

# Joint Administrators' progress report from 22 July 2024 to 21 January 2025

**CPR Realisations Limited (formerly Carpetright Limited) -  
in administration**

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

Case no. CR-2024-004119

20 February 2025

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# Abbreviations and definitions

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

<b>Abbreviation or definition</b>	<b>Meaning</b>
<b>Administrators/we/us/our</b>	Zelf Hussain, Rachael Maria Wilkinson and Peter David Dickens
<b>APA</b>	Asset Purchase Agreement between the Company, the Joint Administrators, CWHP Limited and Tapi Carpets & Floors Limited dated 22 July 2024
<b>DBT</b>	Department for Business and Trade
<b>CAPA</b>	Consultiam Property Limited t/a CAPA
<b>Carpetright Group / Group</b>	Carpetright Limited and its subsidiaries
<b>CBRE</b>	CBRE Limited
<b>Company</b>	CPR Realisations Limited (formerly Carpetright Limited)
<b>CVA</b>	Company voluntary arrangement under Part 1 IA86
<b>CWHP</b>	CWHP Limited (part of the Tapi group)
<b>CMA</b>	The Competition and Markets Authority
<b>Evelyn Partners</b>	Evelyn Partners LLP
<b>First ranking preferential creditors</b>	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: <ul style="list-style-type: none"><li>• unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances</li></ul>
<b>Hilco</b>	Hilco Capital Limited
<b>HMRC</b>	HM Revenue and Customs
<b>HP</b>	Hire Purchase
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>LtO</b>	Licence to Occupy
<b>LtO Properties</b>	The properties included in the Licence to Occupy agreements
<b>Secondary preferential creditors</b>	Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds These include claims for: <ul style="list-style-type: none"><li>• certain HMRC debts owed at the date of insolvency, consisting of VAT and relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions). Penalties and interest do not form part of HMRC's preferential claim</li></ul>

<b>Prescribed part</b>	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
<b>M&amp;A</b>	Mergers and Acquisitions
<b>Nestware Group</b>	Nestware Holdings Limited and its subsidiaries
<b>NHL</b>	Nestware Holdings Limited
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>RPS</b>	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
<b>Sch B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>Secured creditor</b>	A creditor with security in respect of their debt, in accordance with section 248 IA86
<b>SIP</b>	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
<b>SIP 2</b>	Statement of Insolvency Practice 2: Investigations by office holders in administrations and insolvent liquidations and the submission of conduct reports by office holders
<b>SIP 9</b>	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
<b>SIP 16</b>	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
<b>Tapi</b>	Tapi Carpets & Floors Limited
<b>TFR</b>	The Floor Room
<b>Travers Smith</b>	Travers Smith LLP
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>Unsecured Creditors</b>	Creditors who are neither secured nor preferential

This report has been prepared by Zelf Hussain, Rachael Maria Wilkinson and Peter David Dickens as Joint Administrators of the Company, 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 Company.

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 [www.pwc.co.uk/carpetright](http://www.pwc.co.uk/carpetright). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Zelf Hussain, Rachael Maria Wilkinson and Peter David Dickens have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

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

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# Key messages

## Why we've sent you this report

We're writing to update you on the progress of the administration of the Company in the six months since our appointment on 22 July 2024.

Please email [uk\\_carpetright\\_creditors@pwc.com](mailto:uk_carpetright_creditors@pwc.com) if you need the password to access any of the previous reports.

## How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Current estimate (p in £)	Forecast timing
Secured creditor	Nil	N/A
First ranking preferential creditors	100p	Within 6 months
Secondary preferential creditors	up to 90p	Within 6 months*
Unsecured creditors	Nil	N/A

\* We expect to be able to pay an interim distribution within the next six months. The timing of any further secondary preferential dividends is unknown and may be impacted by the VAT fitters claim as described below.

### Secured creditor

The lending to the Company as at the date of administration was £120m, secured by fixed and floating charges over the Company's assets. Given the lack of fixed charge assets and the level of preferential debts which rank ahead of the floating charge, we do not anticipate any return to the secured creditor.

### First ranking preferential creditors (mainly employees)

Based on current information, we estimate that the level of first ranking preferential claims will be £2.1m.

We think we'll be able to pay the first ranking preferential creditors in full based on what we know currently. We anticipate that this dividend will be paid within the next six months. Please note that any employee that has a preferential claim does not need to contact us or take any action at this stage. We will calculate your claim for you and send you a copy of your claim, along with guidance on any further action or information we may require.

### Secondary preferential creditors (HMRC)

The directors' statement of affairs shows an amount of £9.9m owed to HMRC as a secondary preferential amount. We have received an initial claim from HMRC, the preferential element of which totals £60.6m. However, of this, approx £57.5m relates to an assessment for VAT on fitters costs, which is discussed further below. The Company has previously disputed this assessment. Since the claim was received, HMRC has assessed the VAT liability for the final pre-administration period to be £3.5m, which we expect to be added to the claim.

In the event that the fitters assessment is successfully overturned, we think we'll be able to pay the secondary preferential creditor a dividend of up to 90% depending on the realisations achieved in realising the Company's remaining assets not included in the sale to the Purchaser. In the event that HMRC is successful, this dividend percentage will be considerably less. We expect to be able to pay an interim distribution to the secondary preferential creditor within the next 6 months. The timing of any further payments is currently unknown as it may depend upon the situation with the fitters claim.

## Unsecured creditors

The prescribed part is a fund that has to be made available for unsecured creditors. It's paid out of 'net property'. Net property is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000, or £800,000 where the floating charge was created on or after 6 April 2020 or (while created prior to) ranks equally with or after a floating charge created on or after 6 April 2020.

The prescribed part applies in this case as there is a floating charge created on or after 15 September 2003.

Based on the level of preferential claims, as set out above, we do not think there will be funds available to make a distribution to unsecured creditors, even from the prescribed part.

Should this situation change, we will update the FAQs on our website ([www.pwc.co.uk/carpetright](http://www.pwc.co.uk/carpetright)) and if we think there will be funds available to pay a dividend to unsecured creditors in due course, we will write to all creditors to set out how to make a claim.

We recommend that all customers check their purchase protection arrangements associated with their debit / credit card / finance arrangement (or similar payment method) to understand whether a refund is available through another source.

## What you need to do

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

# Overview of what we've done to date

You'll remember from our Proposals for achieving the purpose of administration that when we were appointed, the position was as follows:

- The Company was incorporated in 1988 and grew to operate a chain of 273 retail stores across the UK and ROI selling flooring coverings and beds including 19 concessions. The Company's head office and main warehouse was located in Purfleet, Essex with a further 16 distribution hubs across the UK. At the time of our appointment, the Company had 1,898 employees across the business.
- Following a sustained period of unprofitable trading, in 2018 the Company undertook a CVA resulting in the closure of a number of unprofitable stores and in the same year, it also sought to raise additional funds through the issue of new shares. In 2020, the Company and its associated secured debt was acquired by Meditor Holdings Limited and delisted from the London Stock Exchange. The CVA formally completed on 6 October 2022.
- The Company faced continual trading challenges over recent years and engaged PwC in May 2024, following the worsening of the Company's liquidity position, to review the Company's 13 week short term cash flow, comment on potential cash management opportunities and provide stakeholder management advice. This led to work to look at funding options and assistance with an accelerated M&A process.
- Following continued creditor pressure, including the threat of a winding up petition being issued by HMRC in respect of unpaid VAT and PAYE/NI, on 22 July 2024, the Company was placed into administration.

On appointment, we transacted a sale of the Company's business and substantially all of its assets to CWHP, as explained in the Proposals. Further information on the sale is provided in the Proposals and in our SIP 16 disclosure within the Proposals available on [www.pwc.co.uk/carpetright](http://www.pwc.co.uk/carpetright).

The following sections of the report set out the work we have done since then, and the work we still have left to do.



# Progress since we last reported

## Sale of business and assets

Shortly following our appointment, we completed a pre-packaged sale of the Company's business and substantially all of its assets to the Purchaser for final consideration of £3,591,089. This figure is different to that shown in the Proposals, following three additional properties being added to the CWHP LTO shortly after the transaction, and a refund of stock consideration, in accordance with the terms of the APA, following a post-sale reconciliation. A summary of the sale consideration is provided below.

<b>Asset</b>	<b>(£)</b>
Business Intellectual Property Rights	1
Business Records	1
Cash Float	1
Customer Contracts	1
Goodwill	1
IT Systems	1
Leasehold Premises	1,749,994
Plant and Equipment	168,000
Stock in transferred stores, hubs and the Purfleet warehouse	1,673,089
<b>Total</b>	<b>3,591,089</b>

The following key items were excluded from the sale and will be dealt with by the Administrators:

- The book debts;
- The cash at bank;
- The Administrators' records and VAT records;
- The leased and HP equipment;
- The retention of title assets;
- The supplier contracts; and
- Any available tax assets.

As part of the sale, 320 of the Company's employees transferred under TUPE, thus preserving employment and reducing the value of preferential creditor claims in the administration.

## Property

The Company held leasehold interests in 273 stores across the UK and the Republic of Ireland.

As part of the sale of the business and assets on appointment, an LtO was granted to CWHP, for 54 stores and two logistics hubs. Subsequently, an additional store and two logistic hubs were added onto the LtO that was granted to the Purchaser.

Following the appointment, we granted an LtO for a further 43 stores to various other parties in August 2024 after running a competitive process (described further below), with the remaining 171 stores closed.

We put together a low-cost managed services solution to manage the LtO process, using a dedicated team of staff with suitable skills for the processes undertaken. This has meant that the work has been completed at a cost considerably lower than if it was undertaken by our insolvency specialist staff at their usual charge out rates. This has enabled the costs of dealing with post sales matters to be considerably reduced to the benefit of the Company's creditors.

In order to manage incoming queries efficiently, a dedicated mailbox was set up to receive queries from landlords. To date we have received and dealt with over 1,700 incoming emails, including invoices for LtO properties as noted below.

### Licence to Occupy - CWHP/Tapi

On appointment, CWHP entered into a three month LtO, and subsequently extended the LtO for a further three months to 22 January 2025 in line with the APA. Following a request subsequent to the sale, the LtO agreement was novated to Tapi in order to assist with the transfer of property leases. The costs of this work were met by Tapi.

During the period of the LtO, we have been providing assistance with regards to the assignment or surrender of the leases, as well as supporting with the payment of rents and other costs to landlords during the LtO period, using funds provided by CWHP/Tapi in advance. During the LtO period, notice has been given to terminate the LtO on one property which it no longer wished to transfer.

By 22 January 2025, the transfer of 18 stores had been completed, however, Tapi required a further three month extension to negotiate the assignments of the remaining 40 properties with landlords. As such, we have granted a further extension to the LtO until 22 April 2025. Following the report date, a further 18 stores have been completed.

In order to ensure that the Company's creditors are not impacted by this, any additional costs incurred as a result of the extension will be met by Tapi. We intend that these amounts will be drawn as fees and we will seek approval for these fees in our remuneration report, which is being issued at the same time as this report.

### Licence to Occupy - Other Purchasers

Following our appointment, in order to ensure we were maximising returns for creditors, a thorough market testing process was initiated to explore the possibility of realising additional value from the remaining leasehold properties.

Following a bidding process, we appointed CBRE as our agents for this work. Following a short marketing process, an LtO was granted for an additional 43 stores across three separate purchasers. Across these stores, we received non-refundable premium payments totalling £0.9m, with further amounts due upon the transfer of properties. During the period, we received a further £0.9m of lease premiums.

As of 22 January, these purchasers had either assigned or exited (where it was not possible for the occupiers to agree terms with landlords), a total number of 22 stores. Following the report date, a further two stores have been either assigned or exited.

### **Properties Excluded from the Licences to Occupy**

The remaining stores ceased to trade from 22 July 2024, the date on which store staff were made redundant. Store Managers were retained for a short period to facilitate the closure of the stores, and the removal of any information falling under GDPR.

As part of the closure process, retail agents acting for the administrators attended all closed stores and concessions to facilitate data collection, and sites were made secure where necessary.

The Company's head office was used for a short time to support winding down operations. Rent had been paid pre-appointment up to 28 September 2024, at which point the property was returned to the landlord. Trade Choice occupied an area within the Company's head office in Purfleet. During the time we occupied the head office, we granted an LtO to Trade Choice for the period 22 July 2024 to 28 September 2024.

We wrote to landlords shortly after our appointment offering a surrender of the leases for closed stores, and continue to communicate with landlords of these properties regarding the return of keys.

Separate to the LtO arrangements, we entered into an arrangement with a landlord in relation to the return of a property, for which a premium of £50k was received.

## **Employees**

The Company employed 1,898 people at the time of our appointment, of whom 320 transferred to Tapi under TUPE and 1,051 were unfortunately made redundant on appointment. Further details about this and our communications with employees are in our Proposals available on [www.pwc.co.uk/carpetright](http://www.pwc.co.uk/carpetright).

### **Wind down of activities and redundancies**

The remaining employees were retained to assist the Administrators with the transfer of data to Tapi and winding down the business, including the safe closure of the Purfleet head office and warehouse. This also included working with the HR team to ensure that those employees retained by the administrators were paid between July and September 2024 in line with the administration strategy.

Five employees transferred to NHL to support the wider group, and the remaining employees were made redundant in the weeks leading up to the last redundancy date of 28 September 2024.

### **Consultation**

The Administrators implemented a consultation process with five formal consultation meetings held between 22 July and 22 August 2024. These meetings provided structured forums for retained employees to receive operational updates about the administration and ask questions, in addition to the informal forums being used. Please refer to our Proposals for more information about the consultation process.

A number of protective award employment tribunal claims have been filed by various claimants. Once we are confident that all protective award claims have been received, we will consider the strategy and next steps in managing the claims in the context of the administration and the Administrators' duties to creditors.

### **RPS**

Shortly after our appointment and throughout the period, we had regular discussions with the RPS to ensure they were fully briefed on the administration strategy and to provide information on the anticipated level and type of employee claims they would receive.

We worked closely with the RPS to ensure that employees were fully supported throughout the redundancy process when completing and submitting their claims. This resulted in employees receiving any statutory payments they were eligible to claim as quickly as possible.

### **Channel Islands - claims**

The Company had a small number of employees based in Jersey, which is subject to a different redundancy payments regime to the UK. In order to ensure that these redundant employees received payment from the relevant statutory body in a timely manner, we spent time liaising with the Office of the Viscount of Jersey in order to ensure that all requisite information was provided.

In addition to Jersey, there were also a small number of employees in Guernsey who required support with the impact of the administration on their employment. Following a review of statutory employment processes to be followed in Guernsey, we wrote to all affected employees to explain next steps as per their claims process and how to lodge a claim in the administration.

### **Republic of Ireland - claims**

There were a total of 33 employees in the Republic of Ireland. As a result of the administration, an application was required to the Department of Social Protection for any statutory payments that may be due to employees.

As the statutory process in ROI differs to UK insolvency laws, a detailed data exercise was required as preferential status extends to claims beyond those of the UK, such as certain elements of statutory redundancy pay and sick pay. As the Irish employees were employed directly by Carpetright UK as opposed to an Irish subsidiary, the process in agreeing claims with the Department of Social Protection was more protracted.

The delays that resulted in the Department of Social Protection taking longer to make payments to employees meant that we had additional queries from employees chasing payments.

As of 17 January 2025, all claims have been finalised and paid out by the Department of Social Protection with all outstanding tax in relation to these payments also completed .

### **Pension and employee benefits schemes**

The Company participated in a defined contribution pension scheme and offered some employee benefits. We worked with the HR team, insurers and providers in relation to the following:

- Understanding the pension and employee benefit arrangements;
- Issuing statutory notices on appointment in relation to the occupational pension schemes identified;
- Identifying outstanding amounts on appointment and considering how they should be treated;
- Making arrangements with the pension provider for post-appointment pension contributions to be paid in line with deadlines and providing schedules so contributions could be allocated to individuals' accounts;
- Dealing with a significant number of employee queries in relation to the pension contribution position;
- Arranging with the pension scheme for a claim to be submitted to the RPS in respect of the outstanding pre-appointment contributions. This claim was settled by the RPS in November 2024;
- Notifying The Pensions Regulator that auto-enrolment no longer applied; and
- Ensuring benefits such as private medical insurance remained for the relevant retained employees, and reconciling the premium position once no employees remained.

### **Payroll funding for group staff**

Thirteen of the Company's employees also worked for TFR and NHL, companies within the group, and the directors of the companies requested that some of those employees were retained by the Administrators. This was agreed, subject to these companies providing funding to cover the payroll costs of those individuals. During the period from 22 July 2024, the total funding received from these group companies equated to £103,846. Of this amount, £17,781 relates to NHL and £86,065 relates to TFR.

## **Other employee matters**

Payment of retained employees' wages along with associated payroll taxes and deductions, such as pension contributions, continued to be made during the period covered by this report. Due to the redundancies of the Company's payroll team, a payroll provider was instructed to assist us with managing the payroll for August and September 2024, as well as P11D and Class 1A submissions, as this was deemed to be the most cost effective way of dealing with these payments and submissions.

We set up a dedicated mailbox at the start of the administration for employees to ask questions and get additional support. We have responded to over 1,000 employee emails, and as expected, there has been a significant reduction in queries since August 2024. We continue to monitor the mailbox and answer email queries as and when received.

In addition, a helpline was available from 22 July 2024 for employees to discuss their queries with a member of our team and we answered over 170 inbound calls. The helpline was closed at the end of August 2024 as the number of calls had fallen considerably by early August, and the mailbox was still available for employees to contact us.

## **Realisation of other assets (excluded from the sale)**

### **Cash in transit**

The directors' statement of affairs showed an outstanding realisable balance of £10.3m in relation to a third party consumer finance provider (relating to orders placed subject to finance, not all of which had been fulfilled) and cash held by the merchant services provider.

These parties are entitled to retain funds to cover their exposure to the Company and have therefore not remitted any funds to us to date. We are in regular dialogue with the relevant providers to understand the level of their exposure and secure payment to the estate of any surplus, however, the final amount expected remains uncertain.

### **Cash at bank**

The Company banked with NatWest and the Bank of Ireland and at the date of appointment, the pre-appointment cash held totalled £7.75m. Upon our appointment we requested the balance be remitted to the administration estate.

The amount received can be seen on the receipts and payments account at Appendix A. Note that the difference between the statement of affairs value and the cash received is due to exchange rate differences and timing issues with the recovery of cash from various bank accounts.

### **Bank interest**

During the period, bank interest has been received totalling £230,882. We expect to receive further interest until we're in a position to distribute available funds to creditors.

### **Rates refunds**

We have instructed CAPA to assist with the collection of a number of business rates refunds that are due to the Company, primarily as a result of business rates that had been overpaid at the date of administration. During the period, we have recovered £555,577 in rates refunds with further realisations anticipated.

### **Motor vehicles, plant and equipment and office equipment**

During the period, we instructed Hilco to sell various items by way of auction, including motor vehicles, plant and equipment and office equipment. The amounts realised are £81,325 for motor vehicles, £206,440 for plant and equipment and £15,690 for office equipment. The associated costs of these realisations were £25,259.

These amounts are included in the receipts and payments account at Appendix A.

## **Intercompany receivables**

The directors' statement of affairs showed intercompany receivables balances with a net book value of £29.5m. However, this figure is mostly driven by the intercompany debt owed by Carpetright of London Limited which subsequently entered administration on 10 September 2024. Therefore, none of this amount is realisable.

## **Other matters**

### **Communications with customers and creditors**

During the administration we have retained a dedicated team to respond to enquiries from customers and creditors. To date we have received and responded to over 1,900 enquiries made by creditors and over 1,200 enquiries made by customers.

### **VAT Fitters Claim**

Prior to our appointment, HMRC issued a claim against the Company in which it is argued that the Company should have accounted for VAT on the costs associated with the carpet fitters. Although the carpet fitters were not employed by the Company and customers paid them directly, HMRC argues that the Company acted as a principal agent in arranging the fittings and should have charged and accounted for output VAT on these costs.

Evelyn Partners has been working on this since pre-appointment and the administrators have retained them to provide limited advice in relation to this since the Company went into administration.

### **Retention of title claim**

Since our appointment, we have been contacted by 19 parties regarding potential claims. Following the review, six parties retrieved their stock as part of a commercial settlement arrangement, and one of those parties received a payment of £25,000. This can be seen on the receipts and payments account at Appendix A.

### **Tax losses**

During the period, the administrators have reached an agreement in principle to sell tax losses in the Company to the Nestware Group. We will provide further details in our next report to creditors once this agreement has been finalised.

### **Hypothec claim**

Hypothec claims can arise in Scottish law, whereby the landlord of a commercial tenant in Scotland which enters insolvency proceedings has a right to claim security over any items in the premises belonging to the tenant, to cover a portion of any unpaid pre-appointment rent arrears.

One such claim has been received in the administration, in relation to a property situated in Bishopbriggs and an amount of £10,097 has been paid to the landlord in this regard. As this property was one transferred to CWHP/Tapi, this amount is recoverable from them.

## Statutory and compliance work

During the period covered by this report we have also:

- Prepared and issued all required statutory notices following our appointment;
- Prepared and circulated our Proposals for achieving the purpose of the administration, which included the SIP16 report, and which were subsequently deemed approved;
- Dealt with parties relating to employees' pensions, notifying them of the administration and dealing with subsequent correspondence;
- Requested the preparation and completion of the director's statement of affairs and filed this with the Registrar of Companies;
- Liaised with our post-appointment insurance broker to ensure appropriate insurance cover remained in place;
- Prepared and submitted directors' conduct reports to the Insolvency Service;
- Prepared and submitted the VAT return for the period ended 31 October 2024; and
- Prepared this first progress report and our remuneration report, which is being issued shortly after this report.

Further details of the statutory and compliance work we have done during the period can be seen in the table at Appendix C below.

On 1 August 2024, we published an addendum to our proposals dated 29 July 2024. This was done to include additional pre-administration advisor costs incurred that were not captured at the time of our initial publication of the Proposals. The Proposals and addendum are available on the Company's website at [www.pwc.co.uk/carpetright](http://www.pwc.co.uk/carpetright). We have received approval for these costs from secured and preferential creditors.

## Approval of our proposals

We issued to creditors our proposals for achieving the purpose of administration dated 29 July 2024 which was followed by the aforementioned addendum dated 1 August 2024 regarding the revised pre-administration costs incurred.

We said in our proposals that we thought the Company doesn't have enough assets to pay a dividend to unsecured creditors other than from the prescribed part (per paragraph 52(1)(b) Sch B1 IA86).

This meant that we did not have to seek a decision from creditors regarding the approval of our Proposals and they 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 treated as approved on 9 August 2024.

## Statement of affairs

At the time our Proposals were issued, we had not received a statement of the Company's affairs from the directors as there had been limited time for this to be prepared before the Proposals were issued. We confirm this has now been received and a copy of the statement of affairs has been filed at Companies House.

We received the statement of affairs of the Company on 14 August 2024. It was signed by Peter Charles. As required by law, it included details of the names, addresses and debts of creditors (including details of any security held), other than, if applicable, employees and former employees of the company and consumers claiming amounts paid in advance for the supply of goods and services.

Our comments on the statement of affairs received are:

- As is normal in a statement of affairs, there is no provision for the costs of realising the Company's assets or the costs of the administration.
- We haven't audited the information.

## **Investigations and actions**

During the period, we fulfilled our obligations in relation to the office holders' initial SIP 2 assessment and filed our submissions on the directors' conduct with the Insolvency Service, the contents of which are confidential.

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

## **Our receipts and payments account**

We set out at Appendix A an account of our receipts and payments in the administration from 22 July 2024 to 21 January 2025.

## **Our expenses**

We set out at Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

## **Our fees**

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

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

## **Pre-administration costs**

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

## **Creditors' rights**

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

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

You can also get a copy free of charge by telephoning Josh Liburd on 0113 289 4000.



## What we still need to do

We remain in office to deal with the following matters:

- Finalise the various LtOs with the relevant parties, facilitate the transfer of leases and repay any surplus amounts owed;
- Seek fee approval from the relevant classes of creditors;
- Agree and adjudicate first ranking preferential creditor claims;
- Agree and adjudicate secondary preferential creditor claims;
- Obtain any further rates refunds due to the Company;
- Realise any income from the merchant services providers / finance provider (if it becomes available);
- Agree and adjudicate unsecured creditor claims (if applicable);
- Make distributions to the first ranking and secondary preferential creditors;
- Deal with the claim from HMRC for VAT on fitters' costs;
- Submit periodic and final VAT and Corporation Tax returns;
- Issue further progress reports; and
- Deal with closure matters including drafting and issuing the final progress report, closure of our internal systems, obtaining clearances from third parties and release of the Joint Administrators' bond.

## Future dividends for creditors

We have provided an estimate of the amount and likely timing of payment of dividends to the first ranking and secondary preferential creditors in the Key Messages section at the beginning of this report.

Once the claims from the first ranking preferential creditors have been received and adjudicated, we anticipate making a first and final distribution shortly thereafter. As noted above, it is likely that, once the non-fitters element of the secondary preferential claim has been adjudicated, we will make an interim distribution, pending further realisations and/or clarity on the fitters claim.

## Next steps

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, please get in touch with Josh Liburd at [uk\\_carpetright\\_creditors@pwc.com](mailto:uk_carpetright_creditors@pwc.com).

Yours faithfully  
For and on behalf of the Company



Rachael Wilkinson  
Joint Administrator

# Appendix A: Receipts and payments

Statement of Affairs	Notes	22 July 2024 to 21 January 2025
£		£
<b>Fixed charge assets</b>		
21,586,000	Intangible assets	-
<b>Floating charge assets</b>		
	Bank interest gross	230,881.79
	Business intellectual property rights	1 1.00
	Business records	1 1.00
	Cash float	1 1.00
	Costs recharged to the Purchaser	2 40,746.50
	Customer contracts	1 1.00
1,657,000	Fixtures and fittings	750.00
	Goodwill	1 1.00
	IT systems	1 1.00
	Lease premium	1,828,630.62
1,949,000	Leasehold property	1 1,749,994.00
	Motor vehicles	81,325.00
	Office equipment	15,690.00
	Payroll funding for Group companies	3 103,845.71
	Plant and equipment	1 374,440.00
8,815,000	Pre appointment cash at bank	7,751,684.29
	Rates refunds	555,576.90
	Stock	1 1,673,089.03
	Sundry debts and refunds	700.96
	Surplus LtO funding	4 3,670,125.33
	Third party supplier costs recharged to TFR	3 31,026.95
		<b>18,108,513.08</b>

**Cost of realisations**

Agents' disbursements		(10,391.77)
Agents' fees - property and assets		(390,321.13)
Critical IT supply		(10,363.25)
Employee / subcontractor costs and expenses		(50,342.79)
Hypothec claim		(10,096.50)
Interim property payments	6	(129,669.51)
IT and data costs		(43,229.74)
Legal fees and expenses		(283,384.90)
Legal fees recharged to the Purchaser	2	(650.00)
Office costs, stationery and postage		(80,802.35)
PAYE / NIC and pension deductions		(453,048.63)
Pre-appointment administrators' expenses	5	(394.00)
Pre-appointment administrators' fees	5	(586,260.00)
Pre-appointment agent's fees	5	(8,050.00)
Pre-appointment legal fees	5	(179,385.00)
Professional fees		(63,877.44)
Property / asset expenses		(3,919.19)
Retention of title claim		(25,000.00)
Security costs		(50,441.11)
Statutory advertising		(99.00)
Utilities and rates		(58,695.72)
Wages and salaries		(1,707,458.37)
		<hr/>
		<b>(4,145,880.40)</b>
VAT Control		32,879.42
Barclays Bank Plc - interest bearing		<hr/> 4,480,597.49
HSBC Bank Plc - interest bearing		5,048,795.86
Barclays Bank Plc - Third party funds		4,466,118.75
		<hr/> <b>13,995,512.10</b> <hr/>

## Notes to the R&P

1. These amounts relate to the sales consideration received from the pre-packaged sale, as detailed in the APA between the Company, the Joint Administrators, CWHP and Tapi dated 22 July 2024 and the addendum dated 25 July 2024. In accordance with the terms of the APA, a reconciliation of actual stock at the date of completion was performed and resulted in a small refund due to the purchaser.
2. During the period, costs were incurred for work done in relation to assisting CWHP/Tapi with the CMA and the close proximity of the Company's and Tapi's stores, legal costs in relation to the additional properties added after the deal and work done to amend documents so that properties could be assigned directly to Tapi. The costs incurred were all recharged to Tapi.
3. During the period, there were some payroll costs and third party supplier costs paid by the estate on behalf of TFR. These costs were subsequently recharged to TFR and have had no detrimental effect on the estate.
4. The LtO funding surplus is shown in the above R&P but does not form part of the administration estate and is third party funds. The amount will continue to be used to pay LtO related expenses such as rent, insurance and service charges. A summary of the LtO receipts and payments can be seen below:

	<b>22 July 2024 to 21 January 2025 (£)</b>
<b>Licence to Occupy - Third party funds</b>	
Third party LtO receipts	7,660,260.60
Third party LtO payments	(3,990,135.27)
<b>Total third party funds held</b>	<b>3,670,125.33</b>

5. The pre-administration costs were approved by the secured and preferential creditors on 16 August 2024.
6. As some of the subsequent LtOs took effect post-appointment, the Company was liable for the associated costs of the properties until the LtOs were agreed and therefore has paid these associated costs for the interim period from the date of appointment to the dates the relevant LtOs were agreed in August 2024
7. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.

# Appendix B: Expenses

Expenses are amounts properly payable by us as administrators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

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

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the Secured and Preferential creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

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

The following table provides a breakdown of the Category 2 expenses incurred in the period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case.

Category	Provided by	Basis of cost	Costs incurred (£)
2	PwC	Photocopying - up to 20 pence per side copied, only charged for circulars to creditors and other bulk copying.	2,298.56
		Mileage - At a maximum of:	2,731.34
		64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc) for petrol/diesel/hybrid;	
		72 pence per mile for fully electric	
2	PwC	12 pence per mile for a bicycle	
2	PwC	Work completed by PwC Ireland in relation to the redundancies of staff made in the Republic of Ireland at an amount of €25,000 (£21,125.57 converted at 1.1834 at 21 January 2025.)	21,125.57
1	DHL	Courier services	34.57
1	PwC	Postage	6,200.80
1	PwC	Travel expenses	3,577.98
1	PwC	Bonding	225.00
		<b>Total</b>	<b>36,193.82</b>

We will seek approval for Category 2 expenses as set out above, shortly after issuing our remuneration report.

The table below provides details of all the expenses incurred in the administration:

	Brought forward from preceding period (£)	Incurred in the period under review (£)	Cumulative (£)	Estimated future (£)	Anticipated total (£)
Agents' disbursements	-	10,391.77	10,391.77		10,391.77
Agents' fees - property and assets	-	408,042.83	408,042.83	Uncertain	408,042.83
Critical IT supply	-	10,363.25	10,363.25	-	10,363.25
Employee / subcontractor costs and expenses	-	50,342.79	50,342.79	-	50,342.79
Interim property payments	-	129,669.51	129,669.51	3,000.00	132,669.51
IT and data costs	-	43,229.74	43,229.74	-	43,229.74
Legal fees and expenses	-	298,578.53	298,578.53	100,000.00	398,578.53
Legal fees recharged to the Purchaser	-	650.00	650.00	-	650.00
Office costs, stationery and postage	-	80,802.35	80,802.35		80,802.35
PAYE / NIC and pension deductions	-	453,048.63	453,048.63	-	453,048.63
Payment of Hypothec claim	-	10,096.50	10,096.50	-	10,096.50
Pre-appointment administrators' expenses	394.00	-	394.00	-	394.00
Pre-appointment administrators' fees	586,260.00	-	586,260.00	-	586,260.00
Pre-appointment agent's fees	8,050.00	-	8,050.00	-	8,050.00
Pre-appointment legal fees	179,385.00	-	179,385.00	-	179,385.00
Professional fees	-	63,877.44	63,877.44	Uncertain	63,877.44
Property / asset expenses	-	3,919.19	3,919.19	-	3,919.19
Retention of title claim	-	25,000.00	25,000.00	-	25,000.00
Security costs	-	50,441.11	50,441.11	-	50,441.11
Statutory advertising	-	99.00	99.00	250.00	349.00
Utilities and rates	-	58,695.72	58,695.72	4,000.00	62,695.72
Wages and salaries	-	1,707,458.37	1,707,458.37	-	1,707,458.37
Administrators' category 2 expenses	-	26,155.47	26,155.47	500.00	26,655.47
Administrators' category 1 expenses	-	10,038.35	10,038.35	1,000.00	11,038.35
<b>Total</b>	<b>774,089.00</b>	<b>3,440,900.55</b>	<b>4,214,989.55</b>	<b>108,750.00</b>	<b>4,323,739.55</b>

The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

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

The amount of agents' fees is uncertain due to amounts that relate to CBRE, the final fees due to CBRE are dependent upon future property transfers to the various purchasers.

The amount of estimated future professional fees is currently uncertain. This is due to us awaiting further confirmation of further recoveries from CAPA for the historic rates audit work which is still ongoing and which will lead to further expenses in relation to CAPA

# Appendix C: Remuneration update

During the period covered by this report we've prepared our remuneration report to fix the basis of our fees of the Joint Administrators' post-appointment fees

The remuneration report will be published on our website at [www.pwc.co.uk/carpetright](http://www.pwc.co.uk/carpetright) shortly following the issue of this report. It should be read in conjunction with this report, as it provides detail on the key workstreams in the administration estates, and the future work that we expect will need to be performed.

In accordance with insolvency legislation, shortly after the publication of our remuneration report, we'll seek approval from the Secured and Preferential creditors for our remuneration to be fixed on a combination of bases, being time costs and percentage of realisations.

## Payments to associates

The Joint Administrators have the following relationships with associates or parties who could reasonably be perceived as an associate:

- **PwC Ireland** - Joint Administrators' disbursements incurred in the period include €25,000 for assistance provided by PwC Ireland in relation to redundancies of the Company's staff based in the Republic of Ireland. The work consisted of assisting with claim forms, corresponding with former employees and providing details to the Department of Social Protection in order for payments to be made. The exchange rate as at 21 January 2025 was 1:1.1834, making the amount of the disbursement £21,126.

We are seeking approval from the secured and preferential creditors for these payments as Category 2 expenses.



## Our work in the period

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

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>		
<ul style="list-style-type: none"> <li>Opened bank accounts for the estate and for the various LtO accounts</li> <li>Liaised with pre-appointment bankers in relation to pre-appointment bank statements and arranging for cash sweeps to the administration bank account</li> <li>Performed independent verifications of suppliers' bank details in order to process payments</li> <li>Processing payrolls for retained staff</li> <li>Dealt with receipts, payments and journals</li> <li>Carried out bank reconciliations and managed the investment of funds</li> <li>Ensured that invoices reflected the work undertaken</li> <li>VAT accounting</li> </ul>	<ul style="list-style-type: none"> <li>Complying with statutory and regulatory duties regarding the holding and accounting of funds</li> </ul>	<ul style="list-style-type: none"> <li>Statutory and regulatory duties regarding the holding of and accounting for funds</li> </ul>
<b>Assets</b>		
<ul style="list-style-type: none"> <li>Completed a pre-packaged sale of the Company's business and assets to CWHP/Tapi</li> <li>Assisted CWHP/Tapi in post sale requirements</li> <li>Instructed CAPA for rates audit work to realise refunds for the estate</li> <li>Liaised with ratings authorities in order to receive rates refunds as and when required</li> <li>Coding of various receipts</li> <li>Liaised with the insurance brokers regarding initial and ongoing insurance requirements, including updating insurers when leases are assigned or assets disposed of</li> <li>Meetings on how to best deal with the LtO workstream and implementing a low cost solution to undertake this work</li> <li>Liaising with landlords for monthly invoices</li> <li>Preparing a monthly payment file comprised of all the LtO transactions to take place</li> <li>Preparing ad-hoc payment runs</li> <li>Liaised with lawyers regarding properties and the LtO extension</li> </ul>	<ul style="list-style-type: none"> <li>To realise funds for the benefit of creditors</li> </ul>	<ul style="list-style-type: none"> <li>To realise funds for the benefit of creditors</li> </ul>

- Correspondence with suppliers in relation to ongoing supply and potential retention of title claims
- Liaised with Hilco regarding the auction sales of various assets and reconciling these funds

### Creditors

#### Creditor enquiries, including customers

- Set up a dedicated website for delivery of initial and ongoing communications and reports
- Notified all creditors of our appointment
- Maintained the list of creditors
- Filed creditor claims as and when received
- Dealt with creditor correspondence
- Maintained the website for the use of the Company's creditors
- Reviewing the first ranking preferential claims
- Received and reviewed an initial secondary preferential claim from HMRC

- Work is required by statute and for the proper management of the case.

- Required by statute.

### Employees and pensions

- Drafted, issued and delivered initial communications and announcements
- Informed the majority of employees of their redundancy
- Issued statutory notices
- Calculation of employee preferential claim values
- Ensured the administration strategy was adhered to with regard to the employee pay up to September 2024
- Ran a consultation process between 22 July 2024 and 22 August 2024, consisting of five formal meetings
- Reviewed protective award employment tribunal claims received to date
- Liaised with lawyers action for the protective award claimants
- Liaised with the RPS with regard to the administration strategy
- Paid pension contributions
- Assisted the pension scheme claim unpaid pre-appointment pension contributions from the RPS
- Responded to over 1,000 emails relating to employee matters

- To ensure creditor claims are properly accounted for

- Required by statute
- To ensure a smooth transition of data to the Purchaser

- Supported the transfer of employee data to the Purchaser relating to those who transferred under TUPE
- Together with the Purchaser, coordinated additional employment support for redundant employees

### Investigations

- Collected the Company's records and prepared a data collection matrix
  - Dealt with any follow up queries
  - Undertook a review of the Company's accounting and banking records
  - Reviewed information provided by stakeholders
  - Completed our report on the conduct of the directors as required under CDDA 1986
- Required by statute
  - Required by statute

### Statutory and compliance

- Prepared and issued all necessary initial letters and notices regarding the administration and our appointment
  - Requested completion of the director's Statement of Affairs
  - Filed the director's Statement of Affairs at Companies House
  - Drafted and reviewed a statement of Proposals to creditors including preparing a receipts and payments account, estimated financial position and statutory information
  - Prepared and issued our SIP 16 disclosure on the pre-packaged sale
  - Prepared an addendum to our Proposals
  - Circulated notice of the Proposals to creditors, members and the Registrar of Companies
  - Updated creditors and the Registrar of Companies on the deemed approval of the Proposals
  - Prepared this progress report giving details of the work we expect to carry out during the cas and the expenses that are likely to be incurred
  - Prepared our remuneration report in order to convene a decision procedure for the preferential creditors, and obtain consent of the secured creditors, in order to seek approval of our remuneration and other case related matters
  - Adjudicated creditor voting forms
  - Preparation of a six month review to monitor the progression of the case
  - Filed documents
- Required by statute
  - Required by statute

### Strategy and Planning

- Completed tasks relating to job acceptance
- Prepared fee budgets and monitoring of costs
- Held regular team meetings and discussions regarding status of the administration and progress of different work streams within the administration
- Completed checklists and diary management system
- To ensure efficient management of the administration
- Necessary for administrative purposes and/ or complying with statutory requirements

### Tax and VAT

- Notified HMRC of the appointments
  - Gathered information for the initial VAT review
  - Conducted VAT review
  - Prepared and submitted a VAT return for the period ended 31 October 2024
  - Established an understanding of the Companies' tax position
  - To comply with statutory duties
  - Necessary for administrative purposes and/ or complying with statutory requirements
-

## Our future work

We still need to do the following work to achieve the purpose of administration.

Work undertaken	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>	
<ul style="list-style-type: none"><li>• Deal with receipts, payments and journals</li><li>• Perform independent verifications of suppliers' and landlords' bank details in order to process payments</li><li>• Draw remuneration, once approval is received</li><li>• Close bank accounts upon finalisation of the Administration</li><li>• Carry out bank reconciliations and manage the investment of funds</li></ul>	<ul style="list-style-type: none"><li>• Statutory and regulatory duties regarding the holding and accounting of funds</li></ul>
<b>Assets</b>	
<ul style="list-style-type: none"><li>• Continue to liaise with parties subject to the LtO agreements to assign properties as and when required</li><li>• Liaise with merchant service/finance providers to realise any potential receipts</li><li>• Liaise with ratings authorities in order to receive rates refunds</li><li>• Liaise with insurance brokers regarding ongoing insurance requirements</li><li>• Meetings regarding the ongoing LtO workstream</li><li>• Update insurers as and when leases are assigned</li><li>• Liaise with lawyers regarding properties</li></ul>	<ul style="list-style-type: none"><li>• To realise funds for the benefit of creditors</li></ul>
<b>Creditors</b>	
<ul style="list-style-type: none"><li>• Prepare and pay a distribution to the first ranking preferential creditors</li><li>• Finalise and implement strategy with regards the VAT on Fitters claim</li><li>• Liaise with HMRC to receive and finalise their secondary preferential claim (excluding VAT on Fitters element)</li><li>• Calculate and distribute funds to the secondary preferential creditor</li><li>• Advertise intention to declare dividends</li><li>• Deal with creditor queries</li></ul>	<ul style="list-style-type: none"><li>• Required by statute</li></ul>
<b>Employees and Pensions</b>	
<ul style="list-style-type: none"><li>• Ensure all P11D and Class 1A submissions have been made</li><li>• Ensure all pension related matters are concluded</li><li>• Issue cease to act notices</li></ul>	<ul style="list-style-type: none"><li>• Required by statute</li></ul>

### Statutory and compliance

- Preparation and issue of this progress report
  - Preparation and issue of the Joint Administrators' final progress report
  - File relevant documents
  - Deal with the Companies' records
  - Prepare six monthly case reviews
  - Update checklists and diary management system
  - Final review of the case
- Required by statute

### Strategy and Planning

- Strategy meetings with case staff to discuss distribution and closure strategies
  - Obtain clearances from third parties
  - Complete checklists and diary management system
  - Close down internal systems
  - File relevant forms with the registrar of companies to exit administration
  - Planning the closure strategy
- Necessary for administrative purposes and for complying with statutory requirements

### Strategy and Planning

- Liaised with critical IT suppliers
  - Dealt with utilities suppliers
  - Liaised with security firm to ensure adequate security in place
- Necessary for administrative purposes and for complying with statutory requirements

### Tax and VAT

- File tax computations
  - Liaise with HMRC as required
  - Prepare and submit VAT returns until deregistration
- Required by statute

## 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 contracted out the following work, which we or our staff would normally do:

### Collection of rates refunds

The collection of rates refunds is being done by CAPA as it is more cost effective for this work to be subcontracted out. CAPA is a firm which specialises in rates auditing. The costs of using CAPA are anticipated to be 13.5% of any asset realisations achieved in respect of rates refunds, this ensures that any costs related to this work are incurred for a direct benefit to the administration estate.

### Payroll services

During the period we subcontracted work to Numerus Payroll Services who specialise in payroll related matters. The work was in relation to processing payroll for retained employees. The cost of these services was on a per employee basis.

## Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
<b>Legal advice, including:</b> <ul style="list-style-type: none"><li>Drafting documentation relevant to the appointment of the Joint Administrators</li><li>Drafting property documents and work in relation to property related matters;</li><li>Drafting LtO documents</li><li>Other advice as and when needed</li></ul>	Travers Smith LLP	Industry knowledge and expertise	Time costs basis
<b>Legal advice, including:</b> <ul style="list-style-type: none"><li>Preparing relevant documentation in relation to the Scottish properties</li><li>Assisting in the finalisation and execution of any Scottish law governed documentation</li></ul>	Burness Paull	Scottish law expertise	Time costs basis
<b>Legal advice in relation to the Company's Irish properties</b>	Arthur Cox LLP	Irish law expertise	Time costs basis
<b>Legal advice, including:</b> <ul style="list-style-type: none"><li>To understand joint administrators obligations of recognition in Jersey to enable the employees based in Jersey to make a claim.</li></ul>	Ogier (Jersey) LLP	Channel Islands legal expertise	Time costs basis

<b>Assisting the Joint Administrators with realising lease premium amounts</b>	CBRE	Industry knowledge and expertise	15% (plus VAT) of any premiums received in the sale of interests where CBRE introduce the acquirer
<b>Sale of assets at the Purfleet site</b>	Hilco Appraisal Ltd	Industry knowledge and expertise	15% buyer premium on all assets (excluding vehicles) + 5% vendors commission  10% buyers premium on vehicles
<b>Valuations and consultancy services in relation to store closures</b>	Hilco Capital	Industry knowledge and expertise	Day rate of £1,150 (plus VAT)
<b>Handling the HMRC dispute against Carpetright in relation to Carpetright's VAT liability regarding Fitters</b>	Evelyn Partners (EP)	Industry knowledge and prior involvement in the matter	Time costs
<b>Facilities management, including:</b> <ul style="list-style-type: none"> <li>● Facilitating landlord access requests;</li> <li>● Liaising with Iron Mountain to facilitate collection of GDPR data from stores.</li> <li>● Keyholding</li> </ul>	MAPS Solutions Europe Ltd (MAPS)	Industry knowledge	Fixed fee per property
<b>Rates refunds and collection</b>	Consultiam Property Ltd t/a CAPA	Industry knowledge	13.5% of realisations (plus VAT)



# Appendix D: Pre-administration costs

The following costs incurred before our appointment with a view to the Company going into administration were approved for payment on 16 August 2024.

	Details of agreement including date and parties to it	Paid amount (£)	Unpaid amount (£)
Our fees as Administrators-in-waiting	Letter of engagement between the Nestware Group and PwC dated 21 June 2024	586,260	Nil
Our expenses as Administrators-in-waiting	Letter of engagement between the Nestware Group and PwC dated 21 June 2024	394	Nil
<i>Legal and other expenses incurred by us as Administrators-in-waiting:</i>			
Travers Smith	We understand there was a letter of engagement with the Company but we have not yet seen a copy	156,950	Nil
Disbursements		258	Nil
Hilco Capital Limited	No formal agreement	8,050	Nil
Burness Paull LLP	Letter of engagement with the administrators in waiting dated 19 July 2024	22,177	Nil
<b>Total</b>		<b>774,089</b>	<b>-</b>

At the time of our Proposals, we reported that Travers Smith had £313 of disbursements, the final amount invoiced for the disbursements was £258 which has been paid in full.

# Appendix E: Other information

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<b>Court details for the administration:</b>	In the High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD) CR-2024-004119
<b>Company's registered name:</b>	Carpetright Limited
<b>Trading name:</b>	Carpetright
<b>Registered number:</b>	02294875
<b>Registered address:</b>	Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>Date of the joint administrators' appointment:</b>	22 July 2024
<b>Joint administrators' names, addresses and contact details:</b>	Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT  Rachael Maria Wilkinson of PricewaterhouseCoopers LLP, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH  Peter David Dickens of PricewaterhouseCoopers LLP, 1 Hardman Square, Manchester, M3 3EB  Contact details: Josh Liburd - <a href="mailto:uk_carpetright_creditors@pwc.com">uk_carpetright_creditors@pwc.com</a>
<b>Extension(s) to the initial period of appointment:</b>	N/A

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