

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 0 0 8 5 9 5 9 0

Company name in full WELLINGTON REALISATIONS GROUP LIMITED
(FORMERLY RELYON GROUP 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 & Companies List (ChD)

Court number C R - 2 0 2 0 - 0 0 2 9 0 1

3 Administrator's name

Full forename(s) Zelf

Surname Hussain

4 Administrator's address

Building name/number PricewaterhouseCoopers LLP

Street 7 More London

Riverside

Post town London


County/Region London

Postcode S E 1 2 R T

Country United Kingdom

AM23

Notice of move from administration to dissolution

5	Administrator's name ①		
Full forename(s)	Peter David		① Other administrator Use this section to tell us about another administrator.
Surname	Dickens		
6	Administrator's address ②		
Building name/number	PricewaterhouseCoopers LLP		② Other administrator Use this section to tell us about another administrator.
Street	1 Hardman Square		
Post town	Manchester		
County/Region			
Postcode	M 3 3 E B		
Country	United Kingdom		
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature 		
Signature date	d 2 d 9 m 0 m 6 y 2 y 0 y 2 y 3		

**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 **Level 8, Central Square**

29 Wellington Street

Post town **Leeds**

County/Region

Postcode

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Country **United Kingdom**

DX

Telephone **0113 289 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

Joint administrators' final progress report from 30 December 2022 to 29 June 2023

Blue Group UK Group Properties Limited, Blue Group UK Beds Limited, Blue Group UK Manufacturing Limited, Wellington Realisations Limited, Wellington Realisations Group Limited and Homestyle Group Operations Limited - all in administration

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

29 June 2023

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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 Beds Limited	BGUKB	CR-2020-002902	08431253
Blue Group UK Manufacturing Limited	BGUKM	CR-2020-002897	04209321
Blue Group UK Group Properties Limited	BGUKGP	CR-2020-002903	01024575
Homestyle Group Operations Limited	HGO	CR-2020-002904	03130486
Wellington Realisations Group Limited (formerly Relyon Group Limited)	WRGL	CR-2020-002901	00859590
Wellington Realisations Limited (formerly Relyon Limited)	WRL	CR-2020-002899	00470381

All the above Companies have granted security over their business and assets by way of a debenture.

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	Peter David Dickens and Zelf Hussain from 8 December 2022 Yulia Marshall (resigned 8 December 2022), Peter David Dickens and Zelf Hussain to 8 December 2022
Alteri	Alteri Partners LLP t/a Alteri Investors
BDO	BDO LLP
BEIS	Department for Business, Energy & Industrial Strategy
Blue Group	The Blue Group Hold Co Limited and its subsidiaries (see Group Structure in our previous report dated 23 July 2021)
Brownlow	Brownlow Utilities Limited
CAPA	Consultiam Property Limited, trading as CAPA
the Companies	All of the companies listed on page 2
Creation	Creation Financial Services Limited
ERS	European Retail Solutions II Ltd, agents engaged to assist with Harveys stock disposal
Harveys	Harveys / Harveys Furniture (trading style)
HMRC	HM Revenue & Customs
Hilco	Hilco Valuation Services
Homestyle Pension Company Limited	Homestyle Pension Company Limited (a Steinhoff entity outside of the Blue Group)
IA86	Insolvency Act 1986
Initial fee estimate	The fees estimate provided in respect of BGUKGP in our report dated 8 September 2021
IR16	Insolvency (England and Wales) Rules 2016
LTO	Licence to occupy leasehold premises
PHD	PHD Property Advisory Ltd
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
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed

	Part) Order 2003
Proposals	Joint administrators' proposals for achieving the purpose of administration dated 8 July 2020
Protective Award	Compensation awarded by an employment tribunal for failure of an employer to consult with employees prior to being made redundant
the Relyon Purchaser	Relyon Beds Limited (formerly Michco 2001 Limited)
the Bensons Purchasers	Bensonsforbedsretail Limited, Bensonsforbedsmanufacturing Limited and BlueGroup Propco 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 claims of employees of insolvent companies under the Employment Rights Act 1996.
ROT	Retention of Title
SofA	Directors' Statement of Affairs
SAO	Senior Accounting Officer
Secured Creditors	A creditor with security in respect of their debt, in accordance with Section 248 IA86. The only Secured Creditor of the Companies is Alteri.
Shoosmiths	Shoosmiths LLP (a law firm)
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 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
Unsecured Creditors	Creditors who are neither secured nor preferential
VAT	Value Added Tax
VAT Group	All of the Companies are part of a VAT Group with Blue Group UK Retail Limited - in administration meaning they can submit a VAT return together and simplify the process.

This report has been prepared by Zelf Hussain and Peter Dickens 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 administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the 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 Company's 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 and Peter Dickens have been appointed as Joint Administrators of the Companies to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

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

Key messages

Why we've sent you this report

We're pleased to let you know that our work in the administration of the 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.

Blue Group UK Retail Limited an entity within the Blue Group remains in administration, further updates will be provided in relation to this entity in the next progress report which will be available to creditors on the above website by 28 July 2023.

How much creditors have received

The following summarises the final outcome for creditors.

Secured Creditors

The Secured Creditor was owed £42m across the Blue Group at the time the Companies entered into administration. All of the Companies listed on page 2 of this report had granted security over their assets to the Secured Creditor. The effect of the pre-pack sale on 30 June 2020 (as detailed in our Proposals and summarised in our first report dated 27 January 2021) immediately reduced the Secured Creditor's indebtedness by £23m.

In total £15,350,104 of fixed and floating charge distributions have been made to the Secured Creditor during the period of the administration to date (plus the £23m effect of the pre-pack sale). A split of the distributions by entity can be seen in the table below. The secured creditor has recovered c90% of its lending out of its security over the Company's assets. Final distributions will be made from Blue Group UK Retail Limited.

Entity	Total Value of Secured Creditor distributions to date (£)
BGUKGP	4,935,082
BGUKM	75,000
WRGL	710,044
WRL	2,183,107
BGUKB	7,446,429
HGO	442.36
Total	15,350,104

Preferential Creditors

There were sufficient funds available to pay the employee preferential claims in full in WRL and as such a distribution to Preferential Creditors at a rate of 100p/£, totalling £83k was paid.

BGUKGP, BGUKB, BGUKM, WRGL and HGO did not have any preferential creditors.

Unsecured Creditors

We declared and paid a Prescribed part distribution to unsecured creditors in respect of BGUKB, BGUKGP, WRL, WRGL and BGUKM as per the table below. There were insufficient funds to enable a Prescribed part distribution in respect of HGO.

	Value of net property (£)	Prescribed part* (£)	Dividend Paid (p in the £)
BGUKGP	5,680,248	600,000	3.03
BGUKM	125,874	28,175	0.34
WRGL	979,089	198,817	2.23
WRL	2,355,464	474,092	2.91
BGUKB	6,090,643	600,000	4.66

*Before costs of dealing with the Prescribed part as agreed by the Secured (and preferential in respect of WRL) creditors.

Any uncashed cheques have been transferred to the Insolvency Service and therefore we will not be reissuing any cheques in respect of any of the above dividends. If you require a reissue you will need to contact the Insolvency Service directly at The Insolvency Service, Estate Accounts & Insolvency Practitioner Services, Unclaimed Monies Team, PO Box 3690, Birmingham, B2 4UY. OR - CustomerServices.EAS@Insolvency.gov.uk

What you need to do

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

What happens next

On 29 June 2023 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 further distributions to creditors.

We ceased to act on 29 June 2023. As decided by the secured creditor and where applicable the preferential 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. The main trading entity was Blue Group UK Retail Limited, which as stated above, is not part of this report.

On appointment BGUKGP and HGO held a number of property leases for the trading entities within the Blue Group, but did not trade. WRL and BGUKB were trading entities and manufacturers of mattresses and other furniture. WRGL dealt with the office and logistics and was utilised to assist with the trading administration. BGUKM was used as part of the administrative business utilised to assist with the trading entities.

Since 2017, Blue 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 Blue 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 Blue Group, and backed by parent guarantees) and introduced a new credit facility.

Following continued trading issues the Blue 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 Blue 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 Blue 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 Blue 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 Blue Group's business and assets. The transaction included elements of the retail manufacturing, warehousing and distribution divisions.

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 Blue Group, the reasons for the Blue 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, 28 January 2022, 29 July 2022, and our most recent progress report dated 27 January 2023, 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

Our objective was to achieve the best possible outcome for creditors, achieved by maximising asset realisations and minimising costs and claims against the Companies.

The asset realisations in relation to the Companies are as follows:

Name of Company	Assets realised
WRL Trading entity and manufacturer of mattresses and other furniture. The initial sale of the Bensons For Beds business included a freehold property and equipment with stock realised through trading activities.	<ul style="list-style-type: none"> Recovery of £1.3m cash at bank including £380k transferred from currency accounts Recovery of £236k cash pooling Dealing with book debts and recovering £509k Sale of freehold property to the Secured Creditor totalling £400k Recovery of £636k in relation to a coronavirus job retention grant from UK government Sale of equipment totalling £400k Stock realisation totalling £100k Recovery of sundry assets and refunds totalling £7k
WRGL Office and logistics company, utilised to assist with the trading administration, to achieve better value for creditors.	<ul style="list-style-type: none"> Dealing with book debts and recovering £377k Recovery of £44k cash at bank Recovery of £643k cash pooling
BGUKB Trading entity and manufacturer of mattresses and other furniture. The initial sale of the Bensons For Beds business included a freehold property and equipment with stock realised through trading activities.	<ul style="list-style-type: none"> Sale of freehold property to the Secured Creditor totalling £2m Recovery of £1.7m cash at bank Realised £1.4m in respect of goodwill as part of the sale of the business Dealing with book debts and recovering £343k Sale of stock to the Secured Creditor totalling £282k Recovery of £179k in relation to a coronavirus job retention grant from UK government
HGO Held a number of property leases.	<ul style="list-style-type: none"> Recovery of sundry assets and refunds totalling £88k Realisation of leasehold property totalling £45k Recovery of cash at bank totalling £26k
BGUKM Administrative business utilised to assist with the trading entities. Recipient of certain book debts and party to the cash pool split.	<ul style="list-style-type: none"> Book debt realisations totalling £127k Recovery of £38k cash pooling Recovery of cash at bank totalling £5k
BGUKGP Held a number of property leases.	<ul style="list-style-type: none"> Cash pooling totalling £3.5m Recovery of £1.9m cash at bank Recovery of sundry assets and refunds totalling £340k Dealing with book debts and recovering £311k Realisation of leasehold property totalling £45k Sale of equipment totalling £6k

We have now finished realising the Companies' assets.

Inter company claims

We also completed a review of intercompany claims. Which have resulted in dividends into the estates as follows:

	BGUKGP	BGUKM	BGUKB	WRL	WRGL
Intercompany claim received (£)	300,185.25	34,490.87	41,384.87	11,442.92	9,149.75

Property related matters

We have dealt with the following:

- Dealing with properties under the LTO, including collecting licence fees from the Purchasers in relation to HGO and BGUKGP;
- Paying ongoing rent, service charge and insurance from appointment in relation to HGO and BGUKGP;
- Seeking assignment or where not possible the surrender of leases in relation to HGO and BGUKGP;
- Dealing with extension of LTO agreements to 31 March 2022 in relation to HGO and BGUKGP; and
- Instructing agents to conduct property reviews in relation to HGO and BGUKGP.

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.

Connected party transactions

SIP 13 requires us to disclose details of the disposal of any of the Companies' assets to connected parties. There were no new connected party transactions made in the period covered by this report.

The Bensons Purchasers, who acquired certain business and assets of the Blue Group, are connected to the Blue Group due to having a common ultimate parent (Alteri). Certain directors of the Blue 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 matters

We've stayed in office to conclude asset realisations across the Blue Group and deal with the following:

- Reviewing, amending and cancellation of insurance policies;
- Discharging our statutory obligations, such as reporting to creditors;
- Agreeing and paying distributions to secured, preferential and unsecured creditors as appropriate;
- Dealing with the Company's VAT and tax affairs; and
- Responding to Unsecured and Preferential creditor queries via email, telephone and post.

We have now concluded all 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, other than via the Prescribed part. This meant that we did not have to seek a decision from creditors regarding the approval of Proposals and our Proposals were 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.

Changes of administrator

On 8 December 2022 Yulia Marshall resigned from office as administrator of the Companies because she left the firm. Zelf Hussain and I, the remaining administrators of BGUKB, BGUKM, BGUKGP, HGO, WRGL and WRL did not think it was necessary for a third administrator to be appointed to replace Yulia Marshall.

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 have raised no queries in relation to the Companies during the administrations and have confirmed that it has no objection to the administrations ending.

Since our last report the VAT team prepared and submitted a further post appointment VAT return for the VAT group to HMRC. The VAT return covered the period 1 October 2022 to 31 December 2022. We have also de-registered the Companies for VAT purposes.

We previously reported that we were waiting on VAT repayments from HMRC. These repayments have not been received and our VAT team are in regular discussions with HMRC regarding these outstanding repayments as part of the VAT group. The refunds will be allocated to cover the unpaid portion of the Joint Administrators fees across the Companies. Apart from this, we have finalised the VAT matters in respect of the Companies as part of the VAT group.

Our receipts and payments accounts

We set out in Appendix B accounts of our receipts and payments in the administrations from 30 June 2020 to 27 June 2023, which include cumulative accounts to date.

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

<https://www.icaew.com/regulation/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>

You can also get a copy free of charge by contacting us at uk_bluegroup_finalqueries@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 Blue Group UK Retail Limited and information in regards to this entity will be available in the next progress report to creditors.

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



Peter Dickens
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 Joint 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 sale of equipment, trading of the business and through the property work that increased intercompany cash movements and cash realisations.

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 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 Group's 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 c£42m at the time the Blue Group 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 Blue Group UK Retail Limited, Wellington Realisations Limited, Formation Furniture Limited and Unitrans Limited ("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 payments

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.
- b. Funds are held on non-interest bearing accounts.
- c. 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.
- d. There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments accounts provided below.
- e. Certain stock was held under a ROT clause within WRL. The ROT creditors were paid for the stock in order to continue trading. These sums are held within “duress payments”.
- f. 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.
- g. Book debts received relate to receipt of intercompany claims paid via the Prescribed part distributions.
- h. During a previous period, USD and Euro estate bank accounts were closed and funds swept to the GBP bank account in WRL.

Blue Group UK Group Properties Limited - in Administration
Receipts and payments account for the period 30 June 2020 to 27 June 2023

Statement of Affairs	From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
£	£	£	£
Assets subject to a fixed charge			
Receipts			
	-	-	-
Total receipts	-	-	-
Payments			
	-	-	-
Total payments	-	-	-
Net cash position	-	-	-
Assets subject to a floating charge			
Receipts			
Leasehold Property	45,000.00	-	45,000.00
Equipment	5,575.00	-	5,575.00
Sundry debts & refunds	316,165.05	24,199.07	340,364.12
Rental income	3,600.00	-	3,600.00
Monetary assets - Cash Pool Split	3,504,446.11	-	3,504,446.11
Balance at Bank	1,941,107.18	(0.39)	1,941,106.79
Trading profit/loss	(1,200.00)	1,200.00	-
Licence to Occupy account	(13,887.18)	13,887.18	-
Suspense Account	16,664.23	(16,664.23)	-
LTO Funding	90,000.00	-	90,000.00
Bank interest	446.23	-	446.23
Finance / Bank interest & charges	180.00	-	180.00
Book Debts	300,185.25	11,195.42	311,380.67
Total receipts	6,208,281.87	33,817.05	6,242,098.92
Payments			
Agents' Fees - Property & Assets	(69,571.46)	(3,630.00)	(73,201.46)
Legal fees	(1,165.14)	-	(1,165.14)
Rental income	(3,600.00)	-	(3,600.00)
Office costs, Stationery & Postage	(642.00)	-	(642.00)
Heat, Light and Insurance	(12,838.26)	-	(12,838.26)
Office holders fees & expenses	(376,114.89)	(280,142.26)	(656,257.15)
Pre-administration expenses	(27,581.83)	(412.50)	(27,994.33)
Statutory Advertising	(90.00)	-	(90.00)
Storage	-	(14,551.36)	(14,551.36)
Finance / Bank interest & charges	(300.00)	(25.75)	(325.75)
Total payments	(493,903.58)	(298,761.87)	(792,665.45)
Net assets available for preferential creditors	5,714,378.29	(264,944.82)	5,449,433.47
Less Preferential Creditors	-	-	-
Net Property	-	-	-
Less Prescribed Part Fund	-	(514,351.00)	(514,351.00)
Net floating charge assets	5,714,378.29	(779,295.82)	4,935,082.47
Secured creditor distribution	(4,367,957.00)	(567,125.47)	(4,935,082.47)
Balance of Net Floating Charge Assets	1,346,421.29	(1,346,421.29)	-
Total assets held	1,346,421.29	(1,346,421.29)	-
VAT control account	(79,684.42)	79,684.42	-
Total cash held	1,266,736.87	(1,266,736.87)	-

	From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
	£	£	£
LTO Account			
Receipts			
Licence Fees - Rent	-	13,887.18	13,887.18
Licence Fees - Service Charges	-	-	-
Licence Fees - Rates	-	-	-
Total receipts	-	13,887.18	13,887.18
Payments			
LTO - Rent	(13,887.18)	-	(13,887.18)
LTO - Service Charge	-	-	-
LTO - Insurance	-	-	-
LTO - Heat, Light & Water	-	-	-
Payments made for group companies	-	-	-
LTO - Rates	-	-	-
Total payments	(13,887.18)	-	(13,887.18)
Net LTO Receipts / Payments	(13,887.18)	13,887.18	-

	From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
	£	£	£
Trading			
Receipts			
Contribution to Shared Property Costs	-	-	-
Total receipts	-	-	-
Payments			
Suppliers	(1,200.00)	1,200.00	-
Storage costs	-	-	-
Finance / Bank interest & charges	-	-	-
Rent	-	-	-
Service Charges	-	-	-
Property Insurance	-	-	-
Professional fees	-	-	-
Legal settlements	-	-	-
Legal Costs	-	-	-
Total payments	(1,200.00)	1,200.00	-
Trading Profit / (Loss)	(1,200.00)	1,200.00	-

Blue Group UK Manufacturing Limited - in Administration
Receipts and payments account from 30 June 2020 to 27 June 2023

Statement of Affairs		From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
£	Assets subject to a fixed charge	£	£	£
	Receipts	-	-	-
-	Total receipts	-	-	-
	Payments	-	-	-
	Total payments	-	-	-
	Net cash position	-	-	-
£	Assets subject to a floating charge			
	Receipts			
490,920.63	Book debts	89,139.27	37,391.93	126,531.20
	Cash at Bank	5,152.20	-	5,152.20
	Bank Interest	113.00	-	113.00
	Monetary Assets - Cash Pool Split	37,796.24	-	37,796.24
	PAYE/NIC and Pension Deductions	10,335.85	-	10,335.85
490,920.63	Total receipts	142,536.36	37,391.93	179,928.29
	Payments			
	Prior appointee fees & expenses	(1,976.36)	(16.50)	(1,992.86)
	Legal fees & Expenses	(1,568.89)	-	(1,568.89)
	Statutory advertising	-	(90.00)	(90.00)
	Office holders' fees and expenses	-	(77,673.70)	(77,673.70)
	Total payments	(3,545.25)	(77,780.20)	(81,325.45)
	Net assets available to preferential creditors	138,991.11	(40,388.27)	98,602.84
	Less Preferential Creditors	-	-	-
	Net Property	138,991.11	(40,388.27)	98,602.84
	Less Prescribed Part Fund	-	(23,602.84)	(23,602.84)
	Net floating charge assets	138,991.11	(63,991.11)	75,000.00
	Floating Creditor Distributions	(50,000.00)	(25,000.00)	(75,000.00)
	Net administration assets	88,991.11	(88,991.11)	-
	Total assets held	88,991.11	(88,991.11)	-
	VAT control account	(689.25)	689.25	-
	Total cash held	88,301.86	(88,301.86)	-

Blue Group UK Beds Limited - in Administration
Receipts and payments account from 30 June 2020 to 27 June 2023

Statement of Affairs		From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
		£	£	£
£	Assets subject to a fixed charge			
	Receipts			
2,000,000.00	Freehold Property	2,000,000.00	-	2,000,000.00
2,000,000.00	Total receipts	2,000,000.00	-	2,000,000.00
	Payments			
	Secured creditor distribution	(2,000,000.00)	-	(2,000,000.00)
	Total payments	(2,000,000.00)	-	(2,000,000.00)
£	Assets subject to a floating charge			
	Receipts			
1,352,000.00	Plant, Property and Equipment	2,352,000.00	-	2,352,000.00
	Goodwill	1,435,459.00	-	1,435,459.00
411,775.60	Stock	281,697.00	-	281,697.00
	Bank Interest	1,043.91	-	1,043.91
420,140.65	Book debts	342,544.95	-	342,544.95
164,436.48	Grants and subsidies	175,325.34	-	175,325.34
2,017,528.27	Balance at bank	1,728,358.50	-	1,728,358.50
4,365,901.04	Total receipts	6,324,428.70	-	6,324,428.70
	Payments			
	Bank interest & charges	(150.82)	(25.75)	(176.57)
	Suppliers	(2,568.75)	-	(2,568.75)
	Pro-appointee fees & expenses	(68,391.35)	(13,099.99)	(81,491.34)
	Office holders fees & expenses	(110,564.87)	(75,000.00)	(185,564.87)
	Agents' Fees - Property & Assets (pre-appointment fees)	(26,158.92)	-	(26,158.92)
	Statutory advertising	(90.00)	-	(90.00)
	Irrecoverable VAT	-	(2,620.00)	(2,620.00)
	Legal fees & Expenses	(7,735.58)	-	(7,735.58)
	Total payments	(216,880.29)	(90,745.74)	(308,408.03)
	Net assets available to preferential creditors	6,103,788.41	(90,745.74)	6,013,022.87
	Less Preferential Creditors	-	-	-
	Net Property	6,103,788.41	(90,745.74)	6,013,022.87
	Less Prescribed Part Fund	(571,593.00)	-	(571,593.00)
	Net floating charge assets	5,537,175.41	(90,745.74)	5,448,428.87
	Secured Creditor Distributions	(5,323,156.00)	(123,273.67)	(5,446,429.67)
	Net administration assets	214,019.41	(214,019.41)	-
	Total assets held	214,019.41	(214,019.41)	-
	VAT control account	(41,254.25)	41,254.25	-
	Total cash held	172,765.16	(172,765.16)	-

Homestyle Group Operations Limited - in Administration
Receipts and payments account from 30 June 2020 to 27 June 2023

Statement of Affairs		From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
£	Assets subject to fixed charge	£		
	Receipts	-	-	-
-	Total receipts	-	-	-
	Payments	-	-	-
	Total payments	-	-	-
	Net cash position	-	-	-
£	Assets subject to floating charge			
	Receipts			
-	Trading profit / (loss)	523,799.30	(521,056.80)	2,742.50
-	Leasehold Property	45,000.00	-	45,000.00
-	Licence to Occupy account	0.00	-	0.00
-	Bank interest	392.43	-	392.43
-	Funding for LTO extension costs	23,333.33	-	23,333.33
-	Sundry assets and refunds	73,618.32	14,780.00	88,378.32
10,622.80	Cash at bank	25,775.78	-	25,775.78
10,622.80	Total receipts	691,919.16	14,760.00	185,622.36
	Payments			
	Heat, light and insurance	(1,659.93)	(214.82)	(1,874.75)
	Office holders fees & expenses	(132,090.00)	(14,434.19)	(146,524.19)
	Agents fees - property assets	(24,119.23)	-	(24,119.23)
	Prior appointee fees & expenses	(3,629.48)	(97.07)	(3,726.55)
	Irrecoverable VAT	0.00	(81.63)	(81.63)
	Legal fees & Expenses	(8,853.65)	-	(8,853.65)
	Total payments	(170,352.29)	(97.07)	(185,180.00)
	Net realisations	521,566.87	14,662.93	442.36
	Secured creditor distribution	-	(442.36)	(442.36)
	Balance of Net Floating Charge Assets	-	(442.36)	(442.36)
	Total assets held	521,566.87	14,220.57	-
	VAT control account	(62.22)	62.22	-
	Total cash held	521,504.65	14,282.79	-

	From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
Trading Account	£	£	£
Receipts			
Contribution to costs	820,190.52	(521,056.80)	299,133.72
Total receipts	820,190.52	(521,056.80)	299,133.72
Payments			
Suppliers	(3,235.87)	-	(3,235.87)
Service charge	(17,830.57)	-	(17,830.57)
Bank interest and charges	(90.00)	-	(90.00)
Rent	(272,959.45)	-	(272,959.45)
Insurance	(2,275.33)	-	(2,275.33)
Total payments	(296,391.22)	-	(296,391.22)
Net Trading receipts/(payments)	523,799.30	(521,056.80)	2,742.50

Wellington Realisations Limited - in Administration
Receipts and payments account from 30 June 2020 to 27 June 2023

Statement of Affairs		From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
£		£	£	£
	Assets subject to a fixed charge			
	Receipts			
400,000.00	Freehold Land & Property	400,000.00	-	400,000.00
400,000.00	Total receipts	400,000.00	-	400,000.00
	Payments			
	Secured creditor distribution	(400,000.00)	-	(400,000.00)
	Total payments	(400,000.00)		(400,000.00)
	Net cash position	-	-	-
	Assets subject to a floating charge			
	Receipts			
352,480.18	Book Debts	497,004.72	12,953.40	509,958.12
468,523.35	Stock	99,704.12	-	99,704.12
300,000.00	Equipment	400,000.00	-	400,000.00
-	Monetary assets - Cash Pool Split	238,787.00	-	238,787.00
780,045.30	Balance at Bank	891,609.99	131,966.88	1,023,576.87
-	Transfer from currency accounts	379,232.84	-	379,232.84
589,475.10	Grants & Subsidies	638,493.61	-	638,493.61
-	Sundry debts & refunds	8,899.18	-	8,899.18
-	Bank interest	1,049.93	-	1,049.93
-	Suspense account	131,966.88	(131,966.88)	-
2,490,523.93	Total receipts	3,280,748.27	12,953.40	3,293,701.67
	Payments			
	Heat, Light & Insurance	(27,571.65)	-	(27,571.65)
	Statutory Advertising	(90.00)	-	(90.00)
	Legal fees and expenses	(1,165.14)	-	(1,165.14)
	Office Holders' Fees and Expenses	(368,717.57)	(125,436.09)	(494,153.66)
	Pre appointment fees and expenses	(18,872.93)	(1,846.52)	(20,719.45)
	Trading profit/(loss)	(437,051.04)	-	(437,051.04)
	Finance bank interest and charges	-	(51.50)	(51.50)
	Total payments	(853,468.33)	(127,334.11)	(980,802.44)
	Net assets available for preferential creditors	2,427,279.94	(114,380.71)	2,312,899.23
	Less Preferential Creditors	(82,889.27)	(301.51)	(83,190.78)
	Net property	2,344,390.67	(114,682.22)	2,229,708.45
	Less Prescribed Part Fund	-	(448,601.40)	(448,601.40)
	Total Net Floating Charge Assets	2,344,390.67	(561,283.62)	1,783,107.05
	Secured creditor distribution	(1,642,833.00)	(140,274.05)	(1,783,107.05)
	Balance of Net Floating Charge Assets	701,557.67	(701,557.67)	-
	Total assets held	701,557.67	(701,557.67)	-
	VAT control account	(18.00)	18.00	-
	Total cash held	701,539.67	(701,539.67)	-

	From 30 June 2020 to 29 June 2022	From 30 June 2022 to 27 June 2023	Cumulative to 27 June 2023
Trading Account	£	£	£
Receipts			
Trading sales - Cash	894,965.38	230,327.00	1,125,292.38
Total receipts	894,965.38	230,327.00	1,125,292.38
Payments			
Suppliers	(579,895.30)	-	(579,895.30)
Distribution Costs	(4,446.00)	-	(4,446.00)
Duress Payments	(107,668.50)	-	(107,668.50)
Trading Irrecoverable VAT	(7,080.48)	-	(7,080.48)
Wages & Salaries	(739,821.46)	-	(739,821.46)
PAYE/NIC and Pension Deductions	(49,831.79)	-	(49,831.79)
Employee/Subcontractor Costs & Expenses	(5,233.00)	-	(5,233.00)
Finance / Bank interest & charges	(188.00)	-	(188.00)
Professional fees	(52,085.48)	(1,500.00)	(53,585.48)
Rates	(14,613.41)	-	(14,613.41)
Total payments	(1,560,843.42)		(1,562,343.42)
Trading profit/(loss)	(665,878.04)	230,327.00	(437,051.04)

Wellington Realisations Group Limited - In Administration
Receipts and payments account from 30 June 2020 to 27 June 2023

Statement of Affairs	£		From 30 June 2020 to 29 December 2022	From 30 December 2022 to 27 June 2023	Cumulative to 27 June 2023
			£	£	£
		Assets subject to a fixed charge			
		Receipts			
		Total receipts	-	-	-
		Payments			
		Total payments	-	-	-
		Net cash position	-	-	-
		Assets subject to a floating charge			
		Receipts			
288,866.54		Monetary Assets - Cash Pool Split	643,474.90		643,474.90
		Bank interest	303.79		303.79
		Balance at Bank	43,738.91		43,738.91
		Suspense			
		Book debts	12,417.95	364,648.99	377,066.94
288,866.54		Total receipts	699,935.55	364,648.99	1,064,584.54
		Payments			
		Prior appointee fees & expenses	(1,976.36)		(1,976.36)
		Office holders' expenses	(81,841.04)	(75,126.27)	(156,967.31)
		Statutory Advertising	(90.00)		(90.00)
		Legal fees and expenses	(1,578.89)		(1,578.89)
		Total payments	(85,486.29)	(75,126.27)	(160,612.56)
		Net assets	614,449.26	(75,126.27)	539,322.99
		Less Prescribed Part Fund		(193,927.59)	(193,927.59)
		Net floating charge assets	614,449.26	170,721.40	785,170.66
		Secured Creditor Distribution	(400,000.00)	(370,044.39)	(770,044.39)
		Balance of net floating charge realisations	214,449.26	(139,322.99)	75,126.27
		Total assets held	214,449.26	(139,322.99)	75,126.27
		VAT control account	(18.00)	18.00	-
		Total cash held	214,431.26	(139,322.99)	75,108.27

Appendix C: Expenses

Expenses are amounts properly payable by us as Joint Administrators from the estates, 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 who approve our fees for each of the Companies also have the responsibility for agreeing the policies for payment of Category 2 expenses.

The Secured Creditor has the responsibility for agreeing our fees and agreeing the policy for payments of the Category 2 expenses for BGUKB, BGUKGP, BGUKM, HGO and WRGL.

The Secured and Preferential Creditors have the responsibility for agreeing our fees and agreeing the policy for payment of the Category 2 expenses for WRL.

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

The tables on the next page provide a breakdown of the Category 2 expenses which 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.

Category	Description	BGUKB		BGUKM		BGUKGP	
		Costs incurred to 29/12/22	Costs incurred in the period 30/12/22 to 27/6/23	Costs incurred to 29/12/22	Costs incurred in the period 30/12/22 to 27/6/23	Costs incurred to 29/12/22	Costs incurred in the period 30/12/22 to 27/6/23
		£	£	£	£	£	£
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	138.67	19.26	-	-	488.13	-
1	Other Travel	19.60	-	-	-	15.44	-
1	Courier	-	-	-	-	5.83	-
1	Archiving	-	-	-	-	10,089.54	-
1	Bordereau	225.00	-	225.00	-	225.00	-
1	Postage	128.48	20.18	-	-	692.12	-
1	Storage	0.00	0.00	0.00	0.00	0.00	5,787.28
1	Advertising	-	-	-	-	-	-
1	Hotels / Accommodation	13.68	-	-	-	10.66	-
	TOTAL	525.43	39.44	225.00	-	11,526.72	5,787.28
	Paid to date	564.87	-	225.00	-	17,314.00	-

Category	Description	HGO		WRGL		WRL	
		Costs incurred to 29/12/22	Costs incurred in the period 30/12/22 to 27/6/23	Costs incurred to 29/12/22	Costs incurred in the period 30/12/22 to 27/6/23	Costs incurred to 29/12/22	Costs incurred in the period 30/12/22 to 27/6/23
		£	£	£	£	£	£
2	Photocopying – Up to 10 pence per sheet 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	-	-	1,472.46	-	650.18	-
2	Printing - Up to 10 pence per side	32.64	-	182.12	-	-	-
1	Other Travel	-	-	11.17	-	498.21	-
1	Courier	-	-	-	-	-	-
1	Archiving	-	-	-	-	-	-
1	Bordereau	225.00	-	225.00	-	225.00	-
1	Postage	53.68	-	76.56	-	655.09	-
1	Advertising	-	-	-	-	-	-
1	Hotels / Accommodation	-	-	-	-	689.08	-
1	Disbursements from previous periods *	-	-	-	-	1,489.40	-
	TOTAL	311.32	-	1,967.31	-	4,206.96	-
	Paid to date	311.00	-	1,967.31	-	4,206.96	-

*It has come to light that in the prior period further disbursements have been incurred than previously reported. The table above has been updated to reflect the correct position

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	BGUKB							BGUKM							BGUKGP						
	Costs incurred brought forward	Costs incurred in the period	Total costs incurred	Future estimated costs	Anticipated Total	Initial estimate	Variance	Costs incurred brought forward	Costs incurred in the period	Total costs incurred	Future estimated costs	Anticipated Total	Initial estimate	Variance	Costs incurred brought forward	Costs incurred in the period	Total costs incurred	Future estimated costs	Anticipated Total	Initial estimate	Variance
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	831,717.48	(817,830.30)	13,887.18	-	13,887.18	715,894.00	(702,006.82)
Service Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,401.00	(8,401.00)	-	-	7,232.00	(7,232.00)	
Property Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	456.53	739.93	1,196.46	-	393.00	(393.00)	
Suppliers	2,568.75	-	2,568.75	-	2,568.75	2,568.75	-	-	-	-	-	-	-	-	(1,200.00)	-	(1,200.00)	-	(1,200.00)	3,848.54	(5,048.54)
PAYE/NIC and Pension Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee/Subcontractor Costs & Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TSA Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to property costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,324,975.12	(1,324,975.12)	-	-	-	-	
Payments Made for Group companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	474,415.95	(474,415.95)	-	-	-	-	
Legal fees & Expenses	7,735.58	-	7,735.58	-	7,735.58	-	7,735.58	1,568.89	-	1,568.89	-	1,568.89	-	1,568.89	33,314.66	(32,149.52)	1,165.14	-	1,165.14	-	1,165.14
Counsel fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,551.36	14,551.36	-	14,551.36	14,240.28	311.08
Bank interest/charges	150.82	25.75	176.57	-	176.57	152.00	24.57	-	-	-	-	-	-	-	480.00	(154.25)	325.75	-	325.75	180.00	145.75
Legal settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500.00	(7,500.00)	-	-	7,500.00	-	-
Office costs: Stationery & Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	642.00	-	642.00	-	642.00	-	642.00
Duress payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading Irrecoverable VAT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wages & Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,440.00	(1,440.00)
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agents' Fees - Property & Assets	26,158.92	-	26,158.92	-	26,158.92	-	26,158.92	-	-	-	-	-	-	-	69,571.46	3,630.00	73,201.46	-	73,201.46	68,783.96	-
Administrators' disbursements	525.43	39.44	564.87	-	564.87	683.40	(118.53)	225.00	-	225.00	-	225.00	341.08	(116.08)	10,974.88	5,287.00	16,261.88	-	16,261.88	2,009.35	14,252.53
Pre-administration expenses	107,650.00	13,099.99	120,749.99	-	120,749.99	107,650.00	13,099.99	1,976.36	16.50	1,992.86	-	1,992.86	-	1,992.86	27,944.33	-	27,944.33	-	27,944.33	-	27,944.33
Rental Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,600.00	(3,600.00)	-	-	-	-	-
Heat, Light & Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,925.71	-	14,925.71	-	14,925.71	4,674.91	10,250.80
Statutory advertising	90.00	-	90.00	-	90.00	-	90.00	90.00	-	90.00	-	90.00	-	90.00	90.00	-	90.00	-	90.00	-	90.00
TOTAL	144,879.50	13,165.18	158,044.68	-	158,044.68	111,054.15	46,990.53	3,860.25	16.50	3,876.75	-	3,876.75	341.08	3,535.67	2,807,809.12	(2,644,817.85)	160,993.82	-	161,794.81	826,196.04	(661,218.73)
Paid to date	-	-	158,044.68	-	-	-	-	-	-	3,876.75	-	-	-	-	-	-	159,753.82	-	-	-	-

Notes

Rent/Service charge and insurance - An exercise to repay LTO funds to the correct group entity was carried out which has subsequently reduced the amounts previously reported.

Contribution to property costs BGUKGP - This amount is not shown on the R&P as it was a funded payment for another group entity which has since been repaid and therefore this cost has been reduced to nil.

Payments made for group companies BGUKGP - These payments have been repaid and as a result the balance has been reduced to nil.

Legal fees and expenses BGUKGP - These costs have now been repaid and as a result reduced to nil.

Pre-administration expenses BGUKGP - Previously reported that £1,200 had been incurred in the prior period, this was an error and has subsequently been amended to show the correct figure of £27,944.33.

Agents fees - Property and Assets BGUKGP - Previously reported that £68,783 had been previously incurred in the prior period. This was an error and has now been amended to show £69,571.46.

	HGO							WRGL							WRL						
Description - Disbursements	Costs incurred brought forward	Costs incurred in the period	Total costs incurred	Future estimated costs	Anticipated Total	Initial estimate	Variance	Costs incurred brought forward	Costs incurred in the period	Total costs incurred	Future estimated costs	Anticipated Total	Initial estimate	Variance	Costs incurred brought forward	Costs incurred in the period	Total costs incurred	Future estimated costs	Anticipated Total	Initial estimate	Variance
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Rent	279,959.45	-	279,959.45	-	279,959.45	257,236.00	22,723.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Charge	20,269.60	-	20,269.60	-	20,269.60	19,102.00	1,167.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	2,274.53	0.80	2,275.33	-	2,275.33	-	2,275.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Storage Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Suppliers	3,235.87	-	3,235.87	-	3,235.87	3,235.87	-	-	-	-	-	-	-	-	579,895.30	-	579,895.30	-	579,895.30	524,014.63	55,880.67
Distribution Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,446.00	-	4,446.00	-	4,446.00	4,446.00	-
Dues payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	107,668.50	-	107,668.50	-	107,668.50	103,033.30	4,635.20
Rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,613.00	-	14,613.00	-	14,613.00	-	14,613.00
Trading Irrecoverable VAT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,080.48	-	7,080.48	-	7,080.48	9,539.87	(2,459.39)
Wages & Salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	739,821.46	-	739,821.46	-	739,821.46	739,821.46	-
Employee/Subcontractor Costs & Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,233.00	-	5,233.00	-	5,233.00	5,233.00	-
PAYE/NIC and Pension Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49,831.79	-	49,831.79	-	49,831.79	47,152.00	2,679.79
Finance / Bank interest & charges	90.00	-	90.00	-	90.00	60.00	30.00	-	-	-	-	-	-	-	168.00	51.50	219.50	-	168.00	168.00	-
Wages and salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Fees & Expenses	8,853.65	-	8,853.65	-	8,853.65	8,853.65	-	1,578.89	-	1,578.89	-	1,578.89	1,578.89	-	1,165.14	-	1,165.14	-	1,165.14	1,165.14	-
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,085.48	-	52,085.48	-	52,085.48	47,151.50	4,933.98
Contribution to shared property costs	-	521,057.00	521,057.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heat, Light & Insurance	1,659.93	214.82	1,874.75	-	1,874.75	1,659.93	214.82	-	-	-	-	-	-	-	27,571.65	-	27,571.65	-	27,571.65	59,748.73	(32,177.08)
Agents' Fees - Property & Assets	24,199.23	-	24,199.23	-	24,199.23	24,199.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrators' disbursements	311.32	-	311.32	-	311.32	511.92	(200.60)	1,967.31	-	1,967.31	-	1,967.31	166.80	1,800.51	4,206.96	-	4,206.96	-	4,206.96	499.88	3,707.08
Pre-administration expenses	3,726.55	-	3,726.55	-	3,726.55	3,726.55	-	1,976.00	-	1,976.00	-	1,976.00	1,976.36	(0.36)	20,719.45	-	20,719.45	-	20,719.45	22,219.45	(1,500.00)
Statutory advertising	-	-	-	-	-	-	-	90.00	-	90.00	-	90.00	-	90.00	90.00	-	90.00	-	90.00	-	90.00
TOTAL	344,580.13	521,272.62	865,852.75	-	344,795.75	318,585.15	26,210.60	5,612.20	-	5,612.20	-	5,612.20	3,722.05	1,890.15	1,614,596.21	51.50	1,614,647.71	-	1,614,596.21	1,564,192.96	50,403.25
Paid to date			863,413.72							5,612.20							1,614,647.71				

Notes

Pre administration expenses HGO and WRL - The previous incurred figure of £7,768.48 for HGO and £22,919.00 was incorrectly double counted some expenses, the amount incurred and paid as per the receipts and payments account is £3,726.55 for HGO and £20,715.45

Pre administration expenses HGO and WRGL - As the administration is coming to a close the brought forward incurred figure has been finalised. We have incurred £4k and £21k retrospectively and have paid this amount as per the Receipt and Payments account

Agents Fees property and assets WRL - These costs have now been repaid and as a result reduced to nil.

Agents Fees property and assets HGO - Previous figure of £9,476.70 was incorrect and has been adjusted to show the correct amount of £24,199.23

Administrators Disbursements WRL - It has come to light that in the prior period further disbursements have been incurred than previously reported. The table above has been updated to reflect the correct position of £4,206.96 in the prior period

Appendix D: Remuneration update

Our fees were approved on a fixed fee basis on 26 October 2022 for BGUKB, BGUKM, HGO and WRGL by the Secured Creditor and for WRL by the Preferential Creditors and Secured Creditor. We have drawn fees of £1,695,552 in line with the approval given as shown on the enclosed receipts and payments accounts and the table below.

In respect of BGUKGP we sought and obtained approval to draw our fees on a time cost basis by circulating a remuneration report to the necessary approving bodies shortly after the second progress report.

The time cost charges incurred in respect of BGUKGP in the period covered by this report are £70,536.75. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

Our time costs have exceeded the amount approved by the fee approving bodies and we are not proposing to seek further fee approval in BGUKGP.

Company	Level of fees approved (maximum) (£)	Fees taken to date (£)
BGUKGP	1,434,337	640,943
BGUKB	185,000	185,000
BGUKM	85,000	77,449
HGO	155,000	146,213
WRGL	155,000	155,000
WRL	500,000	490,947

Time costs incurred for the reporting period are shown in respect of BGUKP only, as fees were approved on a time costs basis for this entity.

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

Our hours and average rates

BGUKP - 30 December 2022 to 26 June 2023

Work Type Group	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Offshore professionals (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Accounting & Treasury	-	-	0.40	1.80	8.85	9.20	1.10	21.35	10,078.25	472.05
Assets	-	-	0.40	2.25	26.65	-	8.90	38.20	19,048.75	498.66
Closure Procedures	-	-	-	0.30	5.30	-	1.10	6.70	3,361.00	501.64
Creditors	-	-	4.95	2.55	28.80	2.20	0.50	39.00	21,963.00	563.15
Employees and pensions	-	-	-	-	1.40	-	-	1.40	721.00	515.00
Investigations	-	-	-	-	0.50	-	-	0.50	124.00	248.00
Statutory & Compliance	-	-	0.60	1.50	12.15	-	0.50	14.75	8,055.75	546.15
Strategy & Planning	-	-	0.20	1.10	1.90	-	0.30	3.50	2,066.00	590.29
Tax & VAT	-	-	3.00	0.25	0.60	-	-	3.85	4,481.50	1164.03
Trading	-	-	-	-	-	-	1.70	1.70	637.50	375.00
Total for the period	0.00	0.00	9.55	9.75	86.15	11.40	14.10	130.95	70,536.75	538.65
Brought forward at 29 December 2022								6,937.64	1,777,486.30	256.21
Grand Total								7,068.59	1,848,023.05	261.44

BGUKGP - Cumulative to 29 December 2022

Work Type Group	Partner (Hrs)	Director (Hrs)	Senior Manager (Hrs)	Manager (Hrs)	Senior Associate (Hrs)	Associate (Hrs)	Support (Hrs)	Total (Hrs)	Time cost £	Average hourly rate £
Accounting & Treasury	-	0.25	0.15	35.70	137.40	149.05	2.30	324.85	117,301.00	361.09
Assets	34.00	24.85	256.25	237.30	2726.78	2241.30	115.30	5635.78	1,203,437.10	213.54
Closure Procedures	-	-	-	0.30	1.00	-	-	1.30	672.50	517.31
Creditors	-	-	24.60	4.20	190.36	88.41	-	307.57	129,891.55	422.32
Employees & Pensions	-	-	0.20	0.10	-	-	-	0.30	177.50	591.67
Investigations	-	5.40	0.15	-	9.28	-	-	14.83	8,242.95	555.83
Statutory & Compliance	-	6.00	9.80	28.55	82.00	14.86	4.10	145.31	66,107.95	454.94
Strategy & Planning	24.00	11.95	21.55	55.10	91.05	13.96	9.20	226.81	117,792.45	519.34
Tax & VAT	3.40	1.50	36.05	57.20	52.35	1.44	8.25	160.19	78,499.30	490.04
Trading	-	-	1.40	-	99.95	12.95	6.40	120.70	55,364.00	458.69
Total for the period	61.40	49.95	350.15	418.45	3,390.17	2,521.97	145.55	6,937.64	1,777,486.30	256.21

Our time charging policy and hourly rates

We and our team charged our time for the work we needed to do in the administration. We delegated tasks to suitable grades of staff, taking into account their experience and any specialist knowledge needed and we supervised them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility was handled by our senior staff or us.

All of our staff who worked on the administration (including our cashiers, support and secretarial staff) charged time directly to the case and were included in any analysis of time charged. Each grade of staff has an hourly charge out rate which was reviewed from time to time. Work carried out by our cashiers, support and secretarial staff was charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time has been charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We didn't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who worked on the administration.

Grade	From 1 July 2019 £/hr	From 1 July 2020 £/hr	From 1 July 2021 £/hr	From 1 July 2022 £/hr
Partner	690	850	875	980
Appointment taking director	n/a	n/a	n/a	960
Director	595	720	740	915
Assistant director (not appointee)	n/a	n/a	n/a	900
Senior manager	515	585	625	860
Manager	405	475	525	730
Senior associate	310	390	425	515
Associate	210	245	280	375
Offshore professionals	n/a	245	280	515
Support Staff	120	125	130	160

We call on colleagues such as those in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. We may also utilise Technology Specialists from the wider Business Restructuring Services team or other parts of our firm. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	From 1 July 2019 £/hour	From 1 September 2020 £/hour	From 1 July 2021 £/hour	From 1 July 2022 £/hr
Partner	1,520	1,600	1,680	1,810
Director	1,465	1,465	1,540	1,660
Senior Manager	1,290	1,355	1,425	1,425
Manager	775	815	860	950
Senior Associate/Consultant	575	605	640	690
Associate/Assistant Consultant	305	325	345	375
Support Staff	n/a	180	190	205

In common with many professional firms, our scale rates may rise eg to cover annual inflationary cost increases.

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.

Details of work done in the previous periods can be found in the reports available on the website www.pwc.co.uk/bluegroup

Area of work	Work undertaken	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Strategy and planning All companies	<ul style="list-style-type: none"> Update fee budgets for all the Companies; Running monthly reports across the entities to monitor costs; Holding team meetings not relating to trading and discussions regarding status of administrations; and Plan for the closure of the entities. 	<ul style="list-style-type: none"> No direct financial benefit, however the work is necessary to ensure correct management and oversight of the administrations.
Accounting and treasury All companies	<ul style="list-style-type: none"> Dealing with receipts, payments and journals; Carrying out bank reconciliations and managing funds; and Reconciliations to identify and segregate any amounts due to the Companies. 	<ul style="list-style-type: none"> No direct financial benefit, however the work is necessary to ensure correct management of the accounts and safeguarding of funds.
Assets Property matters in respect of HGO and BGUKGP	<ul style="list-style-type: none"> Liaising with landlords and their managing agents to seek surrenders of leases that have not been accepted; Corresponding with landlords to confirm that there are no further outstanding matters, and the Companies will be closed imminently; Dealing with any queries from landlords and agents relating to property reconciliations and outstanding queries; and Carry out property reconciliations to make any final payments. 	<ul style="list-style-type: none"> Mitigate claims against the administrations and comply with our obligations under the sale agreement. Negotiations with landlords will lead to reductions in rental payments, resulting in greater potential recoveries for creditors. Enhanced asset realisations for the administrations.

Creditors <ul style="list-style-type: none"> • In respect of Secured Creditors - all companies • In respect of Unsecured Creditors - WRGL, WRL and BGUKM • In respect of employees - WRL 	<ul style="list-style-type: none"> • Respond to the Secured Creditor's queries and provide updates; • Make further Secured Creditor distributions in accordance with security entitlements; • Declared and distributed unsecured dividends to creditors; and • Continue to respond to queries via email, post and telephone (all Companies). 	<ul style="list-style-type: none"> • Direct benefit to the Secured Creditor through payment of distributions and provision of information. • Direct benefit to creditors through payment of dividends (where available) and provision of information.
Tax and VAT All companies	<ul style="list-style-type: none"> • Preparation and submission of post-appointment VAT returns for the VAT group; • Prepare and submit the relevant forms to de-register the Companies for VAT; and • Liaise with HMRC to ensure compliance and chase up tax clearance where required. 	<ul style="list-style-type: none"> • As required by statute.
Statutory & compliance All companies	<ul style="list-style-type: none"> • Prepared and circulated progress report; • Preparation of the final progress report; and • Following the relevant procedures for ceasing to act. 	<ul style="list-style-type: none"> • As required by statute.
Closure Procedures All companies	<ul style="list-style-type: none"> • Completing checklists and diary management systems; • Closing down internal systems; and • Preparing and issuing final report to creditors 	<ul style="list-style-type: none"> • To ensure all outstanding matters are dealt with in good time. • Ensures an orderly case closure

Our future work

Area of work	Work undertaken	Whether or not the work will provide a financial benefit to creditors
Closure All Companies	<ul style="list-style-type: none">• Closing down internal systems.• Sending job files to storage.	<ul style="list-style-type: none">• No financial benefit. Necessary to ensure orderly closure of the administrations.
Accounting and treasury All Companies	<ul style="list-style-type: none">• Closure of bank accounts.	<ul style="list-style-type: none">• 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 an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Our relationships

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

Details of subcontracted work

The following work, which we or our staff would normally do, have been subcontracted to the parties listed below. This work has been subcontracted as we considered it more cost effective to do so and in certain cases these subcontractors could provide additional skills, knowledge or expertise which our team did not have.

Service provided	Name of firm / organisation	Reason outsourced	Basis of fees	Fees paid in the administration (£)
To undertake business rates and service charge review and subsequent recovery	CAPA	Industry expertise	Fixed fee of 15% of recoveries and negotiating/agreeing rent waivers resulting in rent savings	BGUKGP 46.2k HGO - 11.2K
Water rates review and refund recovery	Brownlow	Industry expertise	Fixed fee of 30% of recoveries	BGUKGP - 3.1K
To deal with the remaining LTO properties within the Blue Group	PHD	Industry expertise	Fixed fee per property per month	BGUKGP - 23.1k HGO - 12.4K

Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: Appointment related matters; Advice on RoT claims; Sale of business contracts; and Property related matters.	• Shoosmiths LLP	• Industry Expertise	• Time costs and disbursements
Advice in respect of Guardsman claim	• Fieldfisher LLP	• Industry Expertise	• Time costs and disbursements

Advice in respect of settlement of sums due from Creation	• Pythagoras Capital	• Industry Expertise	• Contingent fee based on asset realisations
Chattel agents and valuers	• Hilco Capital	• RICS asset/property valuers with industry expertise	• Contingent fee based on asset realisations
Advice in respect of interchange fee claim	• Henderson & Jones Limited	• Industry Expertise	• Contingent fee based on asset realisations

Appendix E: Pre-administration costs

At the date of our appointment as Joint Administrators, the unpaid pre-administration costs were as shown below:

Firm	Services	Initial amount unpaid (£)	Amount paid (£)	Balance outstanding (£)
PwC	Administrators-in-waiting	606,943.00	-	606,943.00
Shoosmiths	Sale and purchase agreement and administration planning	118,722.62	118,722.62	-
BDO	Marketing and sale process	18,749.27	18,748.27	-
Hilco	Valuation services	28,483.92	28,483.92	-
Total		772,897.81	165,954.81	606,943.00

Pre-administration costs due to Shoosmiths, BDO and Hilco were approved in respect of BGUKGP on 28 September 2021 and following our remuneration report these costs were also approved for BGUKB, BGUKM, HGO, WRGL and WRL on 26 October 2022.

In respect of the PwC - Administrators-in waiting costs, this amount applies to all costs incurred across all entities of the Blue Group on appointment. We are not seeking to recover these costs across the estates and they will be written off.

For further details on these pre-administration costs, please see the Proposals which can be downloaded from www.pwc.co.uk/bluegroup.

The below table shows a breakdown of the above costs per entity.

Firm	BGUKGP		BGUKB		BGUKM		HGO		WRL		WRGL	
	Approved (£)	Paid (£)	Approved (£)	Paid (£)	Approved (£)	Paid (£)	Approved (£)	Paid (£)	Approved (£)	Paid (£)	Approved (£)	Paid (£)
Shoosmiths	23,876.14	23,876.14	68,391.35	68,391.35	1,976.36	1,976.36	3,629.48	3,629.48	18,872.93	18,872.93	1,976.36	1,976.36
BDO	3,705.69	3,705.69	13,099.99	13,099.99	-	-	97.07	97.07	1,846.52	1,846.52	-	-
Hilco	412.50	412.50	26,158.92	26,158.92	-	-	412.50	412.50	1,500.00	1,500.00	-	-
Total	27,994.33	27,994.33	107,650.26	107,650.26	1,976.36	1,976.36	4,139.05	4,139.05	22,219.45	22,219.45	1,976.36	1,976.36

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	HGO	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

Blue Group UK Beds Limited: CR-2020-002902
Blue Group UK Manufacturing Limited: CR-2020-002897
Blue Group UK Group Properties Limited: CR-2020-002903
Homestyle Group Operations Limited: CR-2020-002904
Wellington Realisations Group Limited (formerly Relyon Group Limited): CR-2020-002901
Wellington Realisations Limited (formerly Relyon Limited): CR-2020-002899

Company's registered name:

Blue Group UK Beds Limited
Blue Group UK Manufacturing Limited
Blue Group UK Group Properties Limited
Homestyle Group Operations Limited
Wellington Realisations Group Limited (formerly Relyon Group Limited)
Wellington Realisations Limited (formerly Relyon Limited)

Trading name:

Bensons for Beds
Harveys / Harveys Furniture
Relyon

Registered number:

BGUKB: 08431253
BGUKM: 04209321
BGUKGP: 01024575
HGO: 03130486
WRGL: 00859590
WRL: 00470381

Date of the joint administrators' appointment:

30 June 2020

Joint administrators' names, addresses and contact details:

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 from 30 June 2020 to 8 December 2022

Extension(s) to the initial period of appointment:

Extensions approved by the relevant approving bodies on 1 June 2021 for all entities with the exception of PP7 and BGHCO for a period of 12 months to 29 June 2022.

Extension approved by the relevant approving body on 3 June 2021 for BGHCO for a period of 12 months to 29 June 2022.

Extension approved by the Court for all companies for a period of 12 months to 29 June 2023.
