the trading account and ensure any further payments are dealt with in BGUKR.

Property Portfolio (No 15) Limited - in Administration

Statement of Affairs		From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
£		£	£	£
	Assets subject to a fixed charge			
	Receipts			
-	Total receipts	-	-	-
	Payments			
	Total payments	-	-	-
	Net cash position	-	-	-
£	Unencumbered assets			
	Receipts			
	Leasehold Property	45,000.00	-	45,000.00
	Sundry debts & refunds	168,890.02	-	168,890.02
	Licence to Occupy account	327,666.16	(327,666.16)	-
	Bank interest	212.27	-	212.27
	LTO funding - re extension	20,000.00	-	20,000.00
	Suspense Account	4,089.41	(4,089.41)	-
-	Total receipts	565,857.86	(331,755.57)	234,102.29
	Payments			
	Trading profit/(loss) 1	(53,152.34)	53,152.34	-
	Insurance	(5,073.56)	24.23	(5,049.33)
	Agents' Fees - Property & Assets	(38,266.89)	(525.00)	(38,791.89)
	Pre-appointment agents' fees	-	(509.57)	(509.57)
	Pre-appointment legal fees	-	(1,588.67)	(1,588.67)
	Finance / Bank interest & charges	(15.00)	-	(15.00)
	Office holders fees and disbursements	-	(179,591.75)	(179,591.75)
	Legal fees & Expenses	(1,814.94)	(6,741.14)	(8,556.08)
	Total payments	(98,322.73)	(135,779.56)	(234,102.29)
	Net realisations	467,535.13	(467,535.13)	-
	Total assets held	467,535.13	(467,535.13)	-
	VAT control account	(52,369.94)	52,369.94	-
	Total cash held	415,165.19	(415,165.19)	-

Property Portfolio (No 15) Limited - in Administration

Trading Account	Notes	From 30 June 2020 to 29 June 2022 £	From 30 June 2022 to 12 December 2022 £	From 30 June 2020 to 12 December 2022 £
Receipts				
Contribution to Costs		402,440.66	(402,440.66)	-
Total receipts		402,440.66	(402,440.66)	-
Payments				
Bank interest/charges		(15.00)	15.00	-
Rent		(435,239.00)	435,239.00	-
Service Charge		(18,740.00)	18,740.00	-
Property Insurance		(1,599.00)	1,599.00	-
Total payments		(455,593.00)	455,593.00	-
Net trading receipts/(payments)		(53,152.34)	53,152.34	-

LTO Account	Notes	From 30 June 2020 to 29 June 2022 £	From 30 June 2022 to 12 December 2022 £	From 30 June 2020 to 12 December 2022 £
Receipts				
Licence Fees - Rent		2,266,037.84	2,026,690.82	4,292,728.66
Licence Fees - Service Charges		269,458.66	165,789.12	435,247.78
Total receipts		2,535,496.50	2,192,479.94	4,727,976.44
Payments				
LTO - Rent		(2,026,690.82)	(2,266,037.84)	(4,292,728.66)
LTO - Service Charge		(165,789.12)	(269,458.66)	(435,247.78)
LTO - Insurance		(15,270.40)	15,270.40	-
LTO Heat, Light & Water		-	-	-
Agents' Fees - Property & Assets		(80.00)	80.00	-
Total payments		(2,207,830.34)	(2,520,146.10)	(4,727,976.44)
Net LTO receipts/(payments)		327,666.16	(327,666.16)	-

Notes

1 - As previously the properties were held and retained for the benefit of the trading entities within the Blue Group, as such rents were paid for by these respective companies and paid out to the landlords. The main trading entity within the Blue Group was Blue Group UK Retail Limited and as such funds have been moved to set off the trading account and ensure any further payments are dealt with in BGUKR.

Property Portfolio (No 17) Limited - in Administration

Statement of Affairs		From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
£		£	£	£
	Encumbered assets			
	Receipts	-	-	-
-	Total receipts	-	-	-
	Payments	-	-	-
	Total payments	-	-	-
	Net cash position	-	-	-
£	Unencumbered assets			
	Receipts			
	Leasehold Property	15,000.00	-	15,000.00
	Sundry debts & refunds	43.15	-	43.15
	Bank interest	13.21	-	13.21
	Licence to Occupy account	14461.17	(14461.17)	-
-	Total receipts	29,517.53	(14,461.17)	15,056.36
	Payments			
	Heat, Light & Insurance	(57.07)	-	(57.07)
	Agents' Fees - Property & Assets	-	-	-
	Office holders fees and disbursements	-	(8,803.70)	(8,803.70)
	Pre-appointment agents' fees	-	(169.86)	(169.86)
	Pre-appointment legal fees	-	(396.01)	(396.01)
	Legal fees & Expenses	(4,464.58)	(1,165.14)	(5,629.72)
	Total payments	(4,521.65)	(10,534.71)	(15,056.36)
	Net realisations	24,995.88	(24,995.88)	-
	Total cash held	24,995.88	(24,995.88)	-
	VAT control account	-	-	-
	Total assets held	24,995.88	(24,995.88)	-

Property Portfolio (No 17) Limited - in Administration

		From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
LTO Account	Note	£	£	£
Receipts				
Contribution to costs		-		-
Licence Fees - Rent		68,158.66	54,235.12	122,393.79
Licence Fees - Service Charges		2,848.09	2,310.46	5,158.55
Total receipts		71,006.75	56,545.58	127,552.34
Payments				
LTO - Rent		(54,235.12)	(68,158.66)	(122,393.78)
LTO - Service Charge		(2,310.46)	(2,848.09)	(5,158.55)
LTO - Insurance		-	-	-
LTO Heat, Light & Water		-	-	-
Finance / Bank interest & charges		-	-	-
Agents' Fees - Property & Assets		-	-	-
Total payments		(56,545.58)	(71,006.75)	(127,552.33)
Net trading receipts/(payments)		14,461.17	(14,461.17)	0.01

Blue Group UK Furniture Limited - in Administration

Statement of Affairs			
	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
£	£	£	£
Encumbered assets			
Receipts			
Total receipts	-	-	-
Payments			
Total payments	-	-	-
Net cash position	-	-	-
£			
Unencumbered assets			
Receipts			
Bank interest	131.73	-	131.73
Leasehold Property	-	-	-
Licence to occupy account	294,812.37	(294,755.93)	56.44
Total receipts	294,944.10	(294,755.93)	188.17
Payments			
Heat, Light & Insurance	(178.03)	4.86	(173.17)
Agents' Fees - Property & Assets	-	-	-
Legal fees & Expenses	-	-	-
Bank charges	(15.00)	-	(15.00)
Total payments	(193.03)	4.86	(188.17)
Net realisations	294,751.07	(294,751.07)	-
Total assets held	294,751.07	(294,751.07)	-
VAT control account	(184,093.70)	184,093.70	-
Total cash held	110,657.37	-	-

Blue Group UK Furniture Limited - in Administration

	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 12 December 2022	From 30 June 2020 to 12 December 2022
LTO Account	£	£	£
Receipts			
Licence Fees - Rent	1,245,153.38	(1,245,153.38)	-
Licence Fees - sublet rental income	23,576.50	(23,576.50)	-
Licence Fees - Service Charges	32,532.04	(32,532.04)	-
Licence Fees - Rates	175,836.82	(175,836.82)	-
Payments for Group Companies	448,164.16	(448,107.72)	56.44
Total receipts	1,925,262.90	(1,925,206.46)	56.44
Payments			
LTO - Rent	(1,346,016.90)	1,346,016.90	-
LTO - Service Charge	(8,494.86)	8,494.86	-
LTO - Insurance	(275,880.58)	275,880.58	-
LTO Heat, Light & Water	(28.23)	28.23	-
Finance / Bank interest & charges	(29.96)	29.96	-
Agents' Fees - Property & Assets	-	-	-
Total payments	(1,630,450.53)	1,630,450.53	-
Net trading receipts/(payments)	294,812.37	(294,755.93)	56.44

Appendix C: Expenses

Expenses are amounts properly payable by us as 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	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 which approves our fees (in this case the fee approving body) also has the responsibility for agreeing the policies for payment of Category 2 expenses.

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

vv

BGUKF PP1 PP2 PP8 PP14 PP15 PP17

Category	Description	Costs incurred to 29/06/22 £	Costs incurred in the period 30/06/22 to 12/12/22 £	Costs incurred to 29/06/22 £	Costs incurred in the period 30/06/22 to 12/12/22 £	Costs incurred to 29/06/22 £	Costs incurred in the period 30/06/22 to 12/12/22 £	Costs incurred to 29/06/22 £	Costs incurred in the period 30/06/22 to 12/12/22 £	Costs incurred to 29/06/22 £	Costs incurred in the period 30/06/22 to 12/12/22 £	Costs incurred to 29/06/22 £	Costs incurred in the period 30/06/22 to 12/12/22 £	Costs incurred to 29/06/22 £	Costs incurred in the period 30/06/22 to 12/12/22 £
2	Photocopying – Up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Mileage - At a maximum of: petrol/diesel/hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc) full electric - 72 pence per mile bicycle - 12 pence per mile	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Printing - Up to 10 pence per side	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Archiving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Bordereau	225.00	-	225.00	-	225.00	-	225.00	-	225.00	-	225.00	-	225.00	-
1	Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	225.00	-	225.00	-	225.00	-	225.00	-	225.00	-	225.00	-	225.00	-
	Paid to date		-		225.00		225.00		225.00		225.00		225.00		225.00

The expense policy set out above has been approved by the fee approving body. The table below provides details of the expenses incurred in the administrations:

Description - Disbursements	PP1				PP2				PP8			
	Total costs incurred to 29/06/2022	Incurred in the period	Future estimated costs	Anticipated Total	Total costs incurred to 29/06/2022	Incurred in the period	Future estimated costs	Anticipated Total	Total costs incurred to 29/06/2022	Incurred in the period	Future estimated costs	Anticipated Total
	£	£	£	£	£	£	£	£	£	£	£	£
Property Rates	-	-	-	-	-	-	-	-	-	-	-	-
Bank interest/charges	-	-	-	-	-	-	-	-	-	-	-	-
Legal fees & Expenses	1,838.57	1,165.14	-	3,003.71	-	1,738.91	-	1,738.91	-	3,352.51	(1,500.00)*	1,852.51
Heat, Light & Insurance	12,351.34	22.74	-	12,374.08	101.63	161.91	-	263.54	678.08	42.39	-	720.47
Agents' Fees - Property & Assets	19,748.60	4,071.65	-	23,820.25	525.00	-	-	525.00	1,650.00	(1,650.00)	-	-
Suppliers	-	-	-	-	-	-	-	-	-	-	-	-
Administrators' disbursements	225.00	-	-	225.00	225.00	-	-	225.00	225.00	-	-	225.00
Pre-administration expenses	1,221.00	-	-	1,221.00	615.00	-	-	615.00	640.00	-	-	640.00
Rent	55,529.00	-	-	55,529.00	-	-	-	-	-	-	-	-
Service Charges	1,362.00	-	-	1,362.00	-	-	-	-	-	-	-	-
Property Insurance	233.00	-	-	233.00	-	-	-	-	-	-	-	-
TOTAL	92,508.51	5,259.53	-	97,768.04	1,466.63	1,900.82	-	3,367.45	3,193.08	1,744.90	(1,500.00)	3,437.98
Paid to date	92,508.51	5,259.53	-	97,768.04	1,466.63	1,900.82	-	3,367.45	3,193.08	1,744.90	(1,500.00)	3,437.98

*PP8 an adjustment to legal fees has been shown in this period, for ease of reference to the receipts and payments account, as the receipt occurred in a previous period.

PP14					PP15				PP17			
Description - Disbursements	Total costs incurred to 29/06/2022	Incurred in the period	Future estimated costs	Anticipated Total	Total costs incurred to 29/06/2022	Incurred in the period	Future estimated costs	Anticipated Total	Total costs incurred to 29/06/2022	Incurred in the period	Future estimated costs	Anticipated Total
	£	£	£	£	£	£	£	£	£	£	£	£
Property Rates	5,639.09	(4,816.09)	-	823.00	-	-	-	-	-	-	-	-
Bank interest/charges	-	-	-	-	30.00	-	-	30.00	-	-	-	-
Legal fees & Expenses	5,008.36	1,165.14	-	6,173.50	7,390.74	1,166.34	-	8,557.08	4,464.58	1,165.14	-	5,629.72
Heat, Light & Insurance	1,011.22	(19.44)	-	991.78	5,073.56	(24.23)	-	5,049.33	57.07	-	-	57.07
Agents' Fees - Property & Assets	3,269.57	(3,269.57)	-	-	38,266.89	525.00	-	38,791.89	-	-	-	-
Suppliers	-	-	-	-	-	-	-	-	-	-	-	-
Administrators' disbursements	225.00	-	-	225.00	225.00	-	-	225.00	225.00	-	-	225.00
Pre-administration expenses	763.00	-	-	763.00	2,098.00	-	-	2,098.00	566.00	-	-	566.00
Rent	-	-	-	-	435,239.00	-	-	-	-	-	-	-
Service Charges	-	-	-	-	18,740.00	-	-	-	-	-	-	-
Property Insurance	-	-	-	-	1,599.00	-	-	-	-	-	-	-
TOTAL	15,916.24	(6,939.96)	-	8,976.28	508,662.19	1,667.11	-	54,751.30	5,312.65	1,165.14	-	6,477.79
Paid to date	15,916.24	(6,939.96)	-	8,976.28	508,662.19	1,667.11	-	54,751.30	5,312.65	1,165.14	-	6,477.79

Description - Disbursements	BGUKF			
	Total costs incurred to 29/06/2022	Incurred in the period	Future estimated costs	Anticipated Total
	£	£	£	£
Property Rates	-	-	-	-
Bank interest/charges	15.00	-	-	15.00
Legal fees & Expenses	-	1,500.00	-	1,500.00
Heat, Light & Insurance	178.03	(4.86)	-	173.17
Agents' Fees - Property & Assets	-	-	-	-
Suppliers	-	-	-	-
Administrators' disbursements	225.00	-	-	225.00
Pre-administration expenses	231.98	-	-	231.98
Rent	-	-	-	-
Service Charges	-	-	-	-
Property Insurance	-	-	-	-
TOTAL	650.01	1,495.14	-	2,145.15
Paid to date	650.01	(4.86)		188.17

Notes

The table also 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.

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

Please note that we did not pay any pre administration expenses in relation to BGUKF as there were no realisations within the estate to pay the fees. These amounts were subsequently written off.

Appendix D: Remuneration update

Our fees were approved on a fixed fee basis by the general body of creditors in relation to the entities listed in the table below. We've drawn fees of £420,584 in line with the approval given, as shown on the enclosed receipts and payments accounts.

Our fixed fees are set out below:

Entity	Fixed fee drawn £
Property Portfolio (No 1) Ltd	187,091.81
Property Portfolio (No 2) Ltd	9,048.08
Property Portfolio (No 8) Ltd	11,625.65
Property Portfolio (No 14) Ltd	24,872.83
Property Portfolio (No 15) Ltd	179,366.75
Property Portfolio (No 17) Ltd	8,578.70
Blue Group UK Furniture Ltd	nil
Total	420,583.82

We did not seek approval of our fees in relation to BGUKF, as there were no realisations into the estate. Therefore, the time costs we have incurred in dealing with the administration of the Company will be written off.

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

Our work in the period

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

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Assets - Property All Companies	Corresponding with landlords across the entire property portfolio to confirm that there are no further outstanding matters, and the Companies will be closed imminently.	The work is necessary to ensure correct management of the administrations.	No direct financial benefit, however the work is necessary to ensure correct management of the administrations.
Strategy and planning All Companies	- Holding team meetings and discussions regarding the status of the administrations. - Running reports for each Company to monitor budgets and costs.	The work is necessary to ensure correct management of the administrations.	No direct financial benefit, however the work is necessary to ensure correct management and oversight of the administrations.
Accounting and treasury All Companies (except BGUKF)	- Processing final payments. - Processing administrators final fees and disbursements. - Closure of the administration bank accounts (all Companies including BGUKF).	Necessary to ensure correct management of the administrations.	No financial benefit but necessary to ensure correct management of the administrations.
Statutory and compliance All Companies	- Filing of documents. - Updating checklists and diary management system.	Required by statute.	Required by statute.
Remuneration report PP1, PP2, PP8, PP15, PP15 and PP17 only	Preparing and circulating to creditors a report giving details of the work we expect to carry out during the administrations and		

	the expenses that are likely to be incurred.		
Tax & VAT All Companies	• Liaising with HMRC to seek formal tax clearances. • Arranging deregistrations from VAT where appropriate.	• Required by statute and as proper officer for tax and VAT.	• No financial benefit but required by statute and as proper officer for tax and VAT.
Closure procedures All Companies	• Completing checklists and diary management systems. • Closing down internal systems. • Drafting and issuing our final progress report to creditors. • Conducting final case management reviews.	• Necessary to ensure orderly closure of the administrations.	• No financial benefit to creditors.

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.

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Assets All Companies	Property - Carrying out title searches and securing relevant property records. - Collect Licence fees from the Purchaser and pay ongoing rent from appointment. - Deal with ongoing property matters as they arise including queries and legal disputes. - Liaising with landlords and their managing agents to seek surrenders of leases. - Liaising with solicitors regarding the novation of leases. - In relation to PP15, corresponding with landlords/agents regarding clearance and final payments of valid rental liabilities. Payment of rent, service charges and insurance as appropriate. Insurance - Identifying potential issues requiring attention of insurance specialists. - Reviewing insurance policies.	- Necessary activities arising from the sale of business, which realised value for the Group's creditors. Also helped to mitigate claims against the administrations and comply with our obligations under the sale agreement. - Protects the assets involved in the sale of business.	- Necessary activities arising from the sale of business, which realised value for the Group's creditors. - Protects the assets involved in the sale of business.

- Corresponding with the insurer regarding initial and ongoing insurance requirements.
- Realising any value within policies.
- Obtaining clearances from IRS on insurance matters.

Strategy and planning All Companies	• Completing tasks relating to job acceptance. • Preparing fee budgets & monitoring costs. • Holding team meetings and discussions regarding the status of the administrations.	• The work is necessary to ensure correct management of the administrations..	• No direct financial benefit, however the work is necessary to ensure correct management of the administrations.
Accounting and treasury All Companies	• Opening bank accounts and arranging facilities. • Dealing with receipts, payments and journals. • Carrying out bank reconciliations. • Reconciliations to identify and segregate any amounts due to the Companies.	• Necessary to ensure correct management of the administrations.	• No financial benefit however, necessary to ensure correct management of the administrations.
Tax & VAT All Companies	• Gathering information for the initial tax reviews. • Carrying out tax reviews and subsequent enquiries. • Preparing tax computations. • Gathering information for the initial VAT reviews.	• Required by statute and as proper officer for tax and VAT.	• No financial benefit but required by statute and as proper officer for tax and VAT.

	• Carrying out VAT reviews and subsequent enquiries. • Preparing VAT returns. • Liaising with HMRC.		
Statutory and compliance	Initial letters and notifications	• Required by statute.	• Required by statute.
All Companies	• Preparing and issuing all necessary initial letters and notices regarding the administrations and our appointment. Case reviews • Conducting case reviews after the first month, then every six months. Proposals and initial meeting of creditors • Drafting and reviewing a statement of 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 and sending notices of deemed approval of the Proposals to the creditors and Registrar. Progress report and extensions • Preparing and issuing periodic progress reports to creditors and the Registrar. • Making applications to creditors or court for the extension of the		

	administrations and filing relevant notices. Other meetings/resolutions - Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administrations. Books and records - Collecting the Companies' books and records where not related to investigatory work. - Dealing with records in storage. Other statutory and compliance - Filing of documents. - Updating checklists and diary management system.		
Creditors All Companies	- Setting up a dedicated website for delivery of initial and ongoing communications and reports. - Setting up creditor helpline to assist creditors with their queries. - Receiving and following up creditor enquiries via telephone, email and post. - Reviewing and preparing correspondence to creditors and their representatives.	The Administrators have an obligation to respond to creditor queries and to keep creditors informed.	No financial benefit, however the Administrators have an obligation to respond to creditor queries and to keep creditors informed.

Our future work

Area of work	Work undertaken	Whether or not the work will provide a financial benefit to creditors
Closure All Companies	- Closing down internal systems. - Sending job files to storage.	No financial benefit. Necessary to ensure orderly closure of the administrations.
Accounting and treasury All Companies	Closure of bank accounts.	No financial benefit. Necessary to ensure orderly closure of the administrations.

Payments to associates

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

Our relationships

We have no business or personal relationships with the parties who approved our fees or who provided services to the administrations where the relationship could have given rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work during the administrations of the Companies.

Legal and other professional firms

We instructed the following professionals on this case:

Company	Service provided	Name of firm	Reason selected	Basis of fees
All Companies	Legal services, including: Appointment related matters; Sale of business contracts; and Property related matters.	• Shoosmiths	• Industry expertise	• Time costs and disbursements
PP1, PP2, PP8, PP14, PP15 and PP17	Property agents and others: To undertake business rates and service charge review and recovery	• CAPA	• Industry expertise	• Fixed fee of 15% of recoveries and negotiating and agreeing rent waivers resulting in rent savings
PP1, PP2, PP8, PP14, PP15 and PP17	Property agents and others: Water rates review and refund recovery	• Brownlow	• Industry expertise	• Fixed fee of 30% recoveries
All Companies	Subcontractors and others Dealing with remaining properties under the LTO to include paying outstanding rent, service charge and insurance	• PHD	• Property management related to the LTO	• Costs of £125 per property for monthly management and £400 flat fee for dealing with property completions

Appendix E: Pre-administration costs

The following costs incurred before our appointment with a view to the Companies going into administration were approved for payment on 26 October 2022 in relation to PP1, PP2, PP8, PP14, PP15 and PP17.

Approval in relation to the pre administration costs incurred by BGUKF was not sought as there were insufficient funds available in the administration to pay these costs and so they have been written off.

Firm	Services	Amount paid (£)	Balance outstanding (£)
Shoosmiths	Sale and purchase agreement and administration planning	4,375.04	-
BDO	Marketing and sale process	291.22	-
Hilco	Valuation services	1,237.50	-
Total		5,903.76	-

The pre-administration costs are shown in the following table, these expenses have been split and allocated against the relevant Company to which they apply.

Firm	Service provided	PP1	PP2	PP8	PP14	PP15	PP17
		Paid amount (£)	Paid amount (£)	Paid amount (£)	Paid amount (£)	Paid amount (£)	Paid amount (£)
Shoosmiths	Legal services: - Contract work on the pre-pack sale; - Contingency planning for administration; - Preparation and advice on non-disclosure agreement for potential sale; and - Advice regarding miscellaneous administration matters.	881.18	445.42	470.12	593.63	1,588.67	396.01
BDO	Sale and marketing process	64.71	32.36	32.36	32.36	97.07	32.36
Hilco	Asset valuation services as described in our SIP16 report	275.00	137.50	137.50	137.50	412.50	137.50
Total		1,220.89	615.27	639.98	763.49	2,098.24	565.87

Appendix F: Blue Group companies

Company	Abbreviation	Court reference	Company number
Blue Group UK Furniture Limited	BGUKF	CR-2020-002918	02237159
Blue Group UK Beds Limited	BGUKB	CR-2020-002902	08431253
Blue Group Hold Co Limited	BGHL	CR-2020-002915	12040448
Blue Group UK Manufacturing Limited	BGUKM	CR-2020-002897	04209321
Blue Group UK Retail Limited	BGUKR	CR-2020-002906	00040754
Blue Group UK Group Properties Limited	BGUKGP	CR-2020-002903	01024575
Formation Furniture Limited	FFL	CR-2020-002905	03223063
Homestyle Group Operations Limited	HGOL	CR-2020-002904	03130486
Property Portfolio (No 1) Limited	PP1	CR-2020-002919	00281055
Property Portfolio (No 2) Limited	PP2	CR-2020-002917	03511999
Property Portfolio (No 7) Limited	PP7	CR-2020-002922	00548337
Property Portfolio (No 8) Limited	PP8	CR-2020-002921	02347258
Property Portfolio (No 11)	PP11	CR-2020-002923	02236968
Property Portfolio (No 14) Limited	PP14	CR-2020-002926	02910567
Property Portfolio (No 15) Limited	PP15	CR-2020-002925	00884341
Property Portfolio (No 17) Limited	PP17	CR-2020-002924	02287644
Wellington Realisations Group Limited (formerly Relyon Group Limited)	WRGL	CR-2020-002901	00859590
Wellington Realisations Limited (formerly Relyon Limited)	WRL	CR-2020-002899	00470381
Serais Investments Limited	SIL	CR-2020-002908	01264703
Unitrans UK Limited	UUK	CR-2020-002896	05523545
Unitrans Limited	UL	CR-2020-002900	01372780
Unitrans Logistics (UK) Limited	ULUK	CR-2020-002898	05523550

Appendix G: Other information

Court details for the administration:

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

Court reference

Property Portfolio (No 1) Limited: CR-2020-002919
 Property Portfolio (No 2) Limited: CR-2020-002917
 Property Portfolio (No 8) Limited: CR-2020-002921
 Property Portfolio (No 14) Limited: CR-2020-002926
 Property Portfolio (No 15) Limited: CR-2020-002925
 Property Portfolio (No 17) Limited: CR-2020-002924
 Blue Group UK Furniture Limited: CR-2020-002918

Company's registered name:

Property Portfolio (No 1) Limited
 Property Portfolio (No 2) Limited
 Property Portfolio (No 8) Limited
 Property Portfolio (No 14) Limited
 Property Portfolio (No 15) Limited
 Property Portfolio (No 17) Limited
 Blue Group UK Furniture Limited

Trading name:

Bensons for Beds
 Harveys / Harveys Furniture

Registered number:

PP1: 00281055
 PP2: 03511999
 PP8: 02347258
 PP14: 02910567
 PP15: 00884341
 PP17: 02287644
 BGUKF: 02237159

Registered address:

Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL

Date of the Joint Administrators' appointment:

30 June 2020

Joint Administrators' names, addresses and contact details:

In relation to all the Companies:

Zelf Hussain of PwC, 7 More London, Riverside, London, SE1 2RT
 Peter David Dickens of PwC, 1 Hardman Square, Manchester, M3 3EB
 Yulia Marshall of PwC, 7 More London, Riverside, London, SE1 2RT

Contact: uk_bluegroup_creditors@pwc.com

Extension(s) to the initial period of appointment:

Extensions approved for the Companies by the relevant approving bodies on 1 June 2021 for a period of 12 months to 29 June 2022.

A further extension was approved for the Companies by the Court for a period of 12 months to 29 June 2023.