In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10
Notice of administrator's progress report

Companies House

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1 Company details

Company number	0 5 9 8 1 9 1 7
Company name in full	PHTR Realisations Limited
	(Formerly Temple Retail Limited)

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

2 Administrator's name

Full forename(s)	Robert James
Surname	Harding

3 Administrator's address

Building name/number	Four Brindleyplace
Street	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Philip Stephen
Surname	Bowers

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

5 Administrator's address ❷

Building name/number	Four Brindleyplace
Street	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	

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

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6 Period of progress report

From date	04 01 2019
To date	03 07 2019

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	02 08 2019

Deloitte.

PHTR Realisations Limited (formerly Temple Retail Limited) ("PHTR") and PHF Realisations Limited (formerly Perfect Home Finance Ltd) ("PHF") (both in administration) (together "the Companies")

Progress report to creditors for the period 4 January 2019 to 3 July 2019 pursuant to rules 18.2 to 18.6 inclusive of the Insolvency (England & Wales) Rules 2016 ("the Rules")

High Court of Justice
Business and Property Courts
of England and Wales

PHTR
Court Case No. 005598 of 2018
Company Number: 5981917

PHF
Court Case No. 005599 of 2018
Companies Number: 06020013

Registered Office:
c/o Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Robert James Harding and Philip Stephen Bowers ("the Joint Administrators") were appointed Joint Administrators of the Companies on 4 July 2018 by Kaluga Investments S.A.R.L of 6 rue Eugene Ruppert, L-2453 Luxembourg in its capacity as Security Agent, having been invited to do so by the directors of the Companies. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

1 August 2019

Contents

Key messages

Key messages

Joint Administrators of the Company

Robert James Harding

Philip Stephen Bowers

Deloitte LLP

1 New Street Square

London

EC4A 3HQ

Contact Details

Email:

roluff@deloitte.co.uk

Website:

www.deloitte.com/uk/abclimited

Tel: [020 7007 7007]

	Commentary
Purpose of administration	• The purpose of the administrations is to achieve a better result for the Companies' creditors as a whole rather than a liquidation.
Progress of administration	• The sole asset realisation in the period within the PHF administration was a receipt of c.£13 in respect of cash held at bank. • Additional business rates refunds due to PHTR totalling c.10k have been received in the period bringing the total funds received to date of c.£135.1k. A payment of c.£134.5k was to the purchaser of the business and assets of the Company ("the Purchaser") in line with the terms of the sale and purchase agreement previously reported. • Funds held in the pre-appointment bank account of PHTR ("the Company") totalling c.£4k have been received in the period. These amounts are also due to the Purchaser and will be paid in due course. • We have continued to liaise with landlords of the former leasehold premises of PHTR in order to facilitate the necessary surrenders. • The claims of the unsecured creditors in PHTR are in the process of being agreed in order to enable a dividend to this class of creditor.
Costs	• No costs have been incurred in PHF. The following is in relation to PHTR: • The basis of our fees has been fixed as a set amount of £375k plus VAT. • £300k plus VAT has been drawn during the report period in respect of our fees. • No disbursements have been incurred in the period of this report. • Third party costs and expenses of £13,408 have been incurred in the report period. Please see page 6 for further details.
Outstanding matters	• No further asset realisations are expected. • We continue to liaise with landlords of PHTR's pre-existing property portfolio in order to surrender the premises and quantify their claims in the administration. • Settling final costs and issuing the necessary tax returns to HM Revenue & Customs. • Agreeing the remaining unsecured creditor claims in PHTR to enable a Prescribed Part distribution to be made to this class of creditor. • Closure of the administrations.
Dividend prospects	• Secured creditors will not be repaid in full. • There are no preferential creditors in either company. • Unsecured creditors in PHTR will be paid an estimated prescribed part dividend of 0.6p/£, however this depends on the final adjudication of the quantum of creditor claims.
Extension to administration period	• On 3 July 2019, the period of the administrations were extended for 12 months by secured creditor consent. • The administrations will now both end on or before 3 July 2020.

Progress of the administration

Progress of the administration
Summary

Work done during the report period

PHTR

Rates refunds

Rates refunds of £10,135 have been received during the report period in respect of overpayments made by the Company prior to our appointment, bringing total rates refunds to £135.1k.

As part of the terms of the sale of the business and assets of the Company, the purchaser is entitled to these receipts, of which £134,529 was paid to them in the period. There remains a small balance due to the Purchaser which will be paid across in due course.

Leasehold property

We have continued to correspond with landlords of the leasehold sites in relation to the surrenders of the premises and any unsecured claims in the administration.

Legal advice from Pinsent Masons LLP ("Pinsents") has been required in relation to the various properties and leases.

Creditors

We have entered into correspondence with unsecured creditors in the period. We have received total claims within PHTR from unsecured creditors for £7.6m, with HMRC making up 68.5% of this balance.

In regards to PHF, we have received only one unsecured creditor claim of £2.8m from HMRC.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case management actions, including updating the insolvency website for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the last progress report;
- Actions necessary to extend the duration of the administration, including obtaining approval from the secured creditors;
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts; and
- Interaction with HM Revenue & Customs in respect of VAT and Corporation Tax matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Progress of the administration
Summary

Work done during the report period (continued)

Cost of the work done during the report period

The costs and expenses incurred during the report period are detailed below. Overall, we anticipate that the total costs and expenses will exceed the estimates provided in our Proposals as shown below. All costs are incurred in PHTR only:

- Insurance costs totalling £2,079 have been paid in the period.
- Storage costs totalling £329 have been paid.
- Legal Costs – in the reporting period Pinsent Masons have continued to be instructed in relation to property related matters, including the continued correspondence with landlords regarding the surrender of the Company's former trading leasehold sites.
  - £11,000 has been paid in the period.
  - To date they have billed £64,957 plus £12 of disbursements plus VAT. This exceeds the original estimate of £50k plus VAT due to an increased amount of work associated with the property related matters and other assistance in relation to the Joint Administrators carrying out their functions.

  The above costs totalling £64,957 plus VAT have been paid as shown in the receipts and payments account on page 7.

  - It is noted that Pinsent Masons LLP have also received £4,250 plus £105 plus VAT by way of a third party contribution and therefore not met by estate funds.
  - Joint Administrators' remuneration. Further details in this regard can be found on page 11.

All professional costs are reviewed and analysed in detail before payment is approved.

Progress of the administration

PHTR

Receipts and payments

Joint Administrators' receipts and payments account
4 January 2019 to 3 July 2019

£	SoA values	Notes	Period	To date
Receipts				
Furniture & Equipment	196,000	1	-	196,000
Stock	244,600	1	-	244,600
VAT Receivable	77,000	1	-	77,100
Prepayments	69,000	1	-	69,000
Other	-	1	-	10
Contribution to Legal Costs	-		-	5,136
Licence Fee	-		-	49,246
Funds Received in Error	-	2	20,000	20,000
Barclays Pre App Cash At Bank	-	3	4,180	4,180
Bank Interest Gross	-	5	151	710
Rates Refund	-	3	10,135	135,100
Total receipts	586,600		**34,466**	**801,082**
Payments				
Administrators' Fees			300,000	300,000
Repayment of Funds Received in Error		2	20,000	20,000
Legal Fees			11,000	64,957
Legal Disbursements			-	12
Legal Fees - Paid by Third Parties			-	4,250
Legal Disbursements - Paid by Third Parties			-	105
Rates Paid to Coleshill Retail Ltd		3	134,529	134,529
Rents Payable		7	-	38,053
Service Charge		7	-	766
Property Insurance		7	-	2,219
Irrecoverable VAT		7	-	8,208
Insurance of Assets			2,079	3,255
Specific Bond			-	230
Storage Costs			329	362
Statutory Advertising			-	85
Bank Charges			11	12
Senior Lender - Secured distribution			-	82,501
Barclays Bank Plc - Secured distribution			-	83,862
Total payments			**467,947**	**743,404**
Balance				**57,678**

A receipts and payments account is provided opposite, detailing all the transactions in the administration from 4 January 2019 to 3 July 2019 for PHTR.

Notes to receipts and payments account

Note 1 – £586,710 was realised from sale proceeds of the Company's business and Assets, including Furniture & Equipment, Stock, VAT Receivable, Prepayments and Other, as shown opposite, in addition to a £14m credit as detailed in the Proposals.

Note 2 – £20k was received into the administration in error and was duly refunded in the period.

Note 3 – Under the terms of the SPA, the Purchaser is entitled to all rates refunds in relation the Company's old property portfolio. The residual balance of amounts due will be paid to the Purchaser in due course, along with c.£4k of cash held at the pre-appointment bank account.

Note 4 – All sums shown opposite are shown net of VAT, which is recoverable HM Revenue & Customs have accounted for.

Note 5 – All funds were held in an interest bearing account until recently as we prepare for the final tax returns, dividend and case closure. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Note 6 – These are amounts recorded as expenses in the Payments section but are yet to be paid.

Note 7 – Licences to Occupy were granted to the Purchaser for a number of sites in respect of rent, service charge, insurance and the associated irrecoverable VAT totalling £49.2k.

This report has been prepared using numeric tables prepared on Excel spreadsheets. As figures have been rounded apparent summing errors may appear in certain tables herein.

Joint Administrators' receipts and payments account 04 January 2019 to 03 July 2019

£	SoA values	Notes	Period	To date
Receipts				
Sales Proceeds	*1*		-	1
Cash at Bank	-		13	13
Total receipts	*1*		**13**	**14**
Payments				
Total payments			-	-
Balance				**14**
Made up of:				
Floating Charge Bank Account		*1*		14
Balance in hand				**14**

A receipts and payments account is provided opposite, detailing all the transactions in the administration from 4 January 2019 to 3 July 2019 for PHF.

Notes to receipts and payments account

This report has been prepared using numeric tables prepared on Excel spreadsheets. As figures have been rounded apparent summing errors may appear in certain tables herein.

All funds were held in an interest bearing account until recently as we prepare for the final tax returns, dividend and case closure. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Information for creditors

Information for creditors
Outcome

Outcome for creditors

Secured creditors

In summary terms, all of the Perfecthome group's assets were charged in a security package, firstly for the benefit of the Senior Lender (created on 5 December 2017), then for the benefit of Barclays Bank Plc ("Barclays") (created in 2 February 2002) and then *for the benefit of Aaron's Inc.* ("the Junior Lender") (created on 5 December 2017). Amounts outstanding at appointment were:

- Senior Lender - £14.0m
- Barclays - £0.1m
- Junior Lender - £17.1m

Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditors in full. To date, the Senior Lender has received £82.5k and Barclays has received c.£84k.

Preferential creditors

Preferential creditors consist of amounts owed to the Companies' employees for arrears of wages, holiday pay and pension contributions.

PHF had no employees.

PHTR's employees were jointly employed by three other Group companies. Temple Finance Limited continued to meet all ongoing employee obligations. As there were no amounts due as at the date of appointment, there are no preferential creditors of PHTR.

Prescribed Part

As detailed in the Proposals, we anticipate that there will be a Prescribed Part fund available for distribution to unsecured creditors of PHTR only. No dividend will be available from PHF.

We currently estimate that PHTR will have net property of c.£212k and a Prescribed Part fund of c.£45k will be available for distribution to the unsecured creditors. This amount is subject to deduction of the associated costs of making the distribution, which chiefly comprise our time costs for agreeing creditors' claims and processing the distribution.

It is estimated that a dividend will be paid from the administration prior to expiration on 3 July 2020.

Unsecured creditors

On present information insufficient funds will be realised to enable a dividend to be paid to unsecured creditors, other than the Prescribed Part distribution referred to opposite.

Claims process

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less, unless you wish to vote in this decision, or any other, decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Companies' records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on Page 1, marked for the attention of Robert Luff.

Extensions to the administration

The period of the administrations was extended by consent of the secured creditors. We do not anticipate that it will be necessary to further extend the period of the administration which is due to end on or before 3 July 2020.

Exit

No funds are anticipated to be distributed to unsecured creditors beyond the Prescribed Part. We consider dissolution to be the most appropriate exit route from the administrations.

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/perfecthome.

Should you require a paper copy, please send your request in writing to us at the address on the cover page and this will be provided to you at no cost.

Basis of remuneration

PHTR

The basis of our remuneration was fixed and agreed on 9 December 2018 by the secured creditors as a set amount of £375k plus VAT thereon.

Our receipts and payments account on Page 7 shows that £300k has been drawn to date. Based on current realisations, we estimate future fees of c.£5-10k.

PHF

No fees are intended to be drawn from the administration and a fee basis has therefore not been sought.

Remuneration and expenses
Detailed information

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Disbursements

Disbursements have been incurred in both PHTR and PHF in the report period.

Our disbursements to date in PHTR are in excess of our estimates provided in the Proposals.

Category 2 Disbursements

Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by the secured creditors on 9 December 2018.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Deloitte charges a fixed cost of £500 for each statutory website set up to cover the costs of setting up and maintaining the website, along with the uploading of statutory notifications, reports and other documents to the website for the duration of the appointments. There is only one charge for the entire Group and this cost has been assigned to PHTR.

Details of all disbursements (incurred solely in PHTR, except for bonding) are given below and from which it can be seen that no amounts have yet been recovered.

Category 1 disbursements - PHTR

£ (net)	Estimate in proposals	Incurred in report period	Paid	Unpaid
Postage/Couriers	300	739		739
Advertising		85		85
Bonding		230		230
Total disbursements	**300**	**1,054**	-	**1,054**

Category 1 disbursements - PHF

£ (net)	Estimate in proposals	Incurred in report period	Paid	Unpaid
Bonding		20		20
Total disbursements		**20**	-	**20**

Category 2 disbursements

£ (net)	Estimate in proposals	Incurred in report period	Paid	Unpaid
Website set up		500		500
Total disbursements		**500**	-	**500**

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.

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Notice of administrator's progress report

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	Wendy Packwood
Company name	Deloitte LLP
Address	1 New Street Square
Post town	London
County/Region	
Postcode	E C 4 A 3 H Q
Country	
DX	
Telephone	+44 121 632 6000

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