In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986

LIQ03

Notice of progress report in voluntary winding up

Companies House

THURSDAY

A8Y7GRIY
A05 06/02/2020 #140
COMPANIES HOUSE

1 Company details

Company number	0 0 2 2 9 6 0 6
Company name in full	SHB Realisations Limited (formerly BHS Limited)

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

2 Liquidator's name

Full forename(s)	Anthony John
Surname	Wright

3 Liquidator's address

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

4 Liquidator's name ❶

Full forename(s)	Geoffrey Paul
Surname	Rowley

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	2nd Floor
Street	110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

From date	d0 d2	m1 m2	y2 y0 y1 y8
To date	d0 d1	m1 m2	y2 y0 y1 y9

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature
Signature
X [signature] X

Signature date	d3 d0	m0 m1	y2 y0 y2 y0

LIQ03
Notice of progress report in voluntary winding up

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: Patrick Donnan

Company name: FRP Advisory LLP

Address: 2nd Floor

110 Cannon Street

Post town: London

County/Region:

Postcode: E C 4 N 6 E U

Country:

DX: cp.london@frpadvisory.com

Telephone: 020 3005 4000

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.

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

FRP

SHB Realisations Limited (formerly BHS Limited) (in Liquidation) ("the Company")

The Joint Liquidators' Progress Report for the period from 2 December 2018 to 1 December 2019 pursuant to section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

30 January 2020

Contents and abbreviations

FRP

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company	SHB Realisations Limited (formerly BHS Limited) (in Liquidation)
The Joint Liquidators	Anthony John Wright and Geoffrey Paul Rowley of FRP
The Period	The reporting period, being from 2 December 2018 to 1 December 2019
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
The Former Administrators	Philip Duffy and Benjamin Wiles of Duff and Phelps Limited
CVA	Company Voluntary Arrangement
Arcadia	Arcadia Group Limited
Barclays	Barclays Bank Plc
GB	GB Europe Management Services Limited
PPF	Pension Protection Fund
tPR	The Pensions Regulator

1. Progress of the liquidation

This report should be read in conjunction with the previous reports issued by the Former Administrators and the Joint Liquidators.

Work undertaken during the Period and work yet to be completed

Attached at Appendix C is a schedule of work undertaken during the Period together with a summary of work still to be completed. A summary of the work undertaken in relation to asset realisation is below.

International franchise debts

The Joint Liquidators have continued to liaise with their legal advisers regarding outstanding amounts due from two former international franchise partners.

Judgment was obtained in respect of one amount due in the sum of £296k in the Period and the Joint Liquidators sought to enforce the same. Despite numerous requests for payment the judgment remains unsatisfied. The Joint Liquidators have obtained what information they can on the financial position of the debtor and following a review of the same it has been concluded that it is no longer in the interests of creditors to pursue this amount.

In relation to the second outstanding debt in the sum of £564k, the Joint Liquidators have commenced recognition proceedings with a view to shortly enforcing the debt.

Rates and miscellaneous refunds

The Joint Liquidators have continued to liaise with surveyors in respect of the historic rates position on the property portfolio which has resulted in various refunds being received.

As creditors may recall, a former utility provider to the Company has been holding £684k since the Company entered administration in 2016. Correspondence with the utility provider's solicitor is ongoing regarding this amount being returned to the Company. This correspondence is ongoing however £75k was released during the Period.

Receipts and payments account

Attached at Appendix B is a receipts and payments account detailing both transactions for the Period and also cumulatively since the Company entered liquidation. Receipts and payments are shown net of VAT which is both payable and recoverable in the liquidation.

Investigations

As Joint Liquidators, we have a statutory duty to investigate the circumstances surrounding the Company's demise. In discharging this duty, we have conducted enquiries into the Company's business, dealings and affairs in order to establish whether there are any potential assets or recoveries available to realise for the benefit of the estate, including any potential claims against third parties, taking into account the potential recoveries and associated costs of bringing such recovery action.

Our enquiries into these matters to date have been, and continue to be, extensive but proportionate given the size of the Company and the quantum of realisations and creditors. A comprehensive data collection exercise has been undertaken and is continuing. The collation of books, records and information relating to the Company is almost complete, with the Joint Liquidators obtaining the files of a large number of firms of accountants, auditors, tax advisors, property agents and solicitors who had historically been instructed by the Company (or otherwise had dealings with the Company in respect of their separate engagements), in order to investigate any other potential assets and/or causes for recovery action. We have sought information from directors and former directors as well as from other third parties and invited creditors to provide information on any concerns they may have in the way in which the Company's business was conducted.

A substantial review of the Company's books and records and accounting information has been carried out and a data review platform has been, and continues to be, utilised to streamline the processing of the available information and identification of key relevant documents.

1. Progress of the liquidation

Due to the sensitive and largely privileged nature of the ongoing investigations, the Joint Liquidators are unable to provide substantial information to creditors on the current investigation streams at this juncture, apart from those detailed in the schedule of work at Appendix C.

If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate, please contact this office by post at 110 Cannon Street, London EC4N 6EU, telephone 020 3005 4000 or by email to Patrick.Donnan@frpadvisory.com.

Yours faithfully

Tony Wright
Joint Liquidator
Licenced in the United Kingdom by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics

2. Estimated outcome for the creditors

The estimated outcome for creditors was included in the Joint Liquidators' progress reports dated 26 January 2018 and 25 January 2019.

Outcome for secured creditors

Arcadia

The Joint Liquidators reached an agreement with Arcadia in relation to a number of matters, including Arcadia's floating charge dated 14 April 2015. The Joint Liquidators can confirm that as part of the agreement, over £30m was released from the reserves held in relation to Arcadia's secured claim into the monies available for the Company's unsecured creditors and the floating charge was released.

Barclays

Barclays have three outstanding charges registered at Companies House. Barclays recovered its exposure on the day the Company entered administration from the credit balances it was holding, as per the terms of its security.

GB

GB had the benefit of fixed charge security over the Company's long leasehold interest in the store at Cribbs Causeway, Bristol. The principal amount secured was £9.4m however further charges, interest and default interest have accrued on this sum.

Following the Company entering administration, GB appointed a receiver over the leasehold interest, but no sale was concluded. Upon the Company entering liquidation, the receiver resigned, and the Joint Liquidators became responsible for realising the asset.

During the Period the lease was surrendered for a premium of £500k which has resulted in GB suffering a shortfall on its lending. GB will be able to claim as an unsecured creditor for the amount outstanding to them.

Grovepoint

Grovepoint was owed £19m by the Company and related BHS group companies as at the date of administration and had the benefit of fixed charge security over freehold and leasehold interests, both owned by the Company and the BHS group companies.

All entities party to the Grovepoint facility provided cross-guarantees to secure the liability. Grovepoint was repaid £10m by the Company during the administration and the remaining indebtedness was discharged by other BHS group companies from property disposals.

Outcome for preferential creditors

The Joint Liquidators are not aware of any preferential claims in the liquidation. Creditors should refer to the progress reports of the Former Administrators for further details.

Outcome for unsecured creditors

At the time of declaring the first dividend, the Joint Liquidators had received claims totalling £997,882,936 from unsecured creditors. A dividend of 3.62 pence in the pound was declared on 10 November 2017.

A further sum of approximately £180,000 was held in respect of claims which had not been agreed as at the date the dividend was declared. The majority of these claims have now been rejected and these funds will now be available to unsecured creditors when the next dividend is declared.

A further dividend will be declared in due course however the Joint Liquidators are unable to confirm timing or quantum at this stage.

2. Estimated outcome for the creditors

FRP

The prescribed part

In accordance with the Insolvency Act 1986, the prescribed part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

As there is no floating charge the prescribed part does not apply in this instance.

3. Joint Liquidators' remuneration, disbursements and expenses

Joint Liquidators' remuneration

As advised in previous correspondence, the creditors passed a resolution that the Joint Liquidators' remuneration should be calculated on a time cost basis. To date fees of £4,540,214 excluding VAT have been drawn from the funds available.

A breakdown of the Joint Liquidators' time costs incurred during both the Period and to date is attached at Appendix D.

Creditors previously approved the Joint Liquidators' fee estimate covering a period of three years from the date of the liquidation in the sum of £5,264,022. The Joint Liquidators are unable to draw fees based on time costs exceeding the total amount set out in the fee estimate previously provided without further approval of the creditors.

The Joint Liquidators have been providing fee estimates on a yearly basis and therefore an increase will be sought to account for the work which is likely to be undertaken during the fourth year of the liquidation.

Joint Liquidators' disbursements

The Joint Liquidators' disbursements are a recharge of actual costs incurred in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the liquidation, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the Period are set out in Appendix D.

Expenses of the liquidation

An estimate of the Joint Liquidators' expenses have been set out in various letters to creditors, the most recent of which was dated 9 April 2019. Attached at Appendix E is a statement of expenses that have been incurred during the Period. It is currently expected that the expenses incurred or anticipated to be incurred are not likely to exceed the details provided prior to the determination of the basis of the Joint Liquidators' remuneration.

Creditors have a right to request further information from the Joint Liquidators and further have a right to challenge the Joint Liquidators' remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules 2016. For ease of reference these are the expenses incurred in the Period as set out in Appendix E only. Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link https://creditors.frpadvisory.com/info.aspx and select the guide for liquidations.

Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Appendix A

Statutory information about the Company and the liquidation

FRP

SHB REALISATIONS LIMITED (FORMERLY BHS LIMITED) (IN LIQUIDATION)

COMPANY INFORMATION:

Other trading names:	BHS, British Home Stores
Date of incorporation:	12 April 1928
Company number:	00229606
Registered office:	2nd Floor, 110 Cannon Street, London EC4N 6EU
Previous registered office:	c/o Duff and Phelps Limited, The Shard, 32 London Bridge Street, London SE1 9SG
Business address:	129-137 Marylebone Road, London NW1 5QD

LIQUIDATION DETAILS:

Joint Liquidators:	Anthony John Wright and Geoffrey Paul Rowley
Address of Joint Liquidators:	FRP Advisory LLP, 2nd Floor, 110 Cannon Street, London EC4N 6EU
Date of appointment of Joint Liquidators:	2 December 2016
Court in which Liquidation proceedings were brought:	N/A
Court reference number:	N/A

Appendix B

Joint Liquidators' receipts and payments account for the both the Period and cumulatively

SHB Realisations Limited (formerly BHS Limited)
(In Liquidation)
Joint Liquidators' Trading Account

Statement of Affairs £		From 02/12/2018 To 01/12/2019 £	From 02/12/2016 To 01/12/2019 £
	OTHER DIRECT COSTS		
	Direct Labour	NIL	523.22
		NIL	(523.22)
	TRADING EXPENDITURE		
	Rents, SC & Insurance	NIL	1,044,160.83
	Rates	NIL	3,381,183.70
	Heat & Light	NIL	297,131 78
	Concessions	NIL	242 77
	CVA Rent Shortfall	NIL	2,461,976.26
	Water	NIL	33,594.54
	Insurance	NIL	12,321.09
	Professional Fees	NIL	30,000.00
	Repairs & Maintenance	NIL	2,752.00
	Sundry Expenses	NIL	690.00
	Service Charge	NIL	2,340.03
	Agents' Fees	NIL	53,239 49
	Security	NIL	46,714.94
	Refunds	NIL	26.60
		NIL	(7,366,374.03)
	TRADING SURPLUS/(DEFICIT)	**NIL**	**(7,366,897.25)**

SHB Realisations Limited (formerly BHS Limited)
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 02/12/2018 To 01/12/2019 £	From 02/12/2016 To 01/12/2019 £
	SECURED ASSETS		
	Bank Interest	NIL	493.80
	Transfer from Administration	NIL	3,697,943.61
	Fixed Charge Funding	6,721.71	387,037.92
		6,721.71	4,085,475.33
	COSTS OF REALISATION		
	Service Charge	NIL	246,322.76
	Property Costs	6,593.21	140,884.75
	Bank Charges - Fixed	NIL	30.00
		(6,593.21)	(387,237.51)
	ASSET REALISATIONS		
	Leasehold Property (1)	NIL	600,000.00
	Stock	NIL	50,145.00
	Sub-Tenant Rent	NIL	7,269.23
	Book Debts	853.72	2,615.12
	International Franchise Debts	NIL	1,194,534.61
	Letters of Credit	NIL	2,743,973.16
	Duty Deferment Bond	NIL	38.18
	Miscellaneous Refunds	156,056.95	476,940.96
	Cash at Bank	NIL	125,187.50
	Rent Refunds	NIL	16,330.07
	Transfer from Administration	NIL	64,475,583.25
	Rates Refunds	NIL	779,151.46
	Bank Interest Gross	123,778.68	404,899.03
	Funds Held By Merchant Service Provi	NIL	2,561,896.44
	Insurance Refund	NIL	43,068.98
	Trading Surplus/(Deficit)	NIL	(7,366,897.25)
	Utility Bonds	75,000.00	190,510.68
	Settlment Monies	NIL	515,171.00
	VAT On Utilities	NIL	339,862.85
	Contribution To Costs	NIL	900.00
		355,689.35	67,161,180.27
	COST OF REALISATIONS		
	Security	NIL	86,962.02
	Store Property Costs	NIL	6,697.16
	Accountants' Fees	14,500.00	116,500.00
	Late Filing Charges	NIL	100.00
	Former Joint Administrators' Remuner	60,000.00	482,953.45
	Former Joint Administrators' Disbs	NIL	20,065.83
	Joint Liquidators' Remuneration	813,302.68	4,540,213.94
	Joint Liquidators' Disbursements	29,855.87	73,578.26
	Agents' Fees - Administration Period	130.00	112,130.78
	Concession/Trust Monies	NIL	1,226,950.00
	Agents/Valuers Fees	21,281.03	215,527.27
	Legal Fees	1,832,275.37	6,557,158.91
	Legal Fees - Administration Period	NIL	378,462.93
	Legal Disbursements - Admin Period	NIL	12,629.15
	Legal Disbursements	164,790.26	427,256.13

Appendix B

Joint Liquidators' receipts and payments account for the both the Period and cumulatively

SHB Realisations Limited (formerly BHS Limited)
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 02/12/2018 To 01/12/2019 £	From 02/12/2016 To 01/12/2019 £
	Debt Collection Commission	NIL	91,169.27
	Debt Collection Commission - Administ	NIL	83,669.27
	Stationery & Postage	NIL	35,621.87
	Merchant Service Mgmt Fees	NIL	40,000.00
	Storage Costs	NIL	12,147.90
	Re-Direction of Mail	NIL	1,225.00
	Statutory Advertising	NIL	253.80
	Professional Fees	140.00	58,159.75
	Other Property Expenses	178.07	13,154.86
	Insurance of Assets	20,513.23	92,880.31
	Settlement Monies	NIL	2,500.00
	Bank Charges - Floating	84.50	3,013.77
	Stock Storage & De-Tagging	NIL	13,232.84
	Short Service Pension Refunds	1,523.12	2,678.66
		(2,958,574.13)	(14,706,893.13)
	UNSECURED CREDITORS		
	Unsecured Creditors	(1,918,781.31)	35,941,866.37
	Held For Reserved Claims	NIL	179,805.66
		1,918,781.31	(36,121,672.03)
		(683,974.97)	20,030,852.93
	REPRESENTED BY		
	Vat Recoverable Floating		709,706.16
	IB Current Fixed		5,340.97
	IB Current Floating		6,335,892.92
	31 DN Acc Santander -		13,262,892.93
	Unclaimed dividends to be paid over		(5,350.58)
	Held For Reserved Claims		(179,805.66)
	Vat Recoverable fixed		388.90
			1,059.55
	Trade Creditors		(15,396.23)
	Short Service Pension Refunds		(83,876.03)
			20,030,852.93

Appendix C

The Joint Liquidators' schedule of work

The table below sets out a detailed summary of the work undertaken by the Joint Liquidators to date and details of the work it is anticipated will be undertaken by the Joint Liquidators throughout the duration of the Company's liquidation.

Where work undertaken results in the realisation of funds (from the sale of assets or recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by the Joint Liquidators is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the directors, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

Note	Category	
1	**ADMINISTRATION AND PLANNING** **Work undertaken to date**	**ADMINISTRATION AND PLANNING** **Future work to be undertaken**
	<u>Insurance</u> The Joint Liquidators have continued to liaise with their brokers regarding premiums due and the cover in place over properties where the Company still retains an interest.	<u>Insurance</u> The Joint Liquidators will continue to monitor this position as appropriate and cancel public liability cover as and when possible.
	<u>Case Accounting</u> All receipts, payments and journals are processed and posted to the Joint Liquidators' case management system in accordance with SIP 7. Regular reconciliations are undertaken of all bank accounts opened by the Joint Liquidators in the name of the Company.	<u>Case Accounting</u> The Joint Liquidators will continue to process all receipts, payments and journals in accordance with SIP 7 and continue to undertake regular reconciliations of the bank accounts.

	Case Control, Review, Strategy and General Administration In order to aid efficient case management, regular reviews of the working files are undertaken. These reviews ensure progression of case specific matters and also ensure general compliance matters are attended to. Members of the Joint Liquidators' team working on the various work streams meet regularly to ensure that matters are being progressed effectively, to share knowledge and to ensure that there is no unnecessary duplication of work. It is also necessary for the Joint Liquidators to regularly correspond with their legal advisers appointed on the various work streams to discuss progression of the work streams referred to them.	Case Control, Review, Strategy and General Administration The Joint Liquidators will continue to closely monitor the progress of the liquidation and the various work streams in order that maximum value is achieved for the Company's assets and any claims identified are considered on merit and progressed appropriately for the benefit of creditors. There are also a number of ongoing matters being progressed which, whilst they do not provide a financial benefit to creditors, are essential in order to finalise the Company's affairs.
	Liaison with third parties (Parliamentary Select Committee, Insolvency Service, tPR and PPF) As the Company's majority creditor, the Joint Liquidators have updated the PPF on an ad-hoc basis as to the progress of the liquidation and the likely outcome for unsecured creditors.	Liaison with third parties (Parliamentary Select Committee, Insolvency Service, tPR and PPF) The Joint Liquidators will respond to any requests received from tPR, Insolvency Service and the Parliamentary Select Committee, as appropriate. The Joint Liquidators will continue to update the PPF, as the majority creditor, as and when appropriate as to the progress of the liquidation and the likely final outcome for creditors.

2	**ASSET REALISATION** **Work undertaken to date**	**ASSET REALISATION** **Future work to be undertaken**
	<u>Funds Held by Merchant Service Providers</u> A balance of £23k (as at December 2019) is being held by one provider as cover for any potential claims received which they would be contractually obliged to pay (which could total £38k). The Joint Liquidators have been in correspondence with the provider who has advised that due to the potential liability they are unable to release the funds at this point in time.	<u>Funds Held by Merchant Service Providers</u> The Joint Liquidators will seek periodic updates from the provider and seek to have the amount held released to the Company.
	<u>International Franchise Debtors</u> The Company operated an international franchise network in various overseas territories. As at the date of administration, £6.5m was due to the Company from the international franchisees. A number of those debts were realised during the preceding administration. There were two outstanding debts on appointment which the Joint Liquidators have progressed in the Period. **Debtor 1** Judgment was obtained in respect of one amount due in the sum of £296k in the Period and the Joint Liquidators sought to enforce the same. Despite numerous requests for payment the judgment remains unsatisfied. The Joint Liquidators have obtained what information they can on the financial position of the debtor and following a review of the same it has been concluded that it is no longer in the interests of creditors to pursue this amount.	<u>International Franchise Debtors</u> **Debtor 1** No further action required.

	Debtor 2 The Joint Liquidators have commenced recognition proceedings with a view to shortly enforcing the debt.	**Debtor 2** The Joint Liquidators will continue to liaise with their appointed solicitors and counsel in order to recover the amounts due to the Company.
	Rates and miscellaneous refunds The Joint Liquidators engaged Hilco Profit Recovery following their appointment due to their pre-existing knowledge of the store portfolio gained during the period working as agents for the Former Administrators. Their mandate was to review the historic rates paid at each trading premises to assess whether the valuation band was correct and accordingly whether it would be possible to apply for a refund. Other agents have now been engaged on a property by property basis. As creditors may recall, a former utility provider to the Company has been holding £684k since the Company entered administration in 2016. Correspondence with the utility provider's solicitor is ongoing regarding this amount being returned to the Company. This correspondence is ongoing however £75k was released during the Period.	Rates and miscellaneous refunds The Joint Liquidators will engage with individual parties who identify potential refunds due to the Company on an ad-hoc basis. The Joint Liquidators will continue to liaise with their legal advisers to recover the balance of the bond held by the utility provider.
3	**STATUTORY COMPLIANCE AND REPORTING** **Work undertaken to date**	**STATUTORY COMPLIANCE AND REPORTING** **Future work to be undertaken**
	Statutory compliance – general, statutory reporting, meetings and appointment formalities The Joint Liquidators are required to circulate a detailed schedule of work, which is updated during the liquidation to inform creditors of work undertaken in a	Statutory compliance – general, statutory reporting, meetings and appointment formalities The Joint Liquidators are required to circulate a progress report to creditors within two months of each anniversary of the liquidation. This report details the work undertaken during the relevant period and details the work still to be

	relevant period and the work required to complete the various work streams being undertaken. Fee estimates for each year of the liquidation have been prepared which involve members of the Joint Liquidators staff meeting to determine the likely time which will be expended on each work stream which is likely to be progressed in the next reporting period.	undertaken to bring the matter to a conclusion. The report also includes disclosures to creditors in respect of the Joint Liquidators' remuneration and the expenses incurred.
	<u>Post appointment tax/VAT</u> The Joint Liquidators have submitted periodic tax returns in conjunction with EY. Periodic VAT returns have been submitted to HMRC in the Period.	<u>Post appointment tax/VAT</u> The Joint Liquidators will continue to work with EY to submit periodic tax returns, as required. Periodic returns in respect of VAT and corporation tax will be submitted to HMRC on an ongoing basis.
4	**TRADING** **Work undertaken to date**	**TRADING** **Future work to be undertaken**
	Minimal work has been undertaken in the Period.	The Joint Liquidators will continue to review any requests for payment as and when received.
5	**INVESTIGATIONS** **Work undertaken to date**	**INVESTIGATIONS** **Future work to be undertaken**
	Creditors should note that a brief summary of the various investigation streams has been provided below. Due to the sensitive and largely privileged nature of the below work streams some of the descriptions have been limited	
	The Joint Liquidators have continued to take possession of the books and records of the Company and other relevant information that has enabled the Joint Liquidators to conduct their statutory investigations. As advised in previous correspondence, an extensive and detailed exercise of data and systems	The Joint Liquidators will continue to liaise with various third parties to collect relevant data that is not available from the Company's servers or already in the possession of the Joint Liquidators.

	discovery with the subsequent collation of a vast amount of data and physical records from a number of Company and third-party sites has been undertaken. Through the use of a document discovery and review platform, the investigations team has been able to conduct a targeted review of the voluminous amounts of data collected to date. Significant resources have been directed towards reviewing the data following the implementation of various searching and document tagging techniques. From this targeted review and with the assistance of the Joint Liquidators' legal representatives, Jones Day, a range of work streams have been identified and progressed during the Period.	
	The Joint Liquidators have been appointed as joint liquidators of Darlington SHB Limited, a special purpose vehicle and 100% subsidiary of BHS Group Limited (in Liquidation), which received a £2.5m loan from the Company for the acquisition of the freehold of the Darlington store. The net proceeds following the sale of the property were £973k and this sum is now available for distribution (less the costs of the liquidation) to Darlington SHB Limited's creditors, of which the Company accounts for over 99%. Please note the net sale proceeds included a deposit in relation to an aborted transaction of £150k.	The Joint Liquidators will monitor the liquidation of Darlington SHB Limited for the payment of an unsecured dividend.
	The Joint Liquidators have maintained communication channels with several third-party agencies, including the Insolvency Service, the PPF and tPR as part of their investigations.	The Joint Liquidators will continue to communicate with third-parties, where appropriate.
	The Joint Liquidators have extensively considered the existence of claims arising in respect of the Company's trading activities and actions during the period leading up the date of administration. This work stream is currently ongoing.	The Joint Liquidators are unable to comment further on this work stream at this stage so to not prejudice any potential action available to the Company.
	The Joint Liquidators are investigating the actions of the Company's directors prior to and after the sale of BHS Group Limited by Taveta Investments (No. 2)	The Joint Liquidators are unable to comment further on this work stream at this stage so to not prejudice any potential action available to the Company.

	Limited to Retail Acquisitions Limited on 11 March 2015. This work steam is currently ongoing. IT – Investigations The Joint Liquidators' forensic technology team has continued with a highly extensive and detailed exercise of data and system discovery with the subsequent collation of a vast amount of data and physical records from a number of Company and third-party sites. This data has been maintained to a forensic standard as required. The forensic technology team has maintained a document discovery and review platform to assist in the targeted review of the voluminous amounts of data collected to date. Their technical expertise has been utilised to ensure searching techniques and the targeted review of data is performed at a high standard. The Joint Liquidators' forensic technology team has provided technical expertise when required to assist in the general investigation work streams (detailed above).	IT – Investigations The forensic technology team will continue to source and maintain Company data to a forensic standard over the course of the liquidation. The forensic technology team will continue to maintain the document discovery and review platform and assist providing targeted search and document tagging techniques. The forensic technology team will continue to provide technical expertise when required to assist the general investigation streams.
6	**CREDITORS** **Work undertaken to date**	**CREDITORS** **Future work to be undertaken**
	Property/Landlords The Joint Liquidators have dealt with the Company's remaining interest in several leases, by either disclaiming its interest or surrendering its interest on a consensual basis. A large number of queries continue to be received and these are dealt with on an ongoing basis.	Property/Landlords The Joint Liquidators will resolve the status of the remaining leases and review and adjudicate any subsequent landlord claims, if applicable.

	<u>Employees and unsecured creditors</u> The Joint Liquidators have dealt with queries, including requests for references from employees, on an ongoing basis.	<u>Employees and unsecured creditors</u> The Joint Liquidators will continue to respond to queries as and when received and declare a second and final dividend at the appropriate time. A second dividend will involve a review of the claims which have been received since the first dividend has been declared (which are numerous) and reviewing any outstanding claims from the first dividend and adjudicating where necessary. The Joint Liquidators will pay any unclaimed dividend to the Insolvency Service.
7	**LEGAL AND LITIGATION** **Work undertaken to date**	**LEGAL AND LITIGATION** **Future work to be undertaken**
	Creditors should note that a brief summary of the investigations to date has been provided above but due to the sensitive and largely privileged nature of this work some of the descriptions have been limited	
	Solicitors have been instructed to advise and assist the Joint Liquidators in discharging their duties. Legal advice has been sought concerning the insolvency estate, the discharge of the Liquidators' duties generally and other matters arising as a consequence of the Liquidators' enquiries into the affairs of the Company, specifically in relation to investigations and recovery actions undertaken to date. Counsel has been engaged to provide opinion on certain matters.	The Joint Liquidators will continue to seek legal advice, as appropriate, concerning the insolvency estate, the discharge of the Joint Liquidators' duties generally and other matters arising as a consequence of the Joint Liquidators' enquiries into the affairs of the Company. The Joint Liquidators will consider the merits of any potential claims and the likely benefit to creditors with the assistance of solicitors and seek opinion from Counsel. If any claims are issued against third parties, the Liquidators may obtain After the Event Insurance (ATE Insurance) prior to issuing such claims (if appropriate).

Appendix D

Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively

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SHB Realisations Limited (in Liquidation)
Time charged for the period from 2 December 2016 to 1 December 2019

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**118.30**	**171.35**	**432.10**	**57.75**	**779.70**	**245,667.50**	**315.08**
Admin & Planning		0.85	0.25	0.25	1.35	382.75	283.52
Case Accounting		14.75	68.45	36.95	120.15	28,767.75	239.43
Travel	6.20	7.20	33.00		46.40	14,714.50	317.12
Case Control and Review	30.15	14.25	62.70	14.60	121.70	40,541.50	333.13
Case Accounting - General		3.40	70.40		73.80	17,448.50	236.43
General Administration	63.45	71.60	141.20	2.95	279.20	96,157.75	344.40
Insurance		35.25	8.10	0.30	43.65	15,921.75	364.76
Fee and WIP	10.25	8.65	40.50	2.70	62.10	19,174.25	308.76
Strategy and Planning	4.00	15.60	7.30		26.90	10,177.50	378.35
Media	1.00		0.20		1.20	610.00	508.33
IT – Admin / planning and acqui	3.25				3.25	1,771.25	545.00
Asset Realisation	**124.55**	**406.75**	**236.25**	**16.60**	**784.15**	**298,671.50**	**380.89**
Asset Realisation	11.55	2.00	60.15	3.50	77.20	23,500.75	304.41
Freehold/Leasehold Property	21.50	258.45	109.40		389.35	142,455.00	365.88
Chattel Assets		3.00	0.50		3.50	1,400.00	400.00
Debt Collection	0.50	131.60	55.20	13.10	200.40	72,520.75	361.88
Legal-asset Realisation	91.00	6.85	10.30		108.15	56,593.75	523.29
Stock/ WIP		4.85	0.70		5.55	2,201.25	396.62
Creditors	**83.70**	**1,988.70**	**2,070.70**	**209.07**	**4,352.17**	**1,308,181.40**	**300.58**
Unsecured Creditors	34.50	935.50	1,416.00	151.49	2,537.49	768,740.25	302.96
Secured Creditors	8.00	3.50	10.40		21.90	8,295.00	378.77
Employees	1.00	25.20	589.85	47.08	663.13	138,998.40	209.61
Preferential Creditors				7.00	7.00	875.00	125.00
HP/ Leasing		1.00	0.60		1.60	585.00	365.63
Legal-Creditors	33.80	17.70	0.40		51.90	25,612.00	493.49
Landlord	2.90	966.40	27.70	3.50	1,000.50	339,900.75	339.73
TAX/VAT - Pre-appointment	2.50	38.40	14.40		55.30	21,468.50	388.22
Pensions - Creditors	1.00		8.10		9.10	2,606.50	286.43
Prescribed Part		1.00	3.25		4.25	1,100.00	258.82
Investigation	**448.85**	**3,364.50**	**6,140.20**	**270.65**	**10,224.20**	**3,105,158.75**	**303.71**
Investigatory Work	81.25	2,338.15	4,212.95	77.85	6,710.20	2,036,877.25	303.55
CDDA Enquiries		1.00	5.10		6.10	1,690.00	277.05
Legal - Investigations	219.00	291.05	46.60	0.70	557.35	241,229.50	432.82
IT – Investigations	38.15	195.75	343.65	123.90	701.45	192,659.00	274.66
Forensic	109.75	99.55	254.55	23.50	487.35	163,791.25	336.09
Forensic- Relativity (Internal)	0.70	338.70	1,237.75	44.70	1,621.85	422,610.25	260.57
FTech - Relativity (External)		19.85	0.10		19.95	8,015.75	401.79
FTech - Forensic Data Analysis		1.50			1.50	637.50	425.00
FTech - Project Management		72.95	1.50		74.45	27,721.25	372.35
FTech - Data Capture		6.00	38.00		44.00	9,925.00	225.57
Statutory Compliance	**13.25**	**115.80**	**155.90**	**10.10**	**295.05**	**99,271.75**	**336.46**
Post Appt TAX/VAT	2.00	14.10	13.40		29.50	10,687.50	362.29
Statutory Compliance - General	0.50	11.25	30.00		41.75	13,096.75	313.69
Statutory Reporting/ Meetings	7.00	41.05	99.80	5.80	153.65	48,987.25	318.82
Appointment Formalities		8.50			8.50	3,612.50	425.00
Tax/VAT - Post appointment	3.75	34.90	12.30	4.30	55.25	20,757.75	375.71
Pensions- Other		6.00	0.40		6.40	2,130.00	332.81
Trading	**7.65**	**20.45**	**79.50**	**9.30**	**116.80**	**32,512.25**	**278.12**
Trading forecasting/ Monitoring		3.25	29.10		32.35	7,201.25	222.60
Case Accounting - Trading			0.60		0.60	142.50	237.50
Trade-sales/ Purchase		6.90	45.50	9.30	61.70	15,701.00	254.47
Trading - General		5.90	0.60		6.50	2,551.00	392.46
IT – Trading / Sale support	7.65	1.65	3.70		13.00	5,747.75	442.13
Legal-trading		2.75			2.75	1,168.75	425.00
Total Hours	**796.30**	**6,067.75**	**9,114.65**	**573.47**	**16,552.17**	**5,089,461.15**	**307.48**

Appendix D

Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively

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SHB Realisations Limited (in Liquidation)

Time charged for the period from 2 December 2018 to 1 December 2019

	Appointment Takers / Partners	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £	Average Hrly Rate £
Administration and Planning	**6.20**	**17.75**	**28.45**	**12.40**	**64.80**	19,873.25	306.69
Admin & Planning		0.60			0.60	204.00	340.00
Case Accounting		1.10	11.95	10.20	23.25	5,239.75	225.37
Travel			5.00		5.00	1,475.00	295.00
Case Control and Review	3.50	0.60	5.30	1.30	10.70	3,811.50	356.21
Case Accounting - General		0.40			0.40	136.00	340.00
General Administration		0.65	4.80		5.45	1,400.75	257.02
Insurance		9.90			9.90	3,784.50	382.27
Fee and WIP	2.00	0.90	1.20	0.90	5.00	2,002.50	400.50
Strategy and Planning		3.60			3.60	1,372.75	381.32
Media	0.70		0.20		0.90	446.50	496.11
Asset Realisation	**65.25**	**22.20**	**8.90**	**2.50**	**98.85**	60,705.75	512.96
Asset Realisation	4.50	2.00	4.60	2.50	13.60	5,056.50	371.80
Freehold/Leasehold Property		0.75			0.75	337.50	450.00
Debt Collection		19.25	4.30		23.55	9,855.50	418.49
Legal-asset Realisation	60.75	0.20			60.95	35,456.25	581.73
Creditors	**3.50**	**125.10**	**44.75**	**4.60**	**177.95**	69,966.00	393.18
Unsecured Creditors	3.50	109.45	34.40	4.60	151.95	60,903.25	400.81
Employees			10.25		10.25	3,135.00	305.85
Legal-Creditors		2.00			2.00	770.00	385.00
Landlord		12.65	0.10		12.75	4,707.75	369.24
Prescribed Part		1.00			1.00	450.00	450.00
Investigation	**57.80**	**828.90**	**973.35**		**1,860.05**	604,142.25	324.80
Investigatory Work		441.35	589.20		1,030.55	335,752.25	325.80
Legal - Investigations	50.30	96.80	6.60		153.70	68,760.50	447.37
IT – Investigations		162.85	124.30		287.15	87,582.00	305.00
Forensic	7.50	22.50	71.00		101.00	29,656.25	293.63
Forensic- Relativity (Internal)		8.20	142.75		150.95	37,438.75	248.02
FTech - Relativity (External)		18.25			18.25	7,306.25	400.34
FTech - Project Management		72.95	1.50		74.45	27,721.25	372.35
FTech - Data Capture		6.00	38.00		44.00	9,925.00	225.57
Statutory Compliance	**1.75**	**28.40**	**41.00**	**2.80**	**73.95**	24,904.75	336.78
Statutory Compliance - General		4.00	1.50		5.50	2,138.00	388.73
Statutory Reporting/ Meetings	1.00	11.50	32.60		45.10	14,999.00	332.57
Tax/VAT - Post appointment	0.75	8.90	6.50	2.80	18.95	6,317.75	333.39
Pensions- Other		4.00	0.40		4.40	1,450.00	329.55
Trading		**3.05**			**3.05**	1,100.00	360.66
Trade-sales/ Purchase		1.40			1.40	539.00	385.00
IT – Trading / Sale support		1.65			1.65	561.00	340.00
Total Hours	**134.50**	**1,025.40**	**1,096.45**	**22.30**	**2,278.65**	**770,692.00**	**338.22**

Appendix D

FRP

Details of the Joint Liquidators' time costs and disbursements for both the Period and cumulatively

Disbursements for the period
02 December 2018 to 01 December 2019

	Value £
Category 1	
Car/Mileage Recharge	64.29
Company Search	2.00
Photo coping	49.90
Prof. Services	999.93
Taxis	67 37
Travel	60.90
Storage	15,366.75
Computer Consumables	26,475.26
Subsistence	11.99
Courier	142.20
Accommodation/ Room Hire (External)	16.70
Category 2	
Electronic Storage Costs	1,293.11
Land Registry Charges	3.00
Grand Total	**44,553.40**

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

Disbursements for the period
02 December 2016 to 01 December 2019

	Value £
Category 1	
Car/Mileage Recharge	64.29
Company Search	95 34
Photo coping	1,239.78
Postage	1,142.40
Prof. Services	1,786.89
Taxis	159.06
Telephone	400.07
Travel	1,180.18
Storage	33,765.14
Bonding	20.00
Mobile Telephone	17.15
Computer Consumables	146,145.70
Property	212.00
Consultancy	3,300.00
Subsistence	45.40
Courier	1,219.05
Scanning	1,845.18
Accommodation/ Room Hire (External)	16.70
Category 2	
Electronic Storage Costs	1,293 11
Land Registry Charges	3.00
Grand Total	**193,950.44**

Mileage is charged at the HMRC rate
prevailing at the time the cost was incurred

FRP Charge out rates

Grade	From 1st May 2016	1st May 2017
Appointment taker / Partner	450-495	450-545
Managers / Directors	340-465	340-465
Other Professional	200-295	200-295
Junior Professional & Support	125-175	125-175

FRP Charge out rates

Grade	From 1st May 2017	1st May 2019
Appointment taker / Partner	450-545	495-595
Managers / Directors	340-465	385-495
Other Professional	200-295	225-340
Junior Professional & Support	125-175	150-195

Appendix E

Statement of expenses incurred in the Period

SHB Realisations Limited (in Liquidation)
Statement of expenses for the period ended 1 December 2019

Expenses	Period to 1 December 2019 £	Cumulative period to 1 December 2019 £
Office Holders' remuneration (Time costs)	771,192.00	5,089,461.15
Office Holders' disbursements	44,553 40	193,950.44
Trading liabilities	(50,000.00)	7,366,897.25
Legal fees:		
- Jones Day	1,312,757.00	5,951,663.34
- DLA Piper (UK) LLP	49,401 60	326,849.10
- Freeths LLP	901.00	19,114.20
- Ince & Co LLP	-	1,953.00
- Wallace LLP	-	6,500.00
- Hill Dickinson LLP	-	31,742.50
- Dentons UKMEA LLP	-	57,580.50
- Bond Dickinson LLP	-	20,992.00
- New Media Law LLP	-	13,250.00
- Shepherd & Wedderburn	-	22,639.00
- Arthur Cox	-	2,305.00
- Charles Russell Speechlys	12,682.00	35,700.50
- Hogan Lovells	-	90,100.50
Bank charges	84.50	3,013.77
Stock storage	-	13,232 84
Legal disbursements (inc counsel)	164,790.26	427,256.13
Security	-	86,962.00
Store property costs	178.16	19,852.02
Accountants' fees	-	116,500.00
Late filing charges	-	100.00
Return of trust monies	-	1,226,950.00
Agents/valuers fees		
- Waterscan Limited	-	3,380.00
- Business rate surveyor	21,161 03	89,251.87
- Stark Software International Limited	-	650.00
- Savills (UK) Ltd - lease advisory	-	54,200.00
- Allsop LLP	-	32,003.32
- Morgan Rossiter	-	24,000.00
- CBRE	-	3,000.00
- Tracing agent	-	8,922.08
Settlement monies	-	2,500.00
Debt collection costs	120.27	91,289.27
Stationary and postage	-	35,621.87
Merchant service management fees	-	40,000.00
Storage costs	-	12,147.90
Re-direction of mail	-	1,225.00
Statutory advertising	-	254.00
Professional fees/Duff and Phelps	140.00	58,159.75
Total	**2,327,961.22**	**21,581,170.30**