

TO ALL KNOWN CREDITORS

15 September 2021

Ref: R/CAL/SH/RK/HOF/PF16.4
Direct line: +44 (0) 207 951 5156
Email: hofadministrations@uk.ey.com

Dear Sirs

HF Stores Realisations Limited (formerly House of Fraser (Stores) Limited) (in Administration) ('the Company')
Court of Session, Number P794/18
Registered office address: c/o Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

I write, in accordance with Rule 3.93 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration Rules 2018), to provide creditors with a report on the progress of the administration. This report covers the period from 10 February 2021 to 9 August 2021 ("the Period") and should be read in conjunction with our previous reports dated 22 March 2021, 17 September 2020, 19 March 2020, 20 September 2019 and 6 March 2019. Statutory information about the Company, the administration and the office holders is given at Appendix 1.

The Company, registered number SC021928, entered administration on 10 August 2018 ('the Date of Appointment') and A M Hudson, R H Kelly, C P Dempster and I were appointed to act as Joint Administrators ('Joint Administrators'). The appointment was made by The Court of Session under the provisions of paragraph 12 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by any one of them.

Summary of progress since last report

Extension of the Administration

The Joint Administrators sought consent of the secured and preferential creditors, under paragraph 78(2) of Schedule B1 to the Insolvency Act 1986, to extend the period of the administration by a period of twelve months, ending on 10 August 2020. A further extension was sought via an application to the Court of Session to extend the period of the administration by a further twelve months to 10 August 2021.

During the Period the Joint Administrators made an application to the Edinburgh Court under paragraph 76 (2)(a) and 77 (1)(a) of Schedule B1 to the Insolvency Act 1986 to extend the period of the administration by a period of 18 months, ending on 10 February 2023. The approval of the extension was granted by the Edinburgh Court on 28 July 2021, to allow time for the following tasks to be progressed:

- 1) Continuing to realise the remaining assets, including, book and other debts, and rates refunds.
- 2) To adjudicate unsecured creditor claims to allow the prescribed part distribution to take place.

Debtors

The Company's debtor ledger totalled £16,664,411.97 at the Date of Appointment.

The ledger comprises 533 debtor accounts and a number had a creditors ledger balance, which offset the debtor balance due. The net debtor balance after creditor balances are taken into consideration is £12,120,871.31. Of this total, £7,940,681.66 was due in respect of credit card debts from the merchant acquirers and £4,180,189.65 was due from trade and other debtors.

Total collections from trade and other debtors in the Period totalled £30,122.67, together with a reclassification from prior periods of £37,494.59. This results in total collections up to 9 August 2021 of £2,230,550.06.

It is apparent that a significant number of the trade and other debtors are either disputed or doubtful debts with no prospect of an economic recovery. However, as previously advised we are continuing to pursue recovery of £504,484.16 from one debtor where we consider the amount to be due and that the debtor is financially able to pay. Following further correspondence from the debtor's solicitor, the Joint Administrators have sought further legal advice on their position to continue pursuing this debtor.

As noted above, during the Period, the Company received cash receipts relating to book debts and other debtors totalling £30,122.67 as follows:

- £3,870.97 from court collections.
- £26,251.70 from other debtors.

The current position in respect of trade and other debtors is summarised in the table below:

	£
Trade and other debtors at appointment	4,180,189.65
Provision for bad and doubtful debtors	(1,445,155.43)
Collections to date	(2,230,550.06)
Balance outstanding at Period end	<u>504,484.16</u>

All debts due to the Company from Merchant acquirers have now been settled. The final amount due from Barclaycard Merchant Services was recently agreed and the net debt due of £25,678.62 was collected during the Period and forms the majority of the collections from other debtors.

The final position in respect of credit card debtors is summarised in the table below:

	£
Credit card debtors at appointment	7,940,681.66
Cut off error	(4,852,403.53)
Chargebacks and Costs Due	(2,527,640.67)
Collections to date	<u>(560,637.46)</u>
Balance outstanding at Period end	<u>-</u>

Rates refunds

Montagu Evans LLP has been instructed on a success fee basis to appeal the rateable values across a number of properties within the portfolio. These appeals are ongoing and as they still represent a potentially material recovery for creditors are likely to continue until the end of the Administration.

The Joint Administrators continue to pursue local councils direct to seek repayment of business rates prepaid at the Date of Appointment.

In the Period, the sum of £855,464.17 has been recovered for the benefit of creditors, which takes total recoveries from this source to £2,716,298.30.

Intercompany debtors

Jam B Realisations Limited was placed into liquidation on 28 August 2020 and a dividend to its unsecured creditors is expected to take place shortly, including a dividend on the intercompany claim of c£32.7m from the Company.

The Company also has a claim of c£78.7m against HFL Realisations Limited (formerly House of Fraser Limited) (In Administration) and this should rank for dividend purposes once the prescribed part is distributed by that company.

Remaining assets

The Joint Administrators will continue to pursue a number of recoveries for the benefit of creditors, including:

- Recoveries from the debtor collection process that is ongoing.
- Debts due from other members of the House of Fraser group of companies as the liquidation dividend processes progress.
- £57,220.22 has been identified as being held in a pre-appointment bank account with Bank of Ireland. These funds have been received following the end of the Period of this report.
- Further rates refunds.
- Additional bank interest from funds held on deposit pending distribution to the preferential creditors, the secured creditors and the unsecured creditors by virtue of the prescribed part.

Leasehold properties

At the Date of Appointment, the Company operated from sixty-four locations, all of which were occupied via leases, some of which were under subleases granted by other group companies. These sixty-four locations included fifty-nine trading stores, three office buildings and two warehousing facilities. As part of the sale, a licence to occupy all of the Company's premises (other than the HOF store in Dundrum) was granted to SDI (Propco 35) Limited ("the Property Purchaser").

The licence to occupy has been extended a number of times and expired on 31 March 2020, and, we understand that the Purchaser no longer occupies any of the sites. In respect of the sixty-four locations, fifty-two have been either surrendered or being treated as at an end to allow for the Purchaser to enter into new agreements with the landlord; two have been assigned to the Purchaser and ten have been vacated with the keys returned to the landlord (a number of which were later formally surrendered).

In addition to the sites noted above, the Company was also party to a small number of other ancillary property leases which the Company now has no further interest in.

Retention of title claims

The Joint Administrators have supported the Purchaser in dealing with the retentions of title claims and we believe these have all been concluded.

Creditors

The Joint Administrators continue to receive claims from unsecured creditors of the Company.

The Joint Administrators and their staff are verifying the received unsecured claims in readiness for a distribution via the prescribed part, more details of which are set out later in this report.

VAT

The Joint Administrators have submitted both VAT returns for the periods from 1 December 2020 to 28 February 2021 and 1 March to 31 May 2021. These two VAT returns have resulted in VAT refunds of £144,913.69 and £80,735.54 respectively, which HM Revenue & Customs ("HMRC") have paid over to the Company. The VAT check relating to the 1 September 2020 – 30 November 2020 return has also been concluded and the VAT refund of £928,119.30 released to the Company by HMRC. The next VAT return due is for the period 1 June 2021 – 31 August 2021 and is currently being prepared.

Corporation tax

We have instructed EY tax specialists to prepare the corporation tax returns for the Company.

Corporation tax returns for the periods up to 10 August 2019 have been submitted, which HMRC have not raised an enquiry into in the allowed period (up until 10 August 2020), and are therefore assumed to be agreed as at this date. Tax returns for subsequent post-Administration periods will be required. The tax return has been submitted for the period from 11 August 2019 to 10 August 2020 and the next tax return to be submitted for the Company is for the period from 11 August 2020 to 10 August 2021.

Tax work is ongoing, and all Corporation tax and other tax related time costs are included within the Joint Administrators' total time costs, set out in detail at Appendix 3.

Bank interest received / charges paid

Cash balances are held on deposit where positive interest rates are provided by the clearing banks, and fixed bank interest of £1,998.57 and floating bank interest of £11,313.18 have been received in the Period. Bank charges paid in the Period totalled £48.30.

Investigations

There were no investigations ongoing or concluded in the Period. There are no investigations to be carried forward to a future period.

Receipts and payments account

A summary of our receipts and payments for the Period is attached at Appendix 2. It does not reflect estimated future realisations or costs.

Receipts and payments reallocation

The receipts and payments show a receipt of £37,494.59 in the Period relating to Money owed to Hof (Oldco). This figure was originally allocated to a 'Tax Refund' receipt line in the receipts and payments in a previous period, although we are now aware that the sum relates to the closure of a pre-appointment bank account and has now been correctly allocated.

Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Rules 3.95 to 3.101 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

In certain circumstances, creditors are entitled to request further information about our remuneration or outlays, or to apply to court if they consider the costs to be excessive (Rule 3.100, Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018. Further information is given in 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants of Scotland at <https://www.icas.com/technical-resources/creditorguides-to-office-holder-remuneration> or is available in hard copy upon written request to the Joint Administrators.

Our remuneration was fixed on a time-cost basis by a resolution of the secured creditor and the preferential creditors on 29 March 2019.

The Joint Administrators have incurred time costs of £232,484 in the Period and a total of £7,675,919 to date. In respect of post appointment matters, the Administrators have drawn £2m to date. Appendix 3 of this report provides an analysis of the time spent. The work completed includes the following:

- Pursuing outstanding rates refunds.
- Reconciling and pursuing outstanding book debts, including balances held by merchant acquirers.
- Statutory reporting including progress reports to creditors.
- Correspondence with creditors.
- VAT returns.
- Corporation Tax returns.
- Maintaining the bank account and recording receipts; making payments; bank reconciliations.

The Joint Administrators have incurred disbursements of £1,149.56 in the Period and a total of £45,593.76 of disbursements to date, against which £34,944.97 plus VAT has been paid to date. An analysis of Category 2 disbursements (i.e. charges made by the office holders' firm that include elements of shared or overhead costs) are set out in Appendix 4 of this report.

Joint administrators' outlays

During the Period, we have incurred outlays totalling £1,149.56 plus VAT for stationary, printing and posting costs and website hosting fees for communicating with the creditors of the Company. There is an analysis of outlays incurred to date at Appendix 4 of this report.

Pre-administration costs

As per the report dated 20 September 2019, we received approval from the creditors and settled payment of pre-administration costs totalling £728,841.39 plus VAT for fees, together with expenses of £15,147.82 plus VAT.

Secured creditors

On entering administration, the House of Fraser Group's secured funding could be analysed into three categories:

- Super senior secured working capital facility ("Super senior facilities").
- Senior secured revolving credit facility, senior overdraft and senior secured term loan lenders ("Senior facilities").
- Holders of senior secured floating rate notes, due 2020 ("Bondholders").

The table below summarises the facilities provided:

	£m
Super senior facilities	10.0
Senior facilities	225.0
	<u>165.0</u>
Bondholders	400.0

Other than the Super senior facility, which has priority ranking, the Senior facilities and Bondholders indebtedness ranks pari passu with each other.

The Joint Administrators made a first floating charge distribution to secured creditors of £60m on 12 October 2018, followed by a second floating charge distribution of £18.5m on 17 December 2018 and a third distribution of £5m on 29 August 2019. A first distribution to secured creditors under the fixed charge of £1.5m took place on 17 December 2018. A further sum of £6m was distributed in the Period on 18 May 2021, bringing total fixed and floating distributions to £91m.

The confirmed indebtedness arising from these facilities at the Date of Appointment of the Joint Administrators, in particular the usage of the senior revolving credit facility and any post appointment interest and charges, is still subject to final confirmation.

Preferential creditors

All of the employees of the Company were transferred to the Sports Direct Group as a result of the sale of business. However, certain former employees have preferential claims in respect of arrears of wages, holiday pay and employee pension deductions.

To date we have paid, in full, preferential claims totalling £77,003.58 with a further £123.64 settled on behalf of Jam B Realisations Limited which we are in the process of recovering. We do not expect to receive any further preferential claims.

Non-preferential creditors

The Joint Administrators continue to receive claims from unsecured non-preferential creditors of the Company.

Based on the Company's Statement of Affairs filed with the Registrar of Companies it was estimated that non-preferential claims against the Company are c.£313.4m. However, claims received to date are c.£515.6m. The amount is likely to change as non-preferential claims are received and agreed.

The Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Act. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The Joint Administrators currently estimate, to the best of their knowledge and belief, that:

- The value of the net property is c.£80 million.
- The value of the Prescribed Part is £0.6m, being the maximum amount available to be set aside, before the costs of dealing with the Prescribed Part.

If there are unsecured creditors who wish to submit a claim form but have yet to do so, I would request that they return Form 4.7 (Scot) (enclosed at Appendix 7), together with all back up documentation in support of their claim. Thereafter the Joint Administrators will proceed to adjudicate on creditor claims for a distribution from the Prescribed Part.

Distributions to creditors

No distributions have taken place to date.

Remaining work

We will continue to undertake work as set out in the Joint Administrators' Statement of Proposals, which will include:

- Continuing to pursue asset realisations, including book and other debts, and rates refunds.
- Conclude residual leasehold property matters.
- Adjudicate unsecured claims and make a subsequent distribution, both under the prescribed part and to the secured creditors.
- Complying with our statutory reporting obligations.

The end of the administration

It is proposed that if, at the end of the administration, the Company has no property which might permit a distribution to its creditors, the Joint Administrators will send a notice to that effect to the Registrar of Companies. On registration of the notice, the Joint Administrators' appointment in respect of the Company will come to an end. In accordance with the provision of paragraph 84(6) of Schedule B1 to the Act, the Company will be deemed to be dissolved three months after the registration of the notice.

Other matters

If there are any matters concerning the Company's affairs which you consider may require investigation, please forward the details to me in writing as soon as possible.

Next report

We will report to you again at the conclusion of the administration or in six months' time, whichever is the sooner.

Yours faithfully
For the Company



C A Lewis
Joint Administrator

Enc: Appendix 1 – Statutory information about the Company, the administration and the office holders
Appendix 2 - Joint Administrators' Receipts and Payments Account
Appendix 3 - Summary of the Joint Administrators' time costs
Appendix 4 - Breakdown of outlays incurred in this Period and to date
Appendix 5 – Form 4.7 (Scot) – Statement of Claim Form

The affairs, business and property of the Company are being managed by the Joint Administrators, A M Hudson, R H Kelly, C P Dempster and C A Lewis, who act as agents of the Company only and without personal liability.

A M Hudson is licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association. R H Kelly and C P Dempster are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland. C A Lewis is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data 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. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 3.94 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

Name of court:	Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ
Court reference:	P794/18
Registered name of the company:	HF Stores Realisations Limited
Registered office address of the company:	c/o Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX
Registered number:	SC010677
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Details of any changes of administrator:	None
Date of Appointment of Joint Administrators:	10 August 2018

Details of the Joint Administrators

Name	Office Holder Number
Alan Michael Hudson Ernst & Young LLP, 1 More London Place, London, SE1 2AF	9200
Craig Anthony Lewis Ernst & Young LLP, 1 More London Place, London, SE1 2AF	9356
Robert Hunter Kelly Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, West Yorkshire, LS11 5QR	8582
Colin Peter Dempster Ernst & Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX	8908
Telephone number:	+44 (0)207 951 1856
Name of alternative person to contact with enquiries about the case:	Sophie Hyde

Appendix 2

HF Stores Realisations Limited (formerly House of Fraser Limited) (in Administration) ('the Company')

Joint Administrators' Summary of Receipts and Payments from 10 August 2018 to 9 August 2021

HF Stores Realisations Ltd (Formerly House of Fraser (Stores) Ltd) (In Administration)				
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT (GBP)				
From 10/08/2018 to 09/08/2021				
	Statement of affairs GBP £	10/08/2018 09/02/2021 GBP £	10/02/2021 09/08/2021 GBP £	Cumulative Total GBP £
RECEIPTS				
Fixed Charge Realisations				
Business Intellectual Property	-	1,500,000.00	-	1,500,000.00
Other Fixed Charge Realisations	-	6.75	-	6.75
Bank Interest	-	11,202.55	1,998.57	13,201.12
	-	1,511,209.30	1,998.57	1,513,207.87
Floating Charge Realisations				
Stock	68,453,097.30	84,479,052.31	-	84,479,052.31
Equipment - Floating	-	2,889,137.74	-	2,889,137.74
Information Technology - Floating	-	481,522.96	-	481,522.96
Vehicles - Floating	-	1.00	-	1.00
Duty Referral Deposit	-	1,347,399.54	-	1,347,399.54
Cash at Bank	-	58,765.13	-	58,765.13
Cash in Transit	-	2,106,610.86	-	2,106,610.86
Rent and Rates Refund	-	1,860,834.13	855,464.17	2,716,298.30
Book Debts and Other Debtors	16,375,730.70	2,162,932.80	67,617.26	2,230,550.06
Prepayments	5,171,172.00	2,324,560.58	-	2,324,560.58
Property Licence Fees	-	27,181,153.65	-	27,181,153.65
Funds due to Sports Direct	-	8,568,077.70	-	8,568,077.70
Tax Refund	-	37,494.59	(37,494.59)	-
Unallocated Receipts	-	4,001.77	-	4,001.77
Global Limited Retainer	-	16,134.91	-	16,134.91
Dividends from other group companies	-	171,121.76	-	171,121.76
SDI apportionments	-	778,257.88	-	778,257.88
Bank Interest - Floating	-	235,457.58	11,313.18	246,770.76
	90,000,000.00	134,702,516.89	896,900.02	135,599,416.91
PAYMENTS				
Pre-appointment Administrators Fees	-	743,989.21	-	743,989.21
Post appointment Administrators Fees	-	2,000,000.00	-	2,000,000.00
Post appointment Administrators Expenses	-	34,944.97	-	34,944.97
Pre-appointment Legal Fees	-	534,148.70	-	534,148.70
Post appointment Legal Fees	-	702,908.37	5,181.50	708,089.87
Storage Costs	-	36,828.95	2,452.63	39,281.58
Third party receipts paid to Sports Direct	-	8,568,077.70	-	8,568,077.70
Landlord Payments	-	26,411,810.53	54,212.69	26,466,023.22
Agents - Business Rates	-	86,977.17	45,802.17	132,779.34
Sundry Expenses	-	300.00	-	300.00
Bank Charges	-	8,858.89	48.30	8,907.19
Preferential Creditors	-	77,127.22	-	77,127.22
VAT Payment	-	-	122,849.00	122,849.00
HSBC Secured Agents - Fixed Charge	-	1,500,000.00	-	1,500,000.00
HSBC Secured Agents - Floating Charge	-	83,500,000.00	6,000,000.00	89,500,000.00
		124,205,971.71	6,230,546.29	130,436,518.00
Net Receipts/(Payments)		12,007,754.48	(5,331,647.70)	6,676,106.78
MADE UP AS FOLLOWS				
Cash at Bank		11,328,706.85	(4,175,378.71)	7,153,328.14
VAT Control Account		679,047.63	(1,156,268.99)	(477,221.36)
		12,007,754.48	(5,331,647.70)	6,676,106.78
Note:				
Interest Bearing				7,153,328.14
Non Interest Bearing				-
				7,153,328.14

HF Stores Realisations Ltd (Formerly House of Fraser (Stores) Ltd) (In Administration)
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT (EUR)
From 10/08/2018 to 09/08/2021

	Statement of affairs EUR €	10/08/2018 09/02/2021 EUR €	10/02/2021 09/08/2021 EUR €	Cumulative Total EUR €
RECEIPTS				
Floating Charge Realisations				
Dundrum Trading Account	-	2,307,271.34	-	2,307,271.34
Book Debts and Other Debtors	-	15,200.09	-	15,200.09
Unallocated Receipts	-	12.53	-	12.53
	-	2,322,483.96	-	2,322,483.96
PAYMENTS				
Administrators Fees	-	-	-	-
Transfer to GBP Account		2,285,789.50	-	2,285,789.50
		2,285,789.50	-	2,285,789.50
Net Receipts/(Payments)		36,694.46	-	36,694.46
MADE UP AS FOLLOWS				
Cash at Bank		36,694.46	-	36,694.46
VAT Control Account		-	-	-
		36,694.46	-	36,694.46
GBP Equivalent on 9 August 2021				31,120.74
Note:				
Interest Bearing				-
Non Interest Bearing				36,694.46
				36,694.46

HF Stores Realisations Ltd (Formerly House of Fraser (Stores) Ltd) (In Administration)
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT (USD)
From 10/08/2018 to 09/08/2021

	Statement of affairs USD \$	10/08/2018 09/02/2021 USD \$	10/02/2021 09/08/2021 USD \$	Cumulative Total USD \$
RECEIPTS				
Floating Charge Realisations				
Book Debts and Other Debtors	-	223,548.86	-	223,548.86
Bank Interest - Floating	-	146.55	-	146.55
	-	223,695.41	-	223,695.41
PAYMENTS				
Administrators Fees	-	-	-	-
Bank Charges		33.31	-	33.31
		33.31	-	33.31
Net Receipts/(Payments)		223,662.10	-	223,662.10
MADE UP AS FOLLOWS				
Cash at Bank		223,662.10	-	223,662.10
VAT Control Account		-	-	-
		223,662.10	-	223,662.10
GBP Equivalent on 09/08/2021				161,512.20
Note:				
Interest Bearing				223,662.10
Non Interest Bearing				-
				223,662.10

HF Stores Realisations Ltd (Formerly House of Fraser (Stores) Ltd) (In Administration)
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS EURO TRADING ACCOUNT
From 10/08/2018 to 09/08/2021

	10/08/2018 09/02/2021 EUR €	10/02/2021 09/08/2021 EUR €	Cumulative Total EUR €
RECEIPTS			
Dundrum - Cash Sales	1,363,130.61	-	1,363,130.61
Dundrum - Credit Card Sales	5,108,156.54	-	5,108,156.54
Dundrum - Cafe Zest Sales	152,005.01	-	152,005.01
Dundrum - Pre Appointment Income	120,114.18	-	120,114.18
	6,743,406.34	-	6,743,406.34
PAYMENTS			
Dundrum - Concession Payments	3,115,328.37	-	3,115,328.37
Dundrum - Misc Direct Purchases	9,618.28	-	9,618.28
Dundrum - Rent	26,529.03	-	26,529.03
Dundrum - Service Charges	33,199.16	-	33,199.16
Dundrum - Employee Expenses	579,586.86	-	579,586.86
Dundrum - PAYE	32,242.07	-	32,242.07
Dundrum - RPSI	55,421.69	-	55,421.69
Dundrum - Pension Cont (employee & e	3,299.36	-	3,299.36
Dundrum - Third Party Payroll Costs	1,470.00	-	1,470.00
Dundrum - Gas	4,754.91	-	4,754.91
Dundrum - Electricity	51,216.37	-	51,216.37
Dundrum - Telephone	3,124.02	-	3,124.02
Dundrum - Rates	11,686.52	-	11,686.52
Dundrum - Hire of Equipment	475.81	-	475.81
Dundrum - Merchant Fees & Charges	47,446.66	-	47,446.66
Dundrum - Bank Charges	6,895.97	-	6,895.97
Dundrum - Float/Coin Drops	92,400.00	-	92,400.00
Dundrum - Consumables	8,737.50	-	8,737.50
Dundrum - Miscellaneous Trading Expens	9,074.73	-	9,074.73
Dundrum - Maintenance	83,871.39	-	83,871.39
Dundrum - Misc Professional Fees Tradin	201,245.09	-	201,245.09
Dundrum - Sub Contractor/Agency Staff	7,821.05	-	7,821.05
VAT Payment	43,448.23	-	43,448.23
RBS Bank Charges - Floating	7.94	-	7.94
HSBC Bank Charges - Floating	33.99	-	33.99
Trade Creditors	-	-	-
Legal Fees	7,200.00	-	7,200.00
	4,436,135.00	-	4,436,135.00
Net Receipts/(Payments)	2,307,271.34	-	2,307,271.34
MADE UP AS FOLLOWS			
Cash at Bank (transferred to Euro account)	2,307,271.34	-	2,307,271.34
Dundrum - Debtor Account	-	-	-
Dundrum - Creditor Account	-	-	-
VAT Control Account	-	-	-
	2,307,271.34	-	2,307,271.34

Notes:

1. Receipts and payments are stated net of VAT.
2. The balance on the Trading Account, once any costs associated with the TSA were settled, have been returned to the Purchaser in accordance the terms of the sale of business.
3. Within the GBP receipts and payments account is one receipt totalling £4,001.77 noted as "Unallocated Receipts". There is also a receipt totalling Euro 12.53 noted as "unallocated Receipts" within the Dundrum Trading Account. The Joint Administrators are currently investigating the nature of these receipts, and once completed, they will either be re-categorised or repaid.
4. No allowance has been made for future receipts or payments.

Appendix 3

HF Stores Realisations Limited (formerly House of Fraser Limited) (in Administration) ('the Company')

Joint Administrators' Time-Costs from 10 February 2021 to 9 August 2021

	Staff Grade						Total Hours	Time Cost (£)	Average Hourly Rate (£)
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
Accounting and Administration	-	9.3	1.2	5.0	103.6	4.9	124.0	31,475	254
Bank & Statutory Reporting	6.0	29.4	-	-	9.4	2.5	47.3	21,895	463
Creditors (Mandatory)	0.5	16.5	0.2	128.0	27.2	389.0	561.4	97,670	174
Debtors	4.0	9.3	-	2.7	-	4.4	20.4	8,708	427
Employee Matters	1.0	1.3	-	-	-	-	2.3	1,173	510
Legal Issues	2.0	10.5	-	-	-	-	12.5	6,918	553
Other Assets (Mandatory)	-	3.0	-	0.7	-	-	3.7	1,831	495
Other Matters	5.0	-	-	0.8	-	-	5.8	3,152	543
Property	-	1.0	-	2.2	33.2	-	36.4	9,709	267
Public Relations issues	-	1.0	-	-	-	-	1.0	547	547
Statutory Duties	5.0	7.0	-	5.1	0.5	-	17.6	8,260	469
VAT & Taxation	-	20.7	11.8	4.1	62.0	12.0	110.6	40,437	366
Ire: VAT & tax matters	-	-	3.0	-	-	-	3.0	711	237
Total Hours	23.5	109.0	16.2	148.6	235.9	412.8	946.0		
Time Costs (£)	66,491	40,271	13,795	54,193	7,741	49,994		232,484	
Average Hourly Rate (£)	2,829	369	852	365	33	121		246	

Joint Administrators' Time-Costs from 10 August 2018 to 9 August 2021

	Staff Grade						Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Senior Manager	Manager	Executive	Analyst			
								(£)	(£)
Accounting and Administration	1.0	114.7	226.8	196.9	1,075.5	756.8	2,371.7	804,876	339
Bank & Statutory Reporting	107.5	222.9	87.8	262.5	273.0	257.1	1,210.8	673,188	556
Creditors (Mandatory)	44.0	167.3	36.5	835.2	1,437.1	4,573.0	7,093.1	2,066,897	291
Debtors	5.0	50.7	9.1	129.0	244.7	134.4	572.9	246,019	429
Employee Matters	8.0	143.3	9.6	174.8	163.1	69.8	568.6	253,051	445
Immediate Tasks	2.0	16.9	13.5	2.0	4.0	9.0	47.4	25,748	543
Investigation/CDDA (Mandatory)	46.5	80.2	294.2	95.5	270.4	328.0	1,114.8	634,098	569
Job Acceptance & Strategy (M)	-	9.3	5.0	0.5	-	-	14.8	13,091	884
Legal Issues	7.5	52.0	4.6	6.0	1.1	1.0	72.2	60,849	843
Members	-	-	-	8.9	8.0	-	16.9	8,256	489
Other Assets (Mandatory)	1.0	37.3	9.6	17.0	3.0	-	67.9	52,639	775
Other Matters	33.5	31.9	21.8	5.8	102.0	14.5	209.5	114,634	547
Property	20.5	114.2	114.5	502.8	474.0	185.2	1,411.2	672,095	476
Public Relations issues	-	7.9	2.8	0.2	3.0	-	13.9	10,059	724
Retention of Title	2.5	71.0	14.5	12.7	-	131.0	231.7	117,584	507
Statutory Duties	19.0	41.0	137.3	87.9	185.1	94.9	565.2	277,049	490
Trading (Mandatory)	-	0.4	-	2.0	-	132.5	134.9	25,051	186
VAT & Taxation	6.9	141.8	139.0	137.7	419.6	175.7	1,020.7	615,929	603
Day One	8.0	61.1	93.4	66.0	190.6	71.5	490.6	225,787	460
Concession Operators	9.0	7.0	5.9	37.1	58.5	-	117.5	53,003	451
Decision Analytics	3.0	-	-	-	-	-	3.0	2,340	780
Stock and Fixed Assets	-	11.0	-	2.8	-	6.1	19.9	15,329	770
Ire: Negotiating the TSA	20.0	135.1	17.0	-	-	-	172.1	103,463	601
Ire: Completion & TSA Rec	-	147.2	65.1	23.5	16.0	-	251.8	153,973	611
Ire: Elavon	-	42.1	12.5	-	-	-	54.6	30,298	555
Ire: Employees (including comm	-	66.0	24.3	27.5	31.5	8.8	158.1	66,580	421
Ire: Landlord (property)	6.5	42.0	9.8	-	1.5	-	59.8	37,954	635
Ire: Public relations (inc CCP	-	3.3	2.0	-	-	-	5.3	2,920	551
Ire: VAT & tax matters	3.0	36.4	25.4	26.5	59.4	4.5	155.2	69,441	447
Ire: Suppliers (including ROT)	-	9.9	18.2	-	28.5	33.1	89.7	24,167	269
Ire: Cash flow and trading admi	-	35.4	158.3	25.9	181.6	24.6	425.8	146,378	344
Ireland: Concessions	-	33.6	45.5	-	124.5	9.5	213.1	63,740	299
Ire: Statutory and other filing	-	3.9	0.8	3.3	17.0	11.0	36.0	9,431	262
Total Hours	354.4	1,936.8	1,604.8	2,690.0	5,372.7	7,032.0	18,990.7		
								7,675,919	

Time charging policy

The Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established for the case. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used.

Grade description	Restructuring hourly rates (£/hour)				Tax / VAT hourly rates (£/hour)		
	03/11/18 to 30/06/2019	01/07/19 to 09/02/2020	01/07/20 to 30/06/2021	01/07/2021 to 09/08/2021	03/11/18 to 30/06/2019	01/07/19 to 09/02/2020	01/07/20 to 09/08/2021
Partner	1140	1195	1,255	1,320	1,570	1,650	N/A
Executive Director	1,090	1,145	1,200	1,260	1,570	1,650	1,355-1,650
Director	930	975	1,025	1,320	1,295	1,360	1,360
Assistant Director	775	815	855	900	1,145	1,200 – 1,335	1,200
Senior Executive	590	620	650	685	945	990	990
Executive	435	455	480	505	695	615 - 730	N/A
Assistant Executive	395	415	435	455	N/A	N/A	N/A
Analyst	280-395	295-415	310-435	390-560	220-430	230 – 450	235-375
Business Trainee	240	250	265	280	N/A	N/A	N/A

Payments to other professionals

The Administrators have engaged the following professionals to provide assistance:

Name of firm	Nature of services	How contracted to be paid
Burness Paul	Legal assistance in extending the administration	Upon completion of work
Clifford Chance	Legal Assistance	Upon completion of work
Montagu Evans	Professional Services securing rates refunds for the Company	Paid on a percentage basis, with a “no win no fee”
Pinsent Masons	Legal Assistance	Upon completion of work

Legal fees have been reviewed in line with work performed. Montagu Evans’ fees have been reviewed in line with rates refunds secured.

Appendix 4

HF Stores Realisations Limited (formerly House of Fraser Limited) (in Administration) ('the Company')

Summary of Joint Administrators' outlays incurred

Type of Outlay	Paid as at 09/02/2021	Paid in Period 10/02/2021 to 09/08/2021	Outstanding	Total (£)
Category 1 disbursements (see Note 1)	£33,479.12	£0.00	£8,902.18	£42,381.30
Accommodation	£4,091.02	£0.00	£0.00	£4,091.02
Airfare	£2,172.60	£0.00	£0.00	£2,172.60
Subsistence	£1,441.74	£0.00	£29.18	£1,470.92
Phone Expense	£2.50	£0.00	£0.00	£2.50
Car Allowance	£426.40	£0.00	£0.00	£426.40
Printing	£10,454.63	£0.00	£886.31	£11,340.94
Stationery	£354.68	£0.00	£126.50	£481.18
Travel costs	£9,640.18	£0.00	£42.85	£9,682.11
Technology	£0.00	£0.00	£5,261.80	£5,261.80
Specific Penalty Bond	£1,280.00	£0.00	£0.00	£1,280.00
Postage	£3,615.37	£0.00	£4,263.45	£7,878.82
Category 2 disbursements (note 1) (mileage)	£1,465.85	£0.00	£38.70	£1,504.55
Mileage	£1,465.85	£0.00	£38.70	£1,504.55
Totals	£34,944.97	£0.00	£10,648.79	£45,593.76

Notes:

- SIP 9 defines disbursements as a type of expense which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment
 - Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.

It is our policy, in accordance with SIP 9, to disclose Category 1 and Category 2 disbursements but only to seek approval for Category 2 disbursements before they are drawn.

The Insolvency Act 1986 and the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018

Administration Notice of Claim for Voting Purposes

Convocatoria para la presentación de créditos. Plazos aplicables.

Výzva k přihlášení pohledávky. Závazné lhůty

Opfordring til anmeldelse af fordringer. Vær opmærksom på fristerne

Aufforderung zur Anmeldung einer Forderung. Etwaige Fristen beachten!

Nõude esitamise kutse. Järgitavad tähtajad

Πρόσκληση για αναγγελία απαιτήσεως. Προσοχή στις προθεσμίες

Invitation to lodge a claim. Time limits to be observed

Invitation à produire une créance. Délais à respecter

Invito all'insinuazione di un credito. Termine da osservare

Uzaicinājums iesniegt prasījumu. Termins, kas jāievēro

Kvietimas pateikti reikalavimą. Privalomieji terminai

Felhívás követelés bejelentésére. Betartandó határidők

Stedina għal preżentazzjoni ta' talba. Limiti taż-żmien li għandhom jiġu osservati

Oproep tot indiening van schuldvorderingen. In acht te nemen termijnen

Wezwanie do zgłoszenia wierzytelności. Przestrzegać terminów

Aviso de reclamação de créditos. Prazos legais a observar

Výzva na prihlásenie pohľadávky. Je potrebné dodržať stanovené termíny Poziv k prijavi terjatve. Roki, ki jih je treba upoštevati!

Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat

Anmodan att anmäla fordran. Tidsfrister att iaktta

HF Stores Realisations Limited (formerly House of Fraser (Stores) Limited) (in Administration) ('the Company')

Date of Administration: 10 August 2018

PLEASE NOTE: Once completed, this form will be used by the Joint Administrators ONLY for the purposes of voting in a creditors' decision procedure or a requisitioned meeting of creditors. The form will not constitute admission of the claim to rank for dividend in this or any subsequent procedure. For further information see Rules 5.26 to 15.32 of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

Name of creditor

Address

Amount claimed, after deductions for payments made post-administration or adjustments for set off (see notes overleaf)

Is the claim preferential or secured?

If secured, value of security

If you have made a retention of title claim against the company please attach details (see over)

Signature on behalf of creditor

Date

File with Sophie Hyde

Reviewed by _____

Notes to Administration Notice of Claim for Voting Purposes:

1. Please attach a detailed statement of your account as at the date on which the company entered administration.
2. If you have claimed retention of title please provide details, including the value of any payments made, or goods returned, to you in respect of your claim.
3. If your claim is preferential (e.g. for wages, holiday pay or certain pension arrears) or secured please give details and attach supporting documentation.
4. VAT bad debt relief may usually be claimed six months after the date of supply.

Extracts from the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018:

5.28 Calculation of voting rights

- (1) Votes are calculated according to the amount of each creditor's claim -
 - (a) in an administration, as at the date on which the company entered administration, less (i) any payments that have been made to the creditor after that date in respect of the claim, and (ii) any adjustment by way of set-off which has been made in accordance with that principle or would have been made if that principle were applied on the date on which the votes are counted; ...
- (2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount if the convenor or chair decides to put upon it an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.
- (4) Where a debt is wholly secured its value for voting purposes is nil.

- (5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases -
 - (a) where the administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2); ...
- (7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.
- (8) A vote cast in a decision procedure which is not a meeting may not be changed.
- (9) Paragraph (7) does not prevent a creditor or member State liquidator from -
 - (a) voting in respect of less than the full value of an entitlement to vote; or
 - (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

5.29 Calculation of voting rights: hire-purchase agreements

- (1) In an administration, a creditor under a hire-purchase agreement is entitled to vote in respect of the amount of the debt due and payable by the company on the date on which the company entered administration.
- (2) In calculating the amount of any debt for the purpose of paragraph (1), no account is to be taken of any amount attributable to the exercise of any right under the relevant agreement so far as the right has become exercisable solely by virtue of (a) the making of an administration application;
 - (b) a notice of intention to appoint an administrator or any matter arising as a consequence of the notice; or
 - (c) the company entering administration.