

AM10

Notice of administrator's progress report



Companies House

THURSDAY



A67OF89K

A09

01/06/2017

#292

COMPANIES HOUSE

1 Company details

Company number 0 2 3 4 1 2 0 7

Company name in full Davenbush Limited

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

2 Administrator's name

Full forename(s) Philip Francis

Surname Duffy

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester M2 1EW

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Benjamin John

Surname Wiles

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Shard

Street 32 London Bridge Street

Post town London SE1 9SG

County/Region

Postcode

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 5	^m 1	^m 0	^y 2	^y 0	^y 1	^y 6
To date	^d 2	^d 4	^m 0	^m 4	^y 2	^y 0	^y 1	^y 7

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X  X

Signature date	^d 1	^d 8	^m 0	^m 5	^y 2	^y 0	^y 1	^y 7
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**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	Galina.Vassilyeva
Company name	Duff & Phelps Ltd.
Address	The Chancery 58 Spring Gardens
Post town	Manchester M2 1EW
County/Region	
Postcode	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Country	
DX	
Telephone	+44 (0) 121 214 1120

**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

Progress Report to Creditors

18 May 2017

**BHS Group Limited
SHB Properties Realisations Limited
(formerly BHS Properties Limited)
Davenbush Limited
Lowland Homes Limited**

(All In Administration)

*Joint Administrators' Progress Report to Creditors
for the period from 25 October 2016 to 24 April 2017
pursuant to Rule 8.6(1) of the Rules 2016 (as amended)*

**Duff & Phelps Ltd.
35 Newhall Street
Birmingham
B3 3PU**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	25 April 2016 being the date of appointment of the Joint Administrators
Arcadia	Arcadia Group Limited
Barclays	Barclays Bank Plc with whom the Companies banked
BHS	SHB Realisations Limited (formerly BHS Limited) (In Administration)
BHS Group / the Group	BHS Group Limited and its subsidiaries
BHS Group Limited	BHS Group Limited (In Administration)
SHB Properties	SHB Properties Realisations Limited (formerly BHS Properties Limited) (In Administration)
Carmen	Carmen Properties Limited, a subsidiary of the BHS Group, not in Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Companies	BHS Group Limited (Company Number: 03858895) SHB Properties Realisations Limited (Company Number: 02139762) Davenbush Limited (Company Number: 02341207) Lowland Homes Limited (Company Number: 05565259)
CVL	Creditors' Voluntary Liquidation
Davenbush	Davenbush Limited (In Administration)
DBEIS	The Department for Business, Energy & Industrial Strategy

the Directors

	BHS Group Ltd	SHB Properties Realisations Ltd	Davenbush Ltd	Lowland Homes Ltd
Dominic Chandler	Yes*	Yes*	Yes*	Yes*
Dominic Chappell	Yes	Yes	Yes	Yes
Lennart Henningson	Yes**	Yes**	Yes**	Yes**
Keith Smith	Yes	No	No	No
Darren Topp	Yes	No	No	No

*Dominic Chandler resigned from office on 6 July 2016

**Lennart Henningson resigned from office on 8 September 2016

DLA	DLA Piper UK LLP, the Joint Administrators' instructed legal advisors
Duff & Phelps	Duff & Phelps Ltd.
EC Regulation	EC Regulation on Insolvency Proceedings 2000
EPOCH	EPOCH Properties Limited, a subsidiary of the BHS Group not in Administration
EY	Ernst & Young
Grovepoint	Grovepoint Credit Funding 2 Limited
HMRC	HM Revenue and Customs
HSBC	HSBC Bank Plc
the Joint Administrators	Philip Duffy of Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW and Benjamin Wiles of Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG
the Joint Liquidators	Anthony Wright and Geoff Rowley of SHB Realisations Limited (Formerly BHS Limited) (In Liquidation) of FRP Advisory LLP, 110 Cannon Street, London EC4N 6EU
Lloyds	Lloyds Bank Plc with whom BHS Group Limited banked
Lowland	Lowland Homes Limited (In Administration)
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Property Agents	Savills Plc and CBRE Group Inc., both independent agents who have been instructed to advise on the sale of the properties of the Companies
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 13 June 2016
RAL	Retail Acquisitions Limited, the ultimate shareholder
the Reporting Period	25 October 2016 to 24 April 2017
the Rules	The Insolvency Rules 2016 (as amended)
Secured Creditors	The holders of a fixed and/or floating charge over the Companies' assets

SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Companies' financial position as at the Appointment Date
TPR	The Pensions Regulator

Contents

1. Introduction
2. *Joint Administrators' Report and Statement of Proposals*
3. Progress of the Administration
4. *Investigations*
5. Dividend Prospects / Prescribed Part
6. *Joint Administrators' Receipts and Payments Accounts*
7. Pre-Administration Costs
8. *Joint Administrators' Costs and Expenses*
9. Extension of the Administration and Conclusion
10. Next Report

Appendices

1. Statutory Information
2. Joint Administrators' Receipts and Payments Account
3. Analysis of Time Charged and Expenses Incurred
4. Creditors' Rights

Names of Joint Administrators: Philip Francis Duffy
Benjamin John Wiles

Date of appointments: 25 April 2016

Date of report: 18 May 2017

Appointed by: The Directors

Court references: See section 1.2

1. Introduction

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Directors of the Companies pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 1.2 The purpose of this report is to provide creditors with details of the progress of the Administrations for the Reporting Period, in accordance with Rule 18.6 (1) of the Rules.
- 1.3 The Court References are:
- BHS Group Limited (High Court of Justice No: 002221)
 - SHB Properties (High Court of Justice No: 002223)
 - Davenbush (High Court of Justice No: 002222)
 - Lowland (High Court of Justice No: 002224)
- 1.3 This report should be read in conjunction with the Joint Administrators' previous progress report dated 31 March 2017.
- 1.4 Statutory information on the Companies is attached at Appendix 1.

2. Joint Administrators' Report and Statement of Proposals

- 2.1 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting was held at The Shard, 32 London Bridge Street, London SE1 9SG on 30 June 2016 in the Administrations of Davenbush and SHB Properties. The Joint Administrators' Proposals were approved in the case of SHB Properties and approved with modifications in the case of Davenbush at that meeting.
- 2.2 In the cases of BHS Group and Lowland, in accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there will be insufficient realisations to enable a distribution to non-preferential creditors, other than via the prescribed part. No meeting was convened and in accordance with Rule 2.33(5) of the Rules, the Proposals were deemed to have been approved by creditors.
- 2.3 As advised in the Proposals report, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- Rescuing the Company as a going concern; or
 - Achieving a better result for the Company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.4 In accordance with Paragraph 49(2) of Schedule B1 to the Act the Joint Administrators note the following in respect of each of the Companies:
- The first objective will not be achieved as there are insufficient funds and assets available to enable the Companies to be rescued as a going concern. RAL had explored these options in detail and were unable to secure the working capital required.

- The Joint Administrators are pursuing the second objective as it is likely that a better result for the Companies' creditors as a whole will be achieved than if the Companies were wound up without first being in Administration for the following reasons:
 - In addition to being Joint Administrators of the Companies, the Joint Administrators were also appointed to the Group's principal trading subsidiary BHS. BHS had continued to trade during its Administration in order to explore a going concern sale of its business and assets and thereby enhance realisations for its creditors. By placing the Companies into Administration it should help to maximise the realisable value of the Companies' assets (particularly freehold and leasehold properties) which could have been included in any going concern sale of BHS's business rather than realised through a distressed disposal strategy from a winding-up. As previously reported, a sale of the whole Group was not possible and an orderly wind down was pursued. The Joint Liquidators were appointed on 2 December 2016 in regard to BHS.
 - The Joint Administrators of each of the Companies have been able to undertake their initial investigations into the Companies' affairs on a Group wide basis which may enhance any recoveries that might be realisable as a result of such investigations for the benefit of the Companies' creditors.
- 2.5 The third objective has been achieved in BHS Group, Davenbush and SHB Properties as a dividend has been paid to Secured Creditors of those Companies.
- 3. Progress of the Administration**
- 3.1 The manner in which the affairs and business of the Company have been managed since the Joint Administrators last progress report and will continue to be managed and financed are set out below.
- 3.2 The Companies were effectively property holding subsidiaries of the Group used to service the trade of BHS and without BHS there was limited trade that could be continued during the Administrations.
- 3.3 Since a going concern sale of the business and assets of the Group as a whole could not be achieved, the Joint Administrators have continued to work with their Property Agents to market the Companies' property assets for sale either individually or as a group of properties.
- 3.4 The Joint Administrators of SHB Properties are assisting with the sale of the properties owned by Carmen and its subsidiary companies of which SHB Properties is the sole shareholder. The nine Carmen properties are secured to HSBC by individual legal charges.
- 3.5 There have been no property sales in the reporting period, however, we are due to complete on several properties and the Joint Administrators will provide further details of these in the next progress report.
- 3.6 The Joint Administrators of SHB Properties are continuing to negotiate with several landlords to agree surrenders of the Company's leasehold interests, where there is no value to the Administration. By agreeing these surrenders the Joint Administrators continue to reduce non-preferential creditor claims for the benefit of the estate. The Joint Administrators have instructed MAPS Solutions Europe Ltd to provide security services at all the sites where the Companies and its subsidiaries have a freehold / leasehold interest.

- 3.7 The Joint Administrators are liaising with HM Revenue & Customs and the Joint Liquidators of BHS to cancel the Group VAT registration and set up individual VAT registrations for each of the Companies. The Joint Administrators have also finalised the reconciliation of the Companies' final Group VAT 100 submission along with the Joint Liquidators of SHB, this has ensured that the final balancing VAT reclaims/payments are conducted in the estates of the respective Companies.

Rents received / paid

- 3.8 SHB Properties has received rent refunds in the Reporting Period in the sum of £93,000.
- 3.9 The surrender of the lease at the Glasgow store is currently in progress. Following discussions with the landlord, the Joint Administrators of Davenbush Ltd have agreed a payment of £68,109 plus VAT to the landlord in respect of the rent due for the trading period and occupation by BHS from 25 May 2016 to 5 August 2016.

This has been paid by the Joint Administrators of SHB Properties on behalf of Davenbush Ltd, and will be reimbursed to the estate of SHB Properties from the Joint Liquidators of BHS in accordance with the occupational lease.

Book debts

- 3.10 None of the Companies had any third-party debtors.
- 3.11 The inter-company debtor position is as follows and please note that none of these accounts have been settled:

Owed To	Owed By	
	BHS Group Limited £'000	BHS £'000
BHS	48,793	
SHB Properties		53,153
Davenbush		31,390
Lowland		14,322
	48,793	98,865

- 3.12 As previously reported, it is anticipated that SHB Properties, Davenbush and Lowland Homes will receive an unsecured dividend distribution from BHS, however, the quantum and timing is unknown. It is likely that BHS Group Limited will be able to pay a small dividend to BHS on its claim under the Prescribed Part.
- 3.13 BHS Group Limited entered into a loan agreement with RAL, its parent company, in December 2015, in the sum of £6.1m. The Joint Administrators believe that RAL is now in default and, accordingly, the outstanding principal sum, together with interest, is now payable. In the absence of payment of the debt, the Joint Administrators petitioned the High Court of Justice for RAL to be wound-up.

- 3.14 RAL submitted further evidence on 9 March 2017. Subsequently the Joint Administrators have submitted their response to RAL's submissions. A full hearing is likely to commence at the end of April 2017.
- 3.15 In the event of RAL's liquidation the ultimate financial recovery for the creditors of BHS Group is not yet known as it will be dependent upon realising any assets of RAL, an investigation into its financial affairs, and the extent of liabilities or claims which may be made against it either by BHS Group or others.

Investments

- 3.16 SHB Properties and BHS Group Limited hold an investment (shareholding) in Carmen. HSBC holds a fixed charge over the shares of Carmen and separate legal charges over Carmen's property undertakings.
- 3.17 Carmen owns 100% of the shares in several property holding companies which in turn own several properties from which BHS traded. Based on current information there is unlikely to be a return on this investment.

Payments on behalf of the Group companies

- 3.18 The Joint Administrators of SHB Properties have made payments on behalf of its subsidiaries and Group companies to facilitate ongoing property sales. These costs relate to security, maintenance and insurance costs. These sums will be reimbursed once property sales connected with these companies are completed.

4. Investigations

- 4.1 The Joint Administrators' investigations into the Company's affairs are currently ongoing. The Joint Administrators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, as requested previously, should any of the Company's creditors have information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please contact this office.
- 4.2 During the Joint Administrators' preliminary investigations there are a number of transactions that on the face of it may require investigation, including certain Group property disposals. Additional information is required to understand the true nature of the transactions. The Joint Administrators will keep the creditors informed of any significant developments, as pursuing such claims can be timely and expensive, resulting in little return to the creditors.
- 4.3 The Joint Administrators continue to fully co-operate with the investigation being undertaken by The Insolvency Service and TPR into the Group.

5. Dividend Prospects / Prescribed Part

Secured Creditors

Arcadia

- 5.1 Each of the Companies has granted a debenture, containing a floating charge, to Arcadia covering all of the property (excluding certain real property assets) and undertaking of each of the Companies. The charges were created on 14 April 2015 and registered on 23 April

2015. The charges were granted in accordance with the agreement for the sale of the entire share capital of BHS Group Limited on 11 March 2015. These floating charges secure a debt of up to £40m due to Arcadia. The debt outstanding to Arcadia at the Appointment Date was £35m, subject to accruing interest and charges.

- 5.2 The validity of Arcadia's charge has been confirmed by DLA, however, we understand that the Joint Liquidators of BHS are investigating additional matters which they say may impact on the validity. The Joint Administrators estimate that the secured debt will be repaid in full from floating charge realisations of BHS, which is likely to mean that BHS will then be subrogated to Arcadia's security in each of the Companies.

Grovepoint

- 5.3 SHB Properties and Davenbush granted a legal charge dated 11 September 2015 to Grovepoint over a property portfolio covering ten freehold and leasehold properties owned by SHB Properties and BHS and one leasehold property owned by Davenbush. These charges secured a principal debt of £19m due to Grovepoint at the Appointment Date.
- 5.4 Grovepoint has been repaid in full from distributions under its fixed charge security following the sale of properties owned by BHS Properties and BHS. The Joint Administrators have distributed the sum of £10.4m to Grovepoint from the sale of the Manchester property owned by SHB Properties, the balance was paid by BHS.

HSBC

- 5.5 SHB Properties and BHS Group Limited granted a fixed charge over the shares they held in Carmen and EPOCH (both Jersey registered entities) to HSBC. At the Appointment date, HSBC was owed £43.5m by Carmen and £11.3m by BHS Group Limited. BHS Properties and BHS Group Limited are guarantors to these facilities.
- 5.6 Following the sale of the shares in EPOCH, £17.7m was distributed direct to HSBC after deductions of professional costs. This extinguished the liability of BHS Group and the balance of £6.4m was set off against the sums owed by Carmen.
- 5.7 *The Joint Administrators estimate that HSBC will receive further returns from property realisations under its fixed charge security over the remaining properties within Carmen.*

Preferential Creditors

- 5.8 The Companies did not have any employees at the Appointment Date. All employee contracts were held by BHS. For this reason there will be no preferential claims arising in the Administrations of the Companies.

Prescribed Part

- 5.9 The Companies granted floating charges to Arcadia Group on 14 April 2015 and the Prescribed Part provisions will apply. The prescribed part will be dependent on the level of property and inter-company debtor realisations. At this stage the Joint Administrators cannot provide further details as the realisation strategy is ongoing.

Unsecured Creditors

- 5.10 Claims received to date against each of the Companies are as follows:

Company	Claims received £'000
BHS Group Limited	2,958
SHB Properties	62,091
Lowland	2,958
Davenbush	344,271

- 5.11 Depending on realisations in other group companies, and the operation of subrogation and set-off principles, the unsecured creditors of SHB Properties and Davenbush may receive a dividend over and above the Prescribed Part dividend. It is not possible to provide an estimate of the level of any such dividend at this time due to ongoing asset realisations.
- 5.12 If not already done so creditors of the Companies should complete the appropriate proof of debt form and return it to the Joint Administrators.

6. Joint Administrators' Receipts and Payments Account

- 6.1 Detailed receipts and payments account, for the Reporting Period are shown in Appendix 2.
- 6.2 As at 14 February 2017 SHB Properties, BHS Group Limited and Davenbush had cash balances of £1,182,704, £37,948 and £1,472 respectively and Lowland had a nil balance.

7. Pre-Administration Costs

- 7.1 As advised previously, the Joint Administrators will not draw any Pre-Appointment costs from the Companies as the work undertaken was primarily to plan for the Administration and continued trading of BHS.

8. Joint Administrators' Costs and Expenses

- 8.1 In the cases of BHS Group Limited and Lowland, the Joint Administrators' basis of remuneration was approved on the basis of time properly given by them and their staff by the Secured Creditors on 22 June 2016. The Joint Administrators' disbursements, including Category 2 disbursements, were also approved on that date.
- 8.2 In the cases of SHB Properties and Davenbush, the Joint Administrators' basis of remuneration was fixed on the basis of time properly given at the creditors' meeting held on 30 June 2016. In the case of Davenbush, the creditors approved modifications to the Joint Administrators' Proposals to the effect that future costs are reduced by 15% (based on Duff & Phelps' current regional charge-out rates) and fees are to be drawn with the prior approval of the majority of voting creditors by value.
- 8.3 The time costs charged during the Reporting Period by Duff & Phelps are as analysed at Appendix 3. Time has been charged in six minute units. In BHS Group the secured creditor approved the Joint Administrators' latest fee estimate in the sum of £104,162.50. The Joint

Administrators have drawn remuneration in the sum of £75,274 to date. The actual time costs incurred from 25 April 2016 to 31 March 2017 is £131,138.90. The Joint Administrators have spent significant time reviewing the financial position of the company and completing their investigations. At present, it is unlikely that the Joint Administrators will draw fees in excess of their fee estimate, however should additional realisations be made from the ongoing investigations the Joint Administrators will liaise with the secured creditor to obtain approval of an increased fee estimate.

- 8.4 With regard to SHB Properties, the secured creditor and the unsecured creditors approved the Joint Administrators' latest fee estimate in the sum of £197,702. The Joint Administrators have drawn remuneration in the sum of £167,456 to date. The actual time costs incurred from 25 April 2016 to 31 March 2017 is £280,607.65. The Joint Administrators have spent significant time dealing with the freehold and leasehold property matters and tax related work. The Joint Administrators will report to creditors regarding future modifications to the fee estimate together with full explanations. In the interim, should any creditors have any queries regarding this please do not hesitate to contact the Joint Administrators.
- 8.5 Time costs have not been paid in the Reporting Period in respect of the Joint Administrators' post appointment remuneration in the Davenbush or Lowland Administration.
- 8.6 In Davenbush Limited the actual time costs incurred from 25 April 2016 to 31 March 2017 is £26,699.75. The time costs charged during the Reporting Period by the Joint Administrators are as analysed at Appendix 3.
- 8.7 In Lowland Homes Limited the actual time costs incurred from 25 April 2016 to 31 March 2017 is £17,275.75. The time costs charged during the Reporting Period by the Joint Administrators are as analysed at Appendix 3.
- 8.8 The Joint Administrators' disbursements are also detailed at Appendix 3.
- 8.9 The Joint Administrators have incurred expenses in dealing with the Administration of the Company and these are detailed in Appendix 3.
- 8.10 Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Duff & Phelps' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 8.11 In accordance with Rule 2.48A of the Rules, Secured Creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured creditor claims) or with the permission of the court, may make a request in writing for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond.
- 8.12 In addition to the above, any Secured Creditor, or any unsecured creditor (with the support of at least 10% in value of the total unsecured creditors) or with the permission of the court, may apply to the court on the grounds that the remuneration or basis fixed for the Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs.

8.13 During the Reporting Period time costs has primarily been incurred in the following areas:

- Case strategy, administration and fulfilling statutory requirements;
- Continuing Investigations into the conduct of directors and pre-appointment transactions;
- liaising with Secured Creditors in respect of property matters (SHB Properties and Davenbush);
- Managing the marketing and disposal of properties and collection of sub-tenant rents (SHB Properties and Davenbush);
- Liaising with HM Revenue & Customs and dealing with the tax affairs of the Group;
- Substantiating and pursuing the debtor balance due from RAL in the case of BHS Group Limited.

8.14 A statement of creditors' rights concerning the Joint Administrators' fees is enclosed as Appendix 4.

9. Extension of the Administration and Conclusion

9.1 An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.

9.2 The duration of the Administration for BHS Group and Lowland has been extended for a period of 12 months to 24 April 2018 by the consent of the each secured creditor in accordance with para 78 Schedule B1 of the Act, and by the consent of the creditors in accordance with para 78 Schedule B1 of the Act for SHB Properties and Davenbush.

9.3 If it transpires that asset realisations are sufficient to enable a distribution to be made to the unsecured creditors at a level greater than the Prescribed Part, the Joint Administrators are likely to recommend that the appropriate Companies be moved into CVL.

9.4 In the event that there are insufficient realisations to permit a distribution to the unsecured creditors, over and above the Prescribed Part, the Joint Administrators recommend that the Companies be dissolved. In this event, it is proposed that once all outstanding matters have been satisfactorily completed, the Joint Administrators will give notice to the Registrar of Companies under Paragraph 84 of the Act to the effect that the Companies have no property to realise which might permit a distribution to the non-preferential unsecured creditors at which time the Administrations will cease. The Companies will be dissolved three months following the registration of the notice at the Registrar of Companies.

9.5 In the proposals the choice of exit route from Administration was left open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

10. Next Report

10.1 Generally the Joint Administrators will provide a Progress Report within one month of the end of the each six months of the Administration or earlier if an extension to the period of the Administration is required.

10.2 On present information, the next report to creditors in these cases will be the 3rd six monthly statutory progress report, which shall be provided to creditors in those cases no later than 24 November 2017.

- 10.3 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Galina Vassilyeva of this office.



Philip Duffy
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Philip Duffy and Benjamin Wiles, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory information

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)**
Progress Report to Creditors
18 May 2017

Statutory Information	BHS Group Limited	SHB Properties Realisations Limited	Davenbush Limited	Lowland Homes Limited
Date of Incorporation	14 October 1999	10 June 1987	30 January 1989	15 September 2005
Registered Number	03858895	02139762	02341207	05585259
Company Directors	Dominic Chappell Dominic Chandler (Resigned 6 July 2016) Lennart Henningson (Resigned 8 September 2016) Keith Smith Darren Topp	Dominic Chappell Dominic Chandler (Resigned 6 July 2016) Lennart Henningson (Resigned 8 September 2016)	Dominic Chappell Dominic Chandler (Resigned 6 July 2016) Lennart Henningson (Resigned 8 September 2016)	Dominic Chappell Dominic Chandler (Resigned 6 July 2016) Lennart Henningson (Resigned 8 September 2016)
Company Secretary	Emma Reid (Resigned 13 July 2016)	Emma Reid (Resigned 13 July 2016)	Emma (Resigned 13 July 2016)	Emma Reid (Resigned 13 July 2016)
Shareholders	Retail Acquisitions Limited 42,000,000 Ordinary Shares	BHS Group Limited 10,000,000 Ordinary Shares	BHS Group Limited 912 Ordinary Shares	BHS Limited 2 Ordinary Shares
Trading Address	129-137 Marylebone Road London, NW1 5QD	129-137 Marylebone Road London, NW1 5QD	129-137 Marylebone Road London, NW1 5QD	129-137 Marylebone Road London, NW1 5QD
Registered Office	Current: c/o Duff & Phelps Ltd. The Shard 32 London Bridge Street London, SE1 9SG Former: 129-137 Marylebone Road London, NW1 5QD	Current: c/o Duff & Phelps Ltd. The Shard 32 London Bridge Street London, SE1 9SG Former: 129-137 Marylebone Road London, NW1 5QD	Current: c/o Duff & Phelps Ltd. The Shard 32 London Bridge Street London, SE1 9SG Former: 129-137 Marylebone Road London, NW1 5QD	Current: c/o Duff & Phelps Ltd. The Shard 32 London Bridge Street London, SE1 9SG Former: 129-137 Marylebone Road London, NW1 5QD
Any Other Trading Names	N/A	N/A	N/A	N/A

Appendix 2

Joint Administrators' Receipts and Payments Account

**BHS Group Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 25/10/2016 To 24/04/2017 £	From 25/04/2016 To 24/04/2017 £
ASSET REALISATIONS		
Cash at Bank	NIL	121,003.45
Bank Interest Gross	NIL	1.18
	<u>NIL</u>	<u>121,004.63</u>
COST OF REALISATIONS		
Joint administrators' remuneration	75,273.97	75,273.97
Joint administrators' disbursements	7,782.42	7,782.42
	<u>(83,056.39)</u>	<u>(83,056.39)</u>
	<u><u>(83,056.39)</u></u>	<u><u>37,948.24</u></u>
REPRESENTED BY		
VAT Receivable		16,611.28
Floating/main current account		21,336.96
		<u><u>37,948.24</u></u>

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

SHB Properties Realisations Limited (formerly BHS Properties Limited)
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 25/10/2016 To 24/04/2017 £	From 25/04/2016 To 24/04/2017 £
POST APPOINTMENT SALES		
Miscellaneous Income	1,800.00	1,800.00
	<u>1,800.00</u>	<u>1,800.00</u>
TRADING SURPLUS/(DEFICIT)	<u>1,800.00</u>	<u>1,800.00</u>

DUFF & PHELPS

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

SHB Properties Realisations Limited (formerly BHS Properties Limited)
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 25/10/2016 To 24/04/2017 £	From 25/04/2016 To 24/04/2017 £
SECURED ASSETS		
Freehold Land & Property	NIL	12,000,000.00
Gross bank interest - fixed account	39.53	39.53
	<u>39.53</u>	<u>12,000,039.53</u>
COSTS OF REALISATION		
Agents/Valuers Fees	63,250.00	63,250.00
Legal Fees	7,035.00	7,035.00
Fixed bank charges	352.90	352.90
	<u>(70,637.90)</u>	<u>(70,637.90)</u>
SECURED CREDITORS		
Chargeholder (1)	NIL	10,412,904.81
	<u>NIL</u>	<u>(10,412,904.81)</u>
ASSET REALISATIONS		
Leasehold Property (1)	NIL	100,000.00
Returned Rent on Completion	NIL	31,902.09
Bank Interest Gross	2.94	937.45
Rent Refund	93,000.00	93,000.00
Trading Surplus/(Deficit)	1,800.00	1,800.00
Subtenant Rent	(30,692.31)	7,384.88
	<u>64,110.63</u>	<u>235,024.42</u>
COST OF REALISATIONS		
Rent	NIL	13,918.00
Payments on behalf of Belfast Propco	30,060.50	30,060.50
Payments on behalf of SHB Darlington	2,521.15	2,521.15
Payments made on behalf of Davenbu	45,805.97	45,805.97
Payments on behalf of BHS (Jersey)	2,453.70	2,453.70
Payments made on behalf of Carmen	114,976.56	114,976.56
IT Service	3,095.84	3,095.84
Joint administrators' remuneration	167,455.50	167,455.50
Joint administrators' disbursements	1,514.99	1,514.99
Agents/Valuers Fees	101,924.61	101,924.61
Stationery & Postage	187.60	241.01
Rents Payable	68,109.42	68,109.42
Property Maintenance costs	44,177.76	44,177.76
Insurance of Assets	70,353.84	70,353.84
Bank Charges	41.65	59.99
	<u>(652,679.09)</u>	<u>(666,668.84)</u>
	<u><u>(659,166.83)</u></u>	<u><u>1,084,852.40</u></u>
REPRESENTED BY		
VAT Receivable		72,034.60
Fixed bank account		1,026,210.26
Floating/main current account		(12,179.32)
VAT Receivable Davenbush		1,128.76
VAT Receivable Carmen		2,642.00
VAT Receivable BHS (Jersey)		50.00
 VAT payable		(5,528.24)
General VAT control account		494.34
		<u><u>1,084,852.40</u></u>

**Davenbush Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 25/10/2016 To 24/04/2017 £	From 25/04/2016 To 24/04/2017 £
ASSET REALISATIONS		
Bank Interest Gross	0.04	0.04
Subtenant rent	NIL	2,471.69
	<u>0.04</u>	<u>2,471.73</u>
COST OF REALISATIONS		
Agents/Valuers Fees	1,000.00	1,000.00
Stationery & Postage	6.20	6.20
	<u>(1,006.20)</u>	<u>(1,006.20)</u>
	<u>(1,006.16)</u>	<u>1,465.53</u>
REPRESENTED BY		
VAT Receivable		201.24
Floating/main current account		1,264.29
		<u>1,465.53</u>

Lowland Homes Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 25/10/2016 To 24/04/2017 £	From 25/04/2016 To 24/04/2017 £
	NIL	NIL
REPRESENTED BY		NIL

Appendix 3

Analysis of Time Charged and Expenses Incurred

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

BHS Group Limited (In Administration)

Analysis of the Joint Administrators' Time costs for the period 25 April 2016 to 14 April 2017

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary	10.20	5.15	0.00	5.50	0.00	20.85	8,288.50	397.53
Cashiering & accounting	7.00	0.00	0.50	9.00	0.00	16.50	5,356.25	324.62
IPS set up & maintenance	0.00	0.00	0.20	1.90	0.00	2.10	275.50	131.19
Statement of affairs	0.00	2.35	0.00	2.85	0.00	5.20	1,242.75	238.99
Statutory matters (Meetings & Reports & Notices)	0.00	42.20	25.00	46.60	0.90	114.70	30,335.00	264.47
Strategy planning & control	6.80	8.15	2.50	3.00	0.00	20.45	8,246.00	403.23
Tax Compliance/Planning	0.00	1.65	11.20	0.20	0.00	13.05	4,007.00	307.05
Creditors								
Communications with Creditors/Employees	2.70	3.10	0.30	0.70	0.00	6.80	2,974.00	437.35
Secured Creditors	0.00	15.00	1.30	0.20	0.00	16.50	6,618.50	401.12
Investigations								
CDDA & reports & Communication	0.00	3.20	0.20	2.40	0.00	5.80	1,677.00	289.14
Financial review and investigations (S238/239 etc) and D&I	67.95	222.60	0.30	2.75	8.25	301.85	108,022.15	357.87
Realisation of Assets								
Freehold and Leasehold Property	0.00	1.60	3.00	3.40	0.00	8.00	2,192.00	274.00
Other Tangible Assets	0.00	0.00	2.10	0.00	0.00	2.10	177.00	84.29
Pre-Appointment Tax Reclaims	0.00	0.00	0.50	0.00	0.00	0.50	170.00	340.00
Other Intangible Assets	0.00	0.00	1.50	0.00	0.00	1.50	427.50	285.00
Book debts	0.00	0.00	1.00	0.00	0.00	1.00	285.00	285.00
Trading								
Trading - Accounting	0.00	0.00	0.00	0.80	0.00	0.80	92.00	115.00
Total Hours:	94.85	385.00	49.60	79.30	9.15	537.70		335.48
Total Fees Claimed:	47,144.75	187,557.00	14,088.40	10,312.50	1,273.50		180,386.15	

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

BHS Group Limited (In Administration)								
Analysis of the Joint Administrators' Time costs for the period 25 October 2016 to 24 April 2017								
Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary	9.70	2.70	0.00	0.10	0.00	12.50	6,225.00	498.00
Cashiering & accounting	7.00	0.00	0.30	3.70	0.00	11.00	4,337.75	394.34
Statement of affairs	0.00	0.00	0.00	2.35	0.00	2.35	270.25	115.00
Statutory matters (Meetings & Reports & Notices)	0.00	30.50	20.70	33.00	0.00	84.20	22,806.00	270.86
Strategy planning & control	5.80	1.10	2.50	0.50	0.00	9.90	4,331.00	398.74
Tax Compliance/Planning	0.00	1.50	11.20	0.00	0.00	12.70	3,921.00	312.52
Creditors								
Communications with Creditors/Employees	1.70	0.00	0.30	0.20	0.00	2.20	1,009.50	486.32
Secured Creditors	0.00	0.00	1.30	0.00	0.00	1.30	376.50	289.62
Investigations								
Financial review and Investigations (S238/239 etc) and D&I	67.95	170.60	0.30	0.00	8.25	247.10	95,147.15	385.06
Realisation of Assets								
Book debts	0.00	0.00	1.00	0.00	0.00	1.00	285.00	285.00
Freehold and Leasehold Property	0.00	0.10	3.00	3.00	0.00	6.10	1,468.00	212.86
Other Tangible Assets	0.00	0.00	2.10	0.00	0.00	2.10	604.50	295.00
Trading								
Trading - Operations	0.00	0.00	0.00	0.80	0.00	0.80	92.00	115.00
Total Hours:	92.15	206.50	42.70	43.85	8.25	393.25		358.23
Total Fees Claimed:	45,819.75	75,961.00	12,496.90	5,358.50	1,237.50		140,873.65	

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

SHB Properties Realisations Limited (Formerly BHS Properties Limited) (In Administration)
Analysis of the Joint Administrators' Time costs for the period 25 April 2016 to 24 April 2017

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary	2.50	4.30	0.00	5.90	0.00	12.70	3,985.00	313.78
Cashiering & accounting	0.00	0.30	11.90	34.50	0.00	46.70	10,539.00	225.67
Dealings with Directors and Management	0.00	0.00	0.00	5.80	0.00	5.80	667.00	115.00
IPS set up & maintenance	0.00	0.00	0.20	2.70	0.00	2.90	405.00	139.66
Insurance	0.00	1.30	0.00	0.50	0.00	1.80	680.00	350.00
Statement of affairs	0.00	2.35	0.00	0.00	0.00	2.35	915.00	389.36
Statutory matters (Meetings & Reports & Notices)	0.00	42.70	16.80	52.10	0.00	112.20	28,864.00	257.25
Strategy planning & control	3.50	23.40	6.00	2.10	0.00	35.00	13,675.50	390.73
Tax Compliance/Planning	0.00	4.75	29.00	0.20	0.00	33.95	10,560.00	311.05
Creditors								
Communications with Creditors/Employees	4.00	0.00	1.20	1.55	0.20	6.95	2,651.25	381.47
Creditors committee	1.00	0.00	0.00	0.00	0.00	1.00	530.00	530.00
Non Pref Creditors/Employee claims handling	0.00	0.00	0.60	0.60	0.00	1.20	246.00	205.00
Secured Creditors	0.00	2.00	0.00	0.20	0.00	2.20	782.00	355.45
Investigations								
CDDA & reports & Communication	0.00	2.00	0.00	2.00	0.00	4.00	980.00	245.00
Financial review and investigations (S238/239 etc)	0.00	1.00	0.00	0.00	0.00	1.00	420.00	420.00
Realisation of Assets								
Book debts	0.00	0.20	1.70	0.00	0.00	1.90	559.50	294.47
Freehold and Leasehold Property	0.00	255.93	48.70	379.25	0.00	683.88	220,638.90	322.63
Other Tangible Assets	0.00	1.60	0.00	0.00	0.00	1.60	872.00	420.00
Pre-Appointment Tax Reclaims	0.00	0.50	0.00	0.00	0.00	0.50	210.00	420.00
Sale of business	0.00	0.75	0.00	0.00	0.00	0.75	315.00	420.00
Other Intangible Assets	0.00	0.00	0.80	0.00	0.00	0.80	228.00	285.00
Trading								
Trading - Accounting	0.00	1.75	1.60	0.80	0.00	4.15	1,511.00	364.10
Trading - Operations	0.00	0.00	0.60	3.40	0.00	4.00	568.00	142.00
Total Hours:	11.00	344.83	119.10	491.60	0.80	967.33		310.75
Total Fees Claimed:	5,830.00	142,876.10	36,362.00	115,502.05	32.00		300,602.15	

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

SHB Properties Realisations Limited (Formerly BHS Properties Limited) (In Administration) Analysis of the Joint Administrators' Time costs for the period 25 October 2016 to 24 April 2017								
Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary	2.50	2.80	0.00	0.30	0.00	5.40	2,403.50	445.09
Cashiering & accounting	0.00	0.30	10.50	33.20	0.00	44.00	9,861.50	224.13
Dealings with Directors and	0.00	0.00	0.00	5.80	0.00	5.80	667.00	115.00
Insurance	0.00	1.30	0.00	0.50	0.00	1.80	680.00	377.78
Statutory matters (Meetings & Reports & Notices)	0.00	27.05	13.40	35.80	0.00	76.25	19,886.00	260.80
Strategy planning & control	1.50	4.00	6.00	2.10	0.00	13.60	4,494.50	330.48
Tax Compliance/Planning	0.00	3.00	27.80	0.00	0.00	30.80	9,389.00	306.83
Creditors								
Communications with Creditors/Employees	0.00	0.00	1.20	0.85	0.00	2.05	442.75	215.98
Non Pref Creditors/Employee claims handling	0.00	0.00	0.60	0.00	0.00	0.60	177.00	295.00
Investigations								
Financial review and investigations (S238/239 etc)	0.00	1.00	0.00	0.00	0.00	1.00	420.00	420.00
Realisation of Assets								
Book debts	0.00	0.20	1.70	0.00	0.00	1.90	559.50	294.47
Freehold and Leasehold Property	0.00	92.05	36.80	183.35	0.00	312.20	98,652.75	315.99
Other Intangible Assets	0.00	0.00	0.80	0.00	0.00	0.80	228.00	285.00
Trading								
Trading - Accounting	0.00	0.00	0.80	0.20	0.00	1.00	350.00	350.00
Trading - Operations	0.00	0.00	0.00	3.40	0.00	3.40	391.00	115.00
Total Hours:	4.00	131.50	88.40	285.50	0.00	500.40		296.87
Total Fees Claimed:	2,120.00	55,780.50	30,093.50	60,628.50	0.00		148,602.50	

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

Davenbush Limited (In Administration)

Analysis of the Joint Administrators' Time costs for the period 25 April 2016 to 24 April 2017

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary management	1.20	3.45	0.80	3.00	0.00	8.25	2,487.00	301.45
Cashiering & accounting	0.00	0.00	1.30	2.10	0.00	3.40	804.00	236.47
IPS set up & maintenance	0.00	0.00	0.20	2.10	0.00	2.30	298.50	129.78
Statement of affairs	0.00	1.50	0.00	0.00	0.00	1.50	585.00	390.00
Statutory matters (Meetings & Reports & Notices)	0.00	24.75	17.40	25.95	0.60	68.70	18,124.25	263.82
Strategy planning & control	0.00	1.30	1.30	0.00	0.00	2.60	902.50	347.12
Tax Compliance/Planning	0.00	0.00	13.20	0.20	0.00	13.40	3,904.00	291.34
Creditors								
Communications with Creditors/Employees	0.00	0.00	0.30	1.30	0.20	1.80	243.00	135.00
Non Pref Creditors/Employee claims handling	0.00	0.00	0.00	0.30	0.00	0.30	34.50	115.00
Secured Creditors	0.00	0.20	0.00	0.00	0.00	0.20	84.00	420.00
Investigations								
CDDA & reports & Communication	0.00	1.40	0.00	2.00	0.00	3.40	755.00	222.06
Financial review and Investigations (S236/239 etc)	0.00	1.00	0.00	0.00	0.00	1.00	420.00	420.00
Realisation of Assets								
Book debts	0.00	0.20	0.70	0.00	0.00	0.90	274.50	305.00
Freehold and Leasehold Property	0.00	5.00	2.60	3.50	0.00	11.10	3,847.50	346.62
Other Intangible Assets	0.00	0.00	0.60	0.00	0.00	0.60	171.00	285.00
Trading								
Trading - Operations	0.00	0.00	0.00	0.90	0.00	0.90	103.50	115.00
Total Hours:	1.20	38.80	38.20	41.35	0.80	120.35		274.52
Total Fees Claimed:	636.00	15,673.50	11,281.50	5,415.25	32.00		33,038.25	

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

Davenbush Limited (In Administration)

Analysis of the Joint Administrators' Time costs for the period 25 October 2016 to 24 April 2017

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary management	1.20	1.85	0.80	0.10	0.00	3.75	1,553.50	414.27
Cashiering & accounting	0.00	0.00	1.20	1.60	0.00	2.80	714.50	255.18
Statutory matters (Meetings & Reports & Notices)	0.00	9.35	13.80	12.05	0.00	35.20	9,407.25	267.25
Strategy planning & control	0.00	0.70	1.30	0.00	0.00	2.00	677.50	338.75
Tax Compliance/Planning	0.00	0.00	12.40	0.00	0.00	12.40	3,645.00	293.95
Creditors								
Communications with Creditors/Employees	0.00	0.00	0.30	0.00	0.00	0.30	85.50	285.00
Investigations								
Financial review and investigations (S236/239 etc)	0.00	1.00	0.00	0.00	0.00	1.00	420.00	420.00
Realisation of Assets								
Book debts	0.00	0.20	0.70	0.00	0.00	0.90	274.50	305.00
Freehold and Leasehold Property	0.00	3.40	2.60	1.50	0.00	7.50	2,845.50	352.73
Other Intangible Assets	0.00	0.00	0.60	0.00	0.00	0.60	171.00	285.00
Trading								
Trading - Operations	0.00	0.00	0.00	0.90	0.00	0.90	103.50	115.00
Total Hours:	1.20	16.50	33.50	16.15	0.00	67.35		292.47
Total Fees Claimed:	636.00	6,942.00	9,902.50	2,217.25	0.00		19,697.75	

DUFF & PHELPS

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

Lowland Homes Limited (In Administration)

Analysis of the Joint Administrators' Time costs for the period 25 April 2016 to 24 April 2017

<i>Classification of Work Function</i>	<i>Partner</i>	<i>Manager</i>	<i>Hours Senior</i>	<i>Assistant</i>	<i>Support</i>	<i>Total Hours</i>	<i>Time Cost (£)</i>	<i>Avg Hourly Rate (£)</i>
Administration and Planning								
Case review and Case Diary management	0.50	3.45	0.00	3.60	0.00	7.55	2,008.00	265.96
Cashiering & accounting	0.00	0.00	0.10	0.20	0.00	0.30	55.00	183.33
IPS set up & maintenance	0.00	0.00	0.20	1.80	0.00	2.00	264.00	132.00
Statement of affairs	0.00	1.75	0.00	0.00	0.00	1.75	690.00	394.29
Statutory matters (Meetings & Reports & Notices)	0.00	16.70	12.30	18.55	0.60	48.15	12,647.75	262.67
Strategy planning & control	0.50	1.30	1.40	0.00	0.00	3.20	1,197.00	374.06
Tax Compliance/Planning	0.00	0.00	12.30	0.20	0.00	12.50	3,638.50	291.08
Creditors								
Communications with Creditors/Employees	0.00	0.00	0.30	0.50	0.00	0.80	143.00	178.75
Investigations								
CDDA & reports & Communication	0.00	2.00	0.00	2.00	0.00	4.00	980.00	245.00
Financial review and investigations (S238/239 etc)	0.00	1.00	0.00	0.00	0.00	1.00	420.00	420.00
Realisation of Assets								
Book debts	0.00	0.20	0.90	0.00	0.00	1.10	331.50	301.36
Other Intangible Assets	0.00	0.00	0.80	0.00	0.00	0.80	228.00	285.00
Trading								
Trading - Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours:	1.90	26.40	28.30	26.85	0.60	83.15		271.83
Total Fees Claimed:	530.00	10,614.00	8,382.00	3,132.75	24.00		22,602.75	

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

Lowland Homes Limited (In Administration)								
Analysis of the Joint Administrators' Time costs for the period 25 October 2016 to 24 April 2017								
Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary management	0.50	1.85	0.00	0.10	0.00	2.45	1,005.50	410.41
Cashiering & accounting	0.00	0.00	0.00	0.10	0.00	0.10	11.50	115.00
Statutory matters (Meetings & Reports & Notices)	0.00	6.90	10.10	9.95	0.00	26.95	7,079.75	262.70
Strategy planning & control	0.50	0.70	1.40	0.00	0.00	2.60	972.00	373.85
Tax Compliance/Planning	0.00	0.00	11.50	0.00	0.00	11.50	3,379.50	293.87
Creditors								
Communications with Creditors/Employees	0.00	0.00	0.30	0.00	0.00	0.30	85.50	285.00
Investigations								
Financial review and investigations (\$238/239 etc)	0.00	1.00	0.00	0.00	0.00	1.00	420.00	420.00
Realisation of Assets								
Book debts	0.00	0.20	0.90	0.00	0.00	1.10	331.50	301.36
Other Intangible Assets	0.00	0.00	0.80	0.00	0.00	0.80	228.00	285.00
Trading								
Trading - Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours:	1.00	10.65	25.00	10.15	0.00	46.80		288.74
Total Fees Claimed:	530.00	4,449.00	7,322.00	1,212.25	0.00		13,513.25	

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

**BHS Group Limited (In Administration)
Joint Administrators' Expenses**

Company	Activity	Fee Basis	Reporting Period	
			Incurring (£)	Amount Paid (£)
Professional Advisors			£	
Ernst & Young LLP*	Corporation Tax/VAT advice and returns	Time costs	42,000.00	0.00
DLA	Solicitors instructed to provide legal advice	Time costs	54,769.95	0.00
TOTAL			£96,769.95	£0.00

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

*Please note that this cost represents the work conducted by Ernst & Young in regard to the Companies' corporation tax obligations and this includes Ernst & Young's costs incurred in regard to all Group companies.

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

**BHS Group Limited (In Administration)
Joint Administrators' Disbursements**

Company	Reporting Period		For the period 25 April 2016 to 24 April 2017	
	Incurred (£)	Amount Paid (£)	Incurred (£)	Amount Paid (£)
Category 1				
Statutory advertising	0.00	0.00	0.00	0.00
Postage	81.84	0.00	280.75	198.91
Travel	177.46	0.00	1,264.78	1,087.32
Subsistence/Other Expenses	0.00	0.00	6,271.19	6,271.19
Bond premium	0.00	0.00	225.00	225.00
Total Category 1 disbursements	259.30	0.00	8,041.72	7,782.42
Category 2				
Mileage @ 45p per mile	0.00	0.00	0.00	0.00
Total Category 2 disbursements	0.00	0.00	0.00	0.00
TOTAL	<u>£259.30</u>	<u>£0.00</u>	<u>£8,041.72</u>	<u>£7,782.42</u>

The above costs exclude VAT

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

**SHB Properties Realisations Limited (In Administration)
Joint Administrators' Expenses**

Company	Activity	Fee Basis	Reporting Period	
			Incurred (£)	Paid Amount (£)
Professional Advisors				
Savills	Agents instructed under Joint Agency - marketing and sale of properties	2.5% of realisations (Unencumbered) 0.5% of realisations (Encumbered)	60,000.00	60,000.00
CBRE	Agents instructed under Joint Agency - marketing and sale of properties	2.5% of realisations (Unencumbered) 0.5% of realisations (Encumbered)	63,250.00	63,250.00
Ernst & Young LLP*	Corporation Tax/VAT advice and returns	Time costs	42,000.00	13,000.00
DLA	Solicitors instructed to provide legal advice	Time costs	48,234.15	0.00
MAPS Solutions Europe Limited	Security and Maintenance	Time costs	32,459.61	32,459.61
OK Contacts			90.00	90.00
Carey Olsen	Solicitors instructed on property sale	Time costs	7,035.00	7,035.00
Storm Advisory	Directorship support	Time costs	8,250.00	8,250.00
IT Service			3,095.84	3,095.84
Topp Consulting Ltd			1,600.00	1,600.00
Energy Control Ireland Ltd			325.00	325.00
Accurate Mailing Services Ltd	Postage	Fixed fee	187.60	187.60
TOTAL			£266,527.20	£189,293.05

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

*Please note that this cost represents the work conducted by Ernst & Young in regard to the Companies' corporation tax obligations and this includes Ernst & Young's costs incurred in regard to all Group companies.

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017**

**SHB Properties Realisations Limited (In Administration)
Joint Administrators' Disbursements**

Company	Reporting Period		For the period 25 April 2016 to 24 April 2017	
	Incurred (£)	Paid Amount (£)	Incurred (£)	Paid Amount (£)
Category 1				
Statutory advertising	0.00	0.00	84.60	84.60
Postage	0.00	0.00	60.31	60.31
Travel	719.00	0.00	1833.00	1114.00
Subsistence	47.89	0.00	78.97	31.08
Data Transfer	14.99	0.00	14.99	0.00
Bond premium	0.00	0.00	225.00	225.00
Total Category 1 disbursements	781.88	0.00	2296.87	1514.99
Category 2				
Mileage @ 45p per mile	0.00	0.00	0.00	0.00
Total Category 2 disbursements	0.00	0.00	0.00	0.00
TOTAL	<u>£781.88</u>	<u>£0.00</u>	<u>£2,296.87</u>	<u>£1,514.99</u>

The above costs exclude VAT

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

Davenbush Limited (In Administration)
Joint Administrators' Expenses

Company	Activity	Fee Basis	Reporting Period	
			Incurred (£)	Amount Paid (£)
Professional Advisors				
EY	Corporation Tax/VAT advice and returns	Time costs	42,000.00	1,000.00
DLA	Solicitors instructed to provide legal advice	Time costs	8,178.75	0.00
Accurate Mailing Services Ltd	Postage	Fixed fee	6.20	6.20
TOTAL			£50,184.95	£1,006.20

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

*Please note that this cost represents the work conducted by Ernst & Young in regard to the Companies' corporation tax obligations and this includes Ernst & Young's costs incurred in regard to all Group companies.

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

Davenbush Limited (In Administration)
Joint Administrators' Disbursements

Company	Reporting Period		For the period 25 April 2016 to 24 April 2017	
	Incurred (£)	Amount Paid	Incurred (£)	Amount Paid (£)
Category 1				
Statutory advertising	0.00	0.00	84.60	0.00
Postage	0.00	0.00	11.41	0.00
Bond premium	0.00	0.00	0.00	0.00
Total Category 1 disbursements	0.00	0.00	96.01	0.00
Category 2				
Mileage @ 45p per mile	0.00	0.00	0.00	0.00
Total Category 2 disbursements	0.00	0.00	0.00	0.00
TOTAL	<u>£0.00</u>	<u>£0.00</u>	<u>£96.01</u>	<u>£0.00</u>

The above costs exclude VAT

**BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)**
Progress Report to Creditors
18 May 2017

Lowland Homes Limited (In Administration)
Joint Administrators' Expenses

Company	Activity	Fee Basis	Reporting Period	
			Incurred (£)	Amount Paid (£)
Professional Advisors				
EY	Corporation Tax/VAT advice and returns	Time costs	1,315.80	0.00
Ernst & Young LLP*	Corporation Tax/VAT advice and returns	Time costs	42,000.00	0.00
TOTAL			<u>£43,315.80</u>	<u>£0.00</u>

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

*Please note that this cost represents the work conducted by Ernst & Young in regard to the Companies' corporation tax obligations and this includes Ernst & Young's costs incurred in regard to all Group companies.

BHS Group Limited, SHB Properties Realisations Limited,
Davenbush Limited and Lowland Homes Limited (All in Administration)
Progress Report to Creditors
18 May 2017

Lowland Homes Limited (In Administration)
Joint Administrators' Disbursements

Company	Reporting Period		For the period 25 April 2016 to 24 April 2017	
	Incurred (£)	Amount Paid (£)	Incurred (£)	Amount Paid (£)
Category 1				
Statutory advertising	0.00	0.00	0.00	0.00
Bond premium	0.00	0.00	225.00	0.00
Total Category 1 disbursements	0.00	0.00	225.00	0.00
Category 2				
Mileage @ 45p per mile	0.00	0.00	0.00	0.00
Total Category 2 disbursements	0.00	0.00	0.00	0.00
TOTAL	<u>£0.00</u>	<u>£0.00</u>	<u>£225.00</u>	<u>£0.00</u>

The above costs exclude VAT

Appendix 4

Creditors' Rights

STATEMENT OF CREDITORS RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section numbers refer to Insolvency Act 1986

'Office-holder' is the current Administrator or Liquidator as applicable

Information for creditors on remuneration and disbursements of administrators

Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides> (click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors have the right to request information from the office-holder under rule 18.9

A secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or any unsecured creditor with the permission of the court may make a written request to the office-holder for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the office-holder giving reasons for not providing all the information requested or the expiry of the 14 days within which an office-holder must respond to a request.

Creditors have the right to challenge the office-holder's remuneration and expenses under rule 18.34

A secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the office-holder's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs.