

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 1 2 0 4 0 4 4 8

Company name in full Blue Group Hold Co 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 1 5

3 Administrator's name

Full forename(s) Julia

Surname Marshall

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		
	☒ I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature X  X		
Signature date	d 2 9 m 0 6 y 2 0 y 2 2		

**Presenter information**

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

Contact name Sarah Robson

Company name PricewaterhouseCoopers LLP

Address Level 8, Central Square

29 Wellington Street

Post town Leeds

County/Region West Yorkshire

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

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

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Zelf

Surname

Hussain

3 Insolvency practitioner'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

Joint administrators' final progress report in respect of:

Unitrans Limited ("UL")

Case number: CR-2020-002900

Unitrans UK Limited ("UUKL")

Case number: CR-2020-002896

Blue Group Holdco Limited ("BGHL")

Case number: CR-2020-002896

**All in the High court of Justice Business and Property Courts of
England and Wales Insolvency & Companies List (ChD)**

Date: 29 June 2022

Table of contents

Abbreviations and definitions	4
Key messages	7
Overview of our work	8
Appendix A: Summary of our proposals	12
Appendix B: Receipts and payments	13
Appendix C: Expenses	16
Appendix D: Remuneration update	18
Appendix E: Pre-administration costs	23
Appendix F: Other information	24

Abbreviations and definitions

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

Abbreviation or definition	Meaning
Joint Administrators / we / us / our	Zelf Hussain, Peter David Dickens and Yulia Marshall in respect of all the Companies
BDO	BDO LLP
Alteri	Alteri Partners LLP t/a Alteri Investors
Blue Group	The Blue Group Hold Co Limited and its subsidiaries - all in administration
BGHL	Blue Group Holdco Limited - in administration
UL	Unitrans Limited - in administration
UUK	Unitrans UK Limited - in administration
BGUKR	Blue Group UK Retail Limited - in administration
the Companies	BGHL, UL, UUK
FCA	Financial Conduct Authority
HMRC	HM Revenue & Customs
Hilco	Hilco Valuation Services
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
IRS	AUA Insolvency Risk Services Limited, trading as Insolvency Risk Services
LTO	Licence to occupy leasehold premises
Pre-pack sale	The sale of certain of the Companies' business and assets, completed immediately following our appointment as joint administrators. The transaction largely related to the Bensons for Beds business and is explained more fully in our Proposals.
Preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
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
the Bensons Purchasers	Bensonsforbedsretail Limited, Bensonsforbedsmanufacturing Limited and BlueGroup Propco Limited
the Purchasers	together, the Bensons Purchasers and the Relyon Purchaser
PwC	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.
SEC	The Securities and Exchange Commission
Secured Creditor	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)
Sch B1 IA86	Schedule B1 to the IA86
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
Steinhoff	Steinhoff International Holdings NV
Unsecured Creditors	Creditors who are neither secured nor preferential
VAT	Value Added Tax
VAT Group	All of the Group are part of a VAT Group meaning they can submit a VAT return together and simplify the process.

This report has been prepared by Zelf Hussain, Peter Dickens and Yulia Marshall as Joint Administrators of the Companies, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the 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. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain, Peter David Dickens and Yulia Marshall have been appointed as joint administrators of Blue Group Hold Co Limited, Unitrans UK Limited and Unitrans Limited to manage their affairs, business and property as their agents and act without personal liability.

The joint administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

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 administrations 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_bluegroup_creditors@pwc.com if you need any of the passwords to access the reports.

How much creditors may receive have received

The following table summarises the final outcome for creditors.

Company	Secured Creditor(s)	Preferential Creditors	Unsecured Creditors
BGHL This report Last report	n/a	n/a	Nil
UUK This report Last report	Nil	n/a	Nil
UL This report Last report	Nil	n/a	Nil

BGHL did not grant security over its business and assets by way of a debenture and as such there are no secured creditors in relation to BGHL.

There were no employees within the Companies and as such no preferential claims are anticipated.

There will not be a dividend paid to Unsecured Creditors of the Companies.

What you need to do

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

What happens next

The administrations of the Companies end on 29 June 2022.

In line with our proposals approved by creditors, on 22 July 2020 we filed notice of move from administration to dissolution on 29 June 2022. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

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

Overview of our work

Why we were appointed

You may remember that when we were appointed, the position was as follows:

- 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 over 260 retail stores in the UK and employed 3,469 people across the Blue Group.
- We were appointed because the Blue Group had been experiencing a combination of challenges including financial performance of its ultimate parent entity, challenging economic environment and global events which disrupted trading.
- The Blue Group's controlling party was subject to certain restrictions, which prevented PwC from undertaking a pre-appointment marketing process, as there was prohibition on providing broker dealer services to a SEC restricted entity.
- As a result, BDO were engaged by the Blue Group to undertake a marketing process however no offers were received from third parties contacted.
- 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 as a pre-packaged sale. This offer represented the best value for creditors in the circumstances.
- Following our appointment as Joint Administrators of Blue Group on 30 June 2020, we completed an immediate sale of certain of Blue Group's business and assets. The transaction largely related to the Bensons for Beds business.
- The sale resulted in 1,899 employees transferring to the Purchasers (with the associated reduction in preferential and unsecured claims), along with a licence to occupy 250 of the Blue Group companies' leasehold premises.
- The Purchasers also committed to fulfilling all open customer orders in relation to both the Bensons for Beds and Harvey's businesses. Therefore, the sale also helped significantly mitigate the level of unsecured creditor claims across the Blue Group in relation to customer deposits, leases and contractual claims that could have arisen from supply contracts.
- Additional realisations were expected from assets that were excluded from the sale. In particular, the Harveys furniture stores and those manufacturing facilities that were not acquired by the Purchasers continued to trade in administration whilst options were explored.
- The information above relates to our appointment over Blue Group. We were specifically appointed over the Companies for the following reasons:
 - UL - this company provided warehousing and logistics to the rest of the Blue Group. UL held six vehicle operating licences, which were required to support trading of both Blue Group companies and the Purchaser, specifically in their fulfilment of pre-appointment customer orders. When we were appointed over UL, it was understood that the company also had employees.
 - UUK - this company was part of the cash pooling arrangement and some cash realisations were expected in the estate.

- BGHL - this entity was the ultimate parent of the Blue Group. The appointment of administrators over this entity was to preserve the realisable value of trading tax losses for the benefit of other Blue Group entities.

Asset realisation

UL

The directors' Statement of Affairs states that UL had £98,630 in equipment and £9,813 cash at bank. The realisable value of equipment denoted in the Statement of Affairs was not achieved as the assets were deemed commercially irrecoverable by the Joint Administrators and as a result only £2,000 have been realised. The cash at bank balance realised was £10,319, all of which relates to funds swept from the company's pre appointment bank account.

UUK

There was a small cash balance of £8,158.80 shown as an asset in the directors' Statement of Affairs. However, the realisable value of cash at bank in the Statement of Affairs included an expected amount due from the cash pooling agreement. After seeking Counsel's advice on the beneficiaries' entitlement of the cash pool funds, it was identified that the original calculation was inaccurate and therefore, cash balance was adjusted. The adjustment resulted in a redistribution of the cash pool funds across the entities, creating differences between the Statement of Affairs' expected realisable value, and actual receipts into estates. £48 was received in relation to cash at bank.

No other assets were realised in UUK during the administration.

BGHL

The directors' Statement of Affairs states that BGHL had no realisable assets. There were no receipts or payments during the administration. We kept the administration open as we needed to assess and preserve a potential tax loss which could have had some value for Blue Group and/or Purchases, and ultimately benefit the creditors as a whole. As the trading activity across Blue Group entities has now ceased and we have not identified any additional realisable value in this estate, we are now able to close this administration.

Connected party transactions

The Bensons Purchasers, who have 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.

Payments made for group companies

You can see from the R&P at Appendix B, UL received consideration for assets totalling £12,319. However, UL incurred liabilities of £59,048 which were expenses of the administration. This meant there was a shortfall in cash and UL was unable to pay these expenses. The majority of the expenditure in UL were the insurance costs, which related to property, contents, stock and vehicle insurance. It was deemed necessary to take out insurance policies and the costs for doing so, £46,800 was reimbursed by BGUKR, which owned the stock and benefited from the licences held by UL.

Other issues

UL and UUK

The Joint Administrators have stayed in office primarily to assess the likelihood of recoveries from intercompany debts. In the period since we last reported, estimates have been updated and it has been determined that it is not cost effective to pursue intercompany debts in UL and UUK.

UUK had a claim in BGUKR, and would have received a dividend of c£400. Due to the nominal value of this dividend, it was decided that it was not cost effective for UUK to submit a claim in BGUKR and the debt would be written off.

It was also determined that UL had a claim in BGHL and UUK, neither of which would be paying a dividend. As such, these debts were also written off.

As stated above UL held vehicle operating licences, which were required for an efficient trading strategy in BGUKR, and to assist the Purchaser with ongoing operations. This has helped achieve the purpose of the administrations of UL and BGUKR and enabled an orderly wind down of the Blue Group. BGUKR has now ceased trading activities and as such UL's support is no longer required.

UL also held contracts for leased assets that were used during the trading administration. These contracts were ultimately novated to the Purchaser, which mitigated unsecured claims in the estate.

BGHL

As mentioned above, we remained in office on BGHL to assess the value of tax losses. As Blue Group has now ceased any trading activity and we have not identified any additional interest and/or market value for the tax losses, we are now able to close the administration.

All Companies

We have remained in office to fulfil our statutory obligations, which included dealing with the Companies tax and VAT affairs, ensuring the necessary clearances are obtained and that the companies' vat and tax affairs were wound down in an orderly manner. We've now completed our work to resolve these matters.

Approval of our proposals

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

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

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

Investigations and actions

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

Tax clearance

We fulfilled our duties as proper officers for tax during the administrations. HMRC has raised no queries in relation to the Companies during the administrations and has confirmed that it has no objection to the administrations of BGHL and UUK ending. As at the date of this report, we have not received written clearance from HMRC in respect of UL. However, they have verbally confirmed clearance and we expect to receive the official paperwork shortly.

We have deregistered the Companies for VAT in preparation for closure of the administration.

Our final receipts and payments accounts

We set out in Appendix B accounts of our final receipts and payments in the administrations from 30 December 2021 to 27 June 2022 and for the period 30 June 2020 to 27 June 2022.

Our expenses

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

Our fees

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

Pre-administration costs

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

Creditors' rights

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

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

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

Ongoing matters

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

Yours faithfully

For and on behalf of the Companies



Yulia Marshall
Joint Administrator

Appendix A: Summary of our proposals

1. 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.

In this case, we 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.

We explained how achieving a better outcome for creditors would arise from maximising the value of assets, minimising the costs of realising those assets (and costs of the administrations generally) and reducing the level of creditor claims against the companies in the Blue Group.

The outcome for the secured creditor 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. Unsecured creditors were expected to receive a dividend in certain cases that would likely have been reduced or unavailable in other scenarios.

In a number of cases there was no secured debt or dividends to any class of creditors. This typically related to entities that held leases that were included in the sale, for relatively low value. We explained that if our investigations into the affairs of those companies, including a review of the directors' statements of affairs, concluded that objective (b) was not appropriate in the circumstances, then we would arrange for those administrations to be concluded and our appointments to cease to have effect at the earliest practical opportunity.

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 these proposals.

2. 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.

3. We also explained why a pre-packaged sale was undertaken. In summary:

- 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 had 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 would have significantly mitigated the

value of Blue Group'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 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 Blue Group's retail store network will reduce or mitigate significant claims from landlords.

4. 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

5. 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.

6. 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.

7. 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.

8. We gave creditors an estimated outcome. In summary:

- The secured creditor was owed £41.7m at the time the Companies entered into administration. The above sale immediately reduced the secured creditor's indebtedness by £23m. Further recoveries were expected for the secured creditor from the assets excluded from the sale. At the time of publishing the proposal, we estimated that the secured creditor's overall recovery from the Blue Group's administrations would be in the region of 61% to 69%.
- We expected preferential claims to arise in BGUKR, Wellington Realisations Limited, Formation Furniture Limited and UL¹ 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.

¹ It came to light later in the case that there were no employees in UL and thus there were no preferential claims.

9. 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).

10. 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 joint 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

Unitrans Limited - in Administration

Receipts and payments account for the period from 30 June 2020 to 27 June 2022

Statement of Affairs		Notes	From 30 June 2020 to 29 December 2021	From 30 December 2021 to 27 June 2022	Cumulative to 27 June 2022
£			£	£	£
	Assets subject to a floating charge				
	Receipts				
	Funding for insurance from BGUKR		46,800.34	-	46,800.34
98,629.95	Equipment	1	2,000.00	-	2,000.00
9,812.59	Balance at Bank		10,318.91	-	10,318.91
108,442.54	Total receipts		59,119.25	-	59,119.25
	Payments				
	Heat / Light & Insurance		(59,048.48)	-	(59,048.48)
	Finance / Bank interest & charges		(26.93)	(43.84)	(70.77)
	Total payments		(59,075.41)	(43.84)	(59,119.25)
	Net Assets		43.84	(43.84)	-
	Made up of				
			43.84	(43.84)	-
	Total cash in hand		43.84	(43.84)	

Notes

1 The realisable value of Equipment denoted in the Statement of Affairs was not achieved as the assets were deemed commercially irrecoverable by the Administrators.

Unitrans UK Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 27 June 2022

Statement of Affairs		Notes	From 30 June 2020 to 29 December 2021	From 30 December 2021 to 27 June 2022	Cumulative to 27 June 2022
£	Assets subject to a floating charge		£	£	£
	Receipts				
8,159	Cash at bank	1	-	48.25	48.25
	Suspense account		48.25	-	48.25
8,159	Total receipts		48.25	48.25	96.50
	Payments				
	Administrators category 1 expenses		-	(48.25)	(48.25)
	Suspense account		-	(48.25)	(48.25)
	Total payments		-	(96.50)	(96.50)
	Net floating charge realisations		48.25	(48.25)	-
	Made up of				
	Barclays Bank Plc		48.25	(48.25)	-
	Total cash in hand		48.25	(48.25)	-

Note

1 The realisable value of Cash at bank in the Statement of Affairs included an expected amount due from the cashpooling agreement. After seeking Counsel's advice on the beneficiaries' entitlement of the cashpool funds, it was identified that the original calculation was inaccurate and therefore it was adjusted. The adjustment resulted in a redistribution of the cashpool funds across the entities, creating differences between the Statement of Affairs expected realisable value, and actual receipts into estates.

Blue Group Hold Co Limited - in Administration
Receipts and payments account for the period from 30 June 2020 to 27 June 2022

Statement of Affairs		Notes	From 30 June 2020 to 29 December 2021	From 30 December 2021 to 27 June 2022	Cumulative to 27 June 2022
£	Assets subject to a fixed charge		£	£	£
	Receipts				
-	Total receipts		-	-	-
	Payments				
	Total payments		-	-	-
	Net cash position		-	-	-
£	Assets subject to a floating charge				
	Receipts				
-	Total receipts		-	-	-
	Payments				
	Total payments		-	-	-
	Net floating charge realisations		-	-	-
	Total cash in hand		-	-	-

Appendix C: Expenses

Expenses are amounts properly payable by us as administrators but exclude our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors which approves our fees also has the responsibility for agreeing the policies for payment of Category 2 expenses.

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

Category	Costs incurred by	Policy	UL Costs incurred (£)	UUK Costs incurred (£)	BGHL Costs incurred (£)
2	PwC	Photocopying / Printing At up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	-	-	188.00
2	PwC	Mileage 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	-	37.00	-
1	PwC	Bordereau (statutory bond)	225.00	225.00	225.00
		Rail fares	-	-	78.00
		Courier fees	-	-	207.00
Total			225.00	262.00	698.00

Whilst Category 1 disbursements have been incurred on these cases, there are insufficient funds to draw these disbursements in full. As such, any outstanding amounts will be written off. We do not have approval to draw category 2 expenses, so these will also be written off.

The tables below provides details of the expenses incurred in the administration:

UL

	Costs incurred and forwarded for payment period F	Costs incurred and not forwarded for payment period F	Total costs incurred	Total estimate F	Variance F
Photocopying / Printing	6.00	-	6.00	6.00	6.00
Bordereau (statutory bond)	-	225.00	225.00	-	(225.00)
Postage / Courier Fees	3.00	-	3.00	3.00	3.00
Finance and Bank charges	27.00	43.84	70.84	71.00	0.23
Heat / Light and Insurance	12,248.14	-	12,248.14	10,722.00	1,526.14
Total	12,284.14	268.84	12,552.98	10,802.00	1,310.37

UUK

	Costs incurred and forwarded for payment period F	Costs incurred and not forwarded for payment period F	Total costs incurred	Total estimate F	Variance F
Photocopying / Printing	2.00	-	2.00	76.00	74.00
Mileage	-	37.00	37.00	-	(37.00)
Bordereau (statutory bond)	-	225.00	225.00	-	(225.00)
Postage / Courier Fees	1.00	-	1.00	2.00	1.00
Advertising	-	-	-	31.00	31.00
Total	3.00	262.00	265.00	109.00	(156.00)

BGHL

	Costs incurred and forwarded for payment period F	Costs incurred and not forwarded for payment period F	Total costs incurred	Total estimate F	Variance F
Photocopying / Printing	209.00	-	209.00	410.00	(201.00)
Bordereau (statutory bond)	225.00	-	225.00	225.00	-
Rail Fares	-	78.00	78.00	-	78.00
Postage / Courier Fees	216.00	-	216.00	232.00	(16.00)
Advertising	-	-	-	31.00	31.00
Total	650.00	78.00	728.00	898.00	(108.00)

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

Appendix D: Remuneration update

We were appointed as Joint Administrators of the Companies to assist with the orderly wind down of the wider Blue Group.

The Companies had insufficient realisable assets so we have not sought approval to draw fees in any of these Companies.

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

Our work in the administrations

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

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Strategy and planning (all companies)	- Running reports for each company within the Blue Group to monitor budgets and costs; and - Holding team meetings not relating to trading and discussions regarding the status of the administrations.	Assist in the timely, structured and efficient completion of the administrations	No direct financial benefit, however the work is necessary to ensure correct management and oversight of the administrations.
Assets and Insurance (all companies except where separately stated)	- Realising cash at bank and reconciling with the cash pool information (UL and UUK only); - Dealing with and managing the novation of residual vehicle leases (UL only); - Sending initial notice to pre appointment insurers; - Setting up insurance cover and providing initial information to brokers on appointment; and - Providing regular updates, reviewing policies and identifying potential issues with insurance brokers throughout the trading period.	To realise the Company's assets at the most favourable price	Maximise realisations from assets for the benefit of the creditors and minimise costs
Employees and pensions (UL)	- Assessing the company information and establishing the correct position in regards to employees (it transpired during the course of the administration that UL had no employees); and - Preparing necessary notices	Required by statute and best practice	To address creditors' enquiries and keep them informed of the progress of the administration

	to pension schemes and regulator following the appointment of administrators		
Accounting and treasury (all companies except where separately stated)	• Dealing with receipts, payments and journals; (UL and UUK only) • Carrying out bank reconciliations and managing funds; • Corresponding with the bank regarding closure of the pre-appointment bank accounts; and • Reconciliations to identify and segregate any amounts due to the Companies.	• To ensure correct management of the estate accounts	• No direct financial benefit, however the work is necessary to ensure correct management of the accounts and safeguarding of funds.
Secured creditors (UL and UUK only)	• Preparing reports to the Secured Creditor; • Responding to the Secured Creditor's queries; and • Providing regular updates to the Secured Creditor.	• For the proper management of the secured claims and payment of funds.	• Direct benefit to the secured creditor through payment of distributions and provision of information.
Unsecured creditors (all companies except where separately stated)	• Reviewing and preparing correspondence to creditors and their representatives; • Determining the intercompany creditor and debtor positions across all three entities and deciding whether it was cost effective to submit claims in the respective entities; and • Receiving and filing proof of debt forms (UL only)	• To ensure creditors receive necessary communications, deal with creditor claims efficiently	• Direct benefit to creditors through provision of information.
Tax and VAT (all companies)	• Preparation and submission of pre-appointment tax returns; • Preparation and submission of post-appointment tax returns and clearance requests; and • Preparation and filing of post appointment VAT returns.	• To comply with statutory and other obligations.	• As required by statute

Statutory and compliance
(all companies)

- Preparation and circulation of the first, second and third progress reports;
 - Filing documents at Companies House;
 - Updating and managing internal diary systems;
 - Received approval from the relevant approving bodies for extensions to all three administrations to 29 June 2022; and
 - Following the relevant procedures for ceasing to act.
- To comply with statutory and other obligations.
 - As required by statute.

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 or any other reason and payments to those parties based on standard commercial terms.

Our relationships

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

Details of subcontracted work

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

Legal and other professional firms

We instructed the following professionals on these cases:

Service provided	Name of firm/organisation	Reason selected	Basis of fees
Legal services, including: Appointment related matters; and Sale of business contracts.	• Shoosmiths LLP	• Industry Expertise	• Time costs and disbursements

Appendix E: Pre-administration costs

At the date of our appointment as Joint Administrators, the unpaid pre-administration costs for the Companies are as shown in the table below. However, as there are insufficient assets across UL, UUK and BGHL to fund these costs, the amounts have been written off.

Companies

Firm	Services	Cost attributable to UL (£)	Cost attributable to UUK (£)	Cost attributable to BGHL (£)
Shoosmiths	Sale and purchase agreement and administration planning	9,511.36	1,976.36	207.27
BDO	Marketing and sale process	-	-	-
Hilco	Valuation services	-	-	-
Total		9,511.36	1,976.36	207.27

Appendix F: Blue Group companies

Company	Abbreviation	Court reference	Company number
Blue Group UK Furniture Limited	BGUKF	CR-2020-002918	02237159
Blue Group Hold Co Limited	BGHL	CR-2020-002915	12040448
Blue Group UK Beds Limited	BGUKB	CR-2020-002902	08431253
Blue Group UK Manufacturing Limited	BGUKM	CR-2020-002897	04209321
Blue Group UK Retail Limited	BGUKR	CR-2020-002906	00040754
Blue Group UK Group Properties Limited	BGUKGP	CR-2020-002903	01024575
Formation Furniture Limited	FFL	CR-2020-002905	03223063
Homestyle Group Operations Limited	HGOL	CR-2020-002904	03130486
Property Portfolio (No 1) Limited	PP1	CR-2020-002919	00281055
Property Portfolio (No 2) Limited	PP2	CR-2020-002917	03511999
Property Portfolio (No 7) Limited*	PP7	CR-2020-002922	00548337
Property Portfolio (No 8) Limited	PP8	CR-2020-002921	02347258
Property Portfolio (No 11) Limited*	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 Logistics (UK) Limited	ULUK	CR-2020-002898	05523550
Unitrans Limited	UL	CR-2020-002900	01372780

*denotes administration has been separately brought to a close

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
	Unitrans Limited: CR-2020-002900
	Unitrans UK Limited: CR-2020-002896
	Blue Group Hold Co Limited: CR-2020-002915
Company's registered name:	Unitrans Limited
	Unitrans UK Limited
	Blue Group Hold Co Limited
Trading name(s) of Group:	Bensons for Beds
	Harveys / Harveys Furniture
Registered number:	UL: 01372780
	UUK: 05523545
	BGHL: 12040448
Registered address:	Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	30 June 2020
Joint administrators' names, addresses and contact details:	In relation to all the Companies:
	Zelf Hussain of PwC, 7 More London, Riverside, London, SE1 2RT Peter David Dickens of PwC, 1 Hardman Square, Manchester, M3 3EB Yulia Marshall of PwC, 7 More London, Riverside, London, SE1 2RT
	Contact: uk_bluegroup_creditors@pwc.com
Extension(s) to the initial period of appointment:	Extensions approved by the relevant approving bodies on 1 June 2021 for all entities (other than BGHL) for a period of 12 months to 29 June 2022.
	Extension approved by the relevant approving bodies on 3 June 2021 for BGHL for a period of 12 months to 29 June 2022.