

AM23

Notice of move from administration to dissolution



Companies House

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number 05592636

Company name in full Conviviality PLC

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice Business And Property Courts in Manchester
Insolvency And Companies List (ChD)

Court number 2308 of 2018

3 Administrator's name

Full forename(s) David Robert

Surname Baxendale

4 Administrator's address

Building name/number Pricewaterhouse Coopers LLP

Street 7 More London Riverside

Post town London

County/Region

Postcode SE1 2RT

Country United Kingdom

AM23

Notice of move from administration to dissolution

5	Administrator's name ①		
Full forename(s)	Mark James Tobias		① Other administrator Use this section to tell us about another administrator.
Surname	Banfield		
6	Administrator's address ②		
Building name/number	PricewaterhouseCoopers LLP		② Other administrator Use this section to tell us about another administrator.
Street	7 More London Riverside		
Post town	London		
County/Region			
Postcode	S E 1 2 R T		
Country			
7	Final progress report		
	<input checked="" type="checkbox"/> I have attached a copy of the final progress report		
8	Sign and date		
Administrator's signature	Signature 		
Signature date	d 0 1 m 0 4 y 2 0 y 2 1		

**Presenter information**

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

Contact name **Andy Lilley**

Company name **PricewaterhouseCoopers LLP**

Address **Level 8 Central Square**

29 Wellington Street

Post town **Leeds**

County/Region

Postcode

L	S	1		4	D	L
---	---	---	--	---	---	---

Country **United Kingdom**

DX

Telephone **0113 289 4153**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint administrators' final progress report

Conviviality Plc
(in administration)

High Court of Justice
Business and Property Courts in Manchester
Insolvency & Companies List (Chd)
Case no. 2308 of 2018

Abbreviations and definitions	3
Key messages	5
Overview of our work	6
Appendix A: Summary of our proposals	10
Appendix B: Receipts and payments	13
Appendix C: Expenses	14
Appendix D: Remuneration update	15
Appendix E: Pre-administration costs	19
Appendix F: Other information	20

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

Administrators / we / us / our	Mark James Tobias Banfield and David Robert Baxendale
BBL	BB Realisations (2018) Limited (formerly Bargain Booze Limited)
Bestway	Bestway Retail Limited (formerly Bestway Direct Limited)
Brands	Conviviality Brands Limited
Company	Conviviality Plc
CRL	CVL Realisations (2018) Limited (formerly Conviviality Retail Logistics Limited)
Direct business	The Direct business distributed drinks across the On and Off Trade, through its Matthew Clark and Bibendum businesses, serving over 23,000 On Trade outlets, ranging from national prestige hotel chains to independent food-led pubs and restaurants. Subsidiary businesses included those known as Catalyst, Peppermint, Elastic and the Royal-warranted wine merchant, Walker & Wodehouse.
Firm / PwC	PricewaterhouseCoopers LLP
Group	Conviviality Plc and its subsidiaries
HMRC	HM Revenue & Customs
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
MCB	Matthew Clark Bibendum Limited (formerly known as Conviviality Group Limited)
NOMAD	A firm or company approved by the London Stock Exchange as a 'nominated adviser' for the Alternative Investment Market (AIM)
Proposals	Joint Administrators proposals for achieving the purpose of the administration dated 24 May 2018.
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996

ROT claims	Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment
Retail business	The Retail business with over 370 franchisees operated more than 700 stores, traded primarily under the brands of Bargain Booze, Bargain Booze Select Convenience and Wine Rack. In December 2017, the Group acquired WS Retail from Palmer & Harvey McLane Limited, which traded under the Central Convenience brand.
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
The Lenders / Secured Creditors	Barclays Bank Plc ("Barclays"), HSBC Bank Plc ("HSBC") and National Westminster Bank Plc ("NatWest") as lenders under the Senior Term and Revolving Facilities Agreement; and HSBC Invoice Finance (UK) Limited, RBS Invoice Finance Limited and Barclays in their capacities as invoice discounting providers under the Receivables Financing Agreement ("RFA")
Unsecured creditors	Creditors who are neither secured nor preferential
WRR	WR Realisations (2018) Limited (formerly Wine Rack Limited)

This report has been prepared by Mark James Tobias Banfield and David Robert Baxendale as joint administrators of the Company, solely to comply with their 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 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 creditors, which can be found at www.pwc.co.uk/conviviality. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Mark James Tobias Banfield and David Robert Baxendale 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: www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the [website](#) or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Why we've sent you this report

I'm pleased to let you know that our work in the administration of the Company is now complete and so, I set out below our final report.

You can still view our earlier reports on our website at

How much creditors have received

Secured creditor

The Secured Creditors were owed c£169m by the Group when Brands entered administration on 4 April 2018. The immediate sale of shareholdings in the Direct business to C&C Holdings (NI) Limited resulted in the repayment of £102m of this secured debt.

In addition, the Secured Creditors have recovered some of their remaining debt from the Group's Retail business, in particular from debts owed to the Retail business at the time of our appointment. We continue to expect that the Secured Creditors will suffer a significant shortfall on their lending.

Despite the closure of the Plc administration, we have made an application to the court to extend the administration of BBL as there remains outstanding workstreams in respect of this particular administration.

Further distributions are expected from the administration of BBL and, of the initial Group debt, we currently anticipate a recovery for the Secured Creditors of over 70%. We are not providing precise recovery estimates in this document for commercial reasons.

Preferential creditors

There were insufficient funds available for a distribution to be made to any preferential creditors.

Unsecured creditors

There were insufficient funds to enable a distribution to Unsecured creditors, either by way of the Prescribed part, or otherwise.

What you need to do

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

What happens next

The administration ends on 4 April 2021. In line with our proposals approved by creditors, on 8 June 2018, we are taking steps to file a notice of move from administration to dissolution. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

Why we were appointed

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

- The Group was the UK's largest independent drinks distribution business. This included being the UK's leading independent On Trade distributor and the UK's largest franchised off-licence and convenience store chain.
- Plc is the ultimate parent company of the Group and was listed on the Alternative Investment Market, a submarket of the London Stock Exchange. Its assets were a 100% shareholding in Brands – the Group's intermediate holding company which held 100% interest in the share capital in several subsidiary undertakings, principally split between the Direct and Retail businesses.
- The Group had been experiencing short-term cash difficulties due to a combination of investment in the Retail business, systems implementation and integration costs, and working capital pressures.
- On 8 March 2018, Plc announced to the market that it was expecting to fall c.20% short of profit expectations for the year to 30 April 2018. This caused a partial withdrawal of credit insurance which put additional pressure on the cash flow of the business.
- A further market announcement was made on 14 March 2018 following the identification of a c.£30m tax liability due to HMRC on 29 March 2018 which had not been included in the Group's short term cash forecast and resulted in an unforeseen and immediate funding requirement. The announcement caused a further withdrawal of credit insurance and additional cash pressures.
- As explained in our earlier reports, PwC was engaged on 14 March 2018 to assist the Group with its liquidity challenges, stakeholder management, options analysis and contingency planning should the Group be unable to raise sufficient funding to continue trading.
- In order to resolve the immediate funding requirement the Group, supported by its NOMAD (Investec), approached the market and existing shareholders to raise the £125m in an attempt to recapitalise the business. However, on 28 March 2018, management and Investec concluded that the £125m equity raise had been unsuccessful.
- The Group engaged PwC on 28 March 2018 to run an accelerated sales process for the various businesses. The directors of various Group companies took the decision to file notices on 29 March 2018 of their intention to appoint administrators, in order to protect the business during this accelerated sales process and maximise returns for creditors.
- The best offer received was for the purchase of the shareholdings in Matthew Clarke (Holdings) Limited and Bibendum BLB (Topco) Limited, owned by Brands. Those two companies and all their subsidiaries would remain solvent as a result of a transaction on these terms. However, the offer confirmed that Brands itself was insolvent and would need to enter an insolvency process. The 'pre-pack' sale was completed by the joint administrators, immediately following their appointment on 4 April 2018. Discussions with other interested parties continued in respect of the Retail business.
- On 5 April 2018, Plc also entered administration. On 6 April 2018, BBL, WRR and CRL (collectively the Retail business) entered administration and their businesses and assets were immediately sold to Bestway Direct Limited.
- These transactions represent the successful rescue of the Group's trading operations.

Asset realisations

Pre-pack transaction of the Direct business owned by Conviviality Brands Limited

As previously reported, following the appointment of joint administrators to Brands on 4 April 2018, a sale of Brands' shareholdings in Matthew Clark (Holdings) Limited and Bibendum BLB (Topco) Limited to C&C Holdings (NI) Limited was completed. The share sales allowed for the survival of the main operating entities within the Group's Direct business, maintaining the position of its customers and suppliers; and a substantial recovery for secured lenders. The transaction also preserved nearly 2,000 jobs.

The sale consideration was £1 plus an obligation on C&C Holdings (NI) Limited to repay £102m of the Group's secured lending, which has now been paid. Intercompany balances were settled for a nominal sum. As the transaction was a sale of shares, all employees, customers and suppliers in the direct business were unaffected by the administration appointment.

However, the sale did not generate sufficient assets to repay the creditors of Brands itself and therefore there will be no return to its shareholder, Plc.

Whilst Plc still owns 100% of the shareholdings in Brands, as the shares no longer have any value they are expected to transfer to the Crown (as bona vacantia property) when Plc is ultimately dissolved at the end of its administration.

No other transactions or asset realisations were expected in relation to Brands other than the sale of the Group's tax losses and a small pre appointment refund. For further information in respect of these transactions please refer to the Brands previous progress reports.

Pre-pack transaction of the Retail business operated by BBL, CRL and WRR

Also as previously reported, following the appointment of joint administrators to BBL, CRL and WRR (all owned by Brands) on 6 April 2018, a sale of their businesses and assets to Bestway Direct Limited was completed.

The sale consideration was £7.25m plus £255k in respect of cash floats. The sale excluded debts subject to a financing agreement, which initially the Purchaser (and subsequently Hilton-Baird Collection Services) have been assisting in collecting on behalf of the Secured Creditors.

The sale represented the best offer received, and so provided the best available outcome for creditors of those companies as a whole in all the circumstances. The sale resulted in over 2,200 jobs being saved, with the associated reduction in preferential claims. It also helped mitigate the level of unsecured creditor claims by reducing any contractual claims that could have arisen from supply contracts that were transferred.

However, as there are insufficient assets for unsecured creditors in all three retail companies, there will be no return to any shareholders (ultimately Brands and Plc).

Other realisations since our previous progress report update

No further realisations were made during the period covered by this report and we've now finished realising the Company's assets.

Connected party transactions

In accordance with SIP 13, we are required to disclose any known connected party transactions that occurred in the period following our appointment, or any proposed connected party transactions. We can confirm that no such transactions have occurred, and none are expected.

Other issues

At the end of the last reporting period we stayed in office mainly to:

- Assist with any queries into the Companies' affairs made by relevant authorities and obtain consent for the joint administrators to cease to act; and
- Deal with the Company's VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Company.

Since we last wrote to creditors, we have made arrangements to deregister the Companies for VAT purposes. Whilst final tax clearance has not been received from HMRC the final tax return has been submitted to HMRC and we are content that there is no tax liability outstanding. Therefore, all matters within the administration are now complete.

Approval of our proposals

We issued to creditors our proposals dated 24 May 2018 for achieving the purpose of administration. We said in our proposals that we thought the Company does not have enough assets to pay a dividend to unsecured creditors other than possibly from the prescribed part.

This meant that we did not have to seek a decision from creditors regarding the approval of proposals and our proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request a decision be sought, our proposals were treated as approved on 8 June 2018.

We attach a summary of our proposals at Appendix A.

Investigations and actions

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

Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed corporation tax returns for all relevant accounting periods. As stated previously, we have now filed the final tax return with HMRC and despite tax clearance not being received, we are content that no tax liability is outstanding.

Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 5 October 2020 to date, together with a cumulative account for the period of the administration.

Our expenses

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

Our fees

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

Pre-administration costs

You can find in Appendix E information about the approval of the 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:


You can also get a copy free of charge by telephoning Andy Lilley on 07841 468130.

Ending the administration

As previously mentioned, a notice to move the Company from Administration to dissolution has been sent to the Registrar of Companies to be filed. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies and we will be discharged from liability in respect of any action when the appointment as administrators ceases to have effect.

If you've got any questions, please get in touch with Andy Lilley on 07841 468130.

Yours faithfully
For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'D. Baxendale', with a stylized flourish at the end.

David Robert Baxendale
Joint Administrator

The Administrators made the following proposals for achieving the purpose of administration.

1. The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations and other in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
2. The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985/2006 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
3. If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and the costs of so doing will be met out of the Prescribed Part as a cost associated with the Prescribed Part..
4. If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
5. The Administrators may use any or a combination of 'exit route' strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following option as being the most cost effective and practical in the present circumstances:
 - Once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.
6. The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 at a time resolved by the secured creditor(s), or if a distribution has been or may be made to the first ranking and secondary preferential creditors, at a time resolved by the secured and preferential creditors or in any case at a time determined by the court.
7. It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that Category 2 disbursements (as defined by Statement of Insolvency Practice No.9) be charged in accordance with their firm's policy as set out in Appendix C. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, as the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors, it will be for the secured creditors.

Directors' Statement of Affairs	Notes	Total from 5 April 2018 to 4 October 2020 £	Total from 5 October 2020 to 1 April 2021 £	Total to 1 April 2021 £
		£	£	£
FIXED CHARGE REALISATIONS				
Funding from third parties	1	559,828.07	(110,092.83)	449,735.24
COST OF REALISATION / PAYMENTS				
Administrators' fees	1	(350,616.61)	118,063.83	(232,552.78)
Legal fees	1	(87,619.46)	(7,971.00)	(95,590.46)
DISTRIBUTION TO FIXED CHARGE HOLDER		-	-	-
BALANCE OF FIXED CHARGE FUNDS		121,592.00	-	121,592.00
FLOATING CHARGE REALISATIONS				
Sale of tax losses		147,549.88	-	147,549.88
Sundry debts & refunds		8,182.97	-	8,182.97
Bank Interest		981.38	-	981.38
		156,714.23	-	156,714.23
COST OF REALISATION / PAYMENTS				
Administrators' fees		(78,106.79)	-	(78,106.79)
Pre administration costs	1	(121,592.00)	-	(121,592.00)
Bank charges		(15.00)	-	(15.00)
Insurance		(168.00)	-	(168.00)
Legal fees		(78,106.79)	-	(78,106.79)
Storage Costs		(167.65)	-	(167.65)
Statutory advertising		(150.00)	-	(150.00)
		(278,306.23)	-	(278,306.23)
BALANCE OF FLOATING CHARGE FUNDS		(121,592.00)	-	(121,592.00)
VAT CONTROL ACCOUNT		-	-	-
TOTAL BALANCE AT BANK		-	-	-
All amounts are shown exclusive of VAT.				

Notes to the R&P

- As discussed in Appendix D, the joint administrators entered a funding agreement with the secured creditors to fund the professional costs of the administrations in so far that the floating charge realisations are insufficient to cover the costs agreed. There have been group reallocations made within the period to reapportion costs in line with the funding agreement.

Amounts shown exclude VAT.

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and exclude our fees and distributions to creditors.

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

Insurance		168.00	-	168.00	168.00	-
Finance / Bank interest and charges		15.00	-	15.00	15.00	-
Legal fees and expenses	1	165,726.25	7,971.00	173,697.25	94,630.28	79,066.97
Office holders' fees		488,968.70	20,114.95	509,083.65	442,179.92	66,903.73
Office holders' disbursements		3,506.71	-	3,506.71	4,353.21	(846.50)
Pre-administration costs		121,592.00	-	121,592.00	121,592.00	-
Statutory advertising		150.00	-	150.00	150.00	-
Storage costs		167.65	--	167.65	217.65	(50.00)
Total		780,294.31	28,085.95	808,380.26	663,306.06	145,074.20

Note 1 - As discussed in previous reports, the joint administrators entered a funding agreement with the secured creditors to fund the professional costs of the administrations in so far that the floating charge realisations are insufficient to cover the costs agreed. The fees were formerly approved on a time costs and percentage of realisations basis. Recharges with group companies have been completed and as a result of this, the brought forward legal fees have been adjusted from those previously reported.

We confirmed in our previous progress reports that the Lenders have provided a single facility to ensure that there are sufficient funds in each of the Group companies (over which we have been appointed) to pay the costs of the administrations up to certain limits as agreed with Lenders. The facility becomes available after any floating charge realisations have been utilised in the first instance.

Our fees were formerly approved on a time costs and percentage of realisations by the Secured Creditors. To date we have drawn fees on a time cost basis of £1,601,400 in line with the approval given. These costs were paid by BBL in the first instance but as confirmed in previous reports, we have made reallocations across the Group in accordance with the funding agreement.

No fees have been taken as a percentage of realisations basis as this approval specifically relates to the Retail business and to cover the joint administrators costs in directly assisting Bestway.

Our hours and average rates

The following table shows our time costs for the period from 5 October 2020 to 10 March 2021 and the total for the administration to date.

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Total hours	Time cost £	Average hourly rate £
Accounting and Treasury	-	-	1.70	-	2.50	0.80	5.00	2,149.60	429.92
Assets	-	-	-	-	0.85	-	0.85	335.75	395.00
Employees and pensions	-	-	0.40	-	-	0.50	0.90	352.00	391.11
Investigations	-	-	-	1.50	2.25	-	3.75	1,622.25	432.60
Secured creditors	-	-	0.50	-	-	-	0.50	282.50	565.00
Statutory and compliance	-	0.50	2.70	1.15	11.10	4.85	20.30	8,051.55	396.63
Strategy and planning	1.50	0.10	0.25	0.10	7.25	2.00	11.20	4,667.30	416.72
Shareholders	-	-	-	-	1.15	-	1.15	454.25	395.00
Tax	-	-	-	0.40	4.20	-	4.60	1,854.60	403.17
VAT	-	-	0.00	0.10	0.75	-	0.85	345.15	406.06
Total for the period	1.50	0.60	5.35	3.25	30.05	8.15	49.10	20,114.95	423.12
Brought forward from previous period							1226.75	188,968.70	
Total							1275.85	500,083.65	

Our time charging policy and hourly rates

We and our team charged our time for the work we needed to do in the administration. We delegated tasks to suitable grades of staff, taking into account their experience and any specialist knowledge needed and we supervised them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility was handled by our senior staff or us.

All of our staff who worked on the administration (including our cashiers, support and secretarial staff) charged time directly to the case and were included in any analysis of time charged. Each grade of staff has an hourly charge out rate which was reviewed from time to time. Work carried out by our cashiers, support and secretarial staff was charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time has been charged in six minute units.

The minimum time chargeable is three minutes (i.e. 0.05 units). We didn't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who worked on the administration. Specialist departments with our firm, such as Tax, VAT, Property and Pensions are also used where their expert advice and services are required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour.

Charge-out rates (Maximum per hour (£))

Partner	812
Director	714
Senior Manager	565
Manager	489
Senior Associate	395
Associate	252
Support staff	132

In common with all professional firms, hourly rates increase from time to time over the period of the administration (for example to cover annual inflationary cost increases).

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work

Strategy and planning	<ul style="list-style-type: none"> Team meetings to review strategy and progress. Maintaining fee budgets and monitoring costs. Considering timings for key milestones and key strategic decisions. Conducting case reviews every six months. 	To ensure case progression and monitoring costs.	Controls efficiencies, time costs and ensures continued case progression towards closure.
Accounting and treasury	<ul style="list-style-type: none"> Dealing with receipts, payments and journals. Carrying out bank reconciliations and managing investment of funds. Closing bank accounts. 	<p>To manage the post appointment bank account.</p> <p>To ensure receipts and payments are fully and accurately recorded.</p>	Ensures proper management of the funds held.
Assets	<ul style="list-style-type: none"> Providing updates to insurers as appropriate. 	To maintain the relevant level of insurance cover in place.	Required by statute.
Employees and Pensions	<ul style="list-style-type: none"> Dealing with employee and pension related matters. 	To comply with our statutory obligations	Required by statute.
Investigations	<ul style="list-style-type: none"> Providing information to Regulators to assist with external investigations. 	To comply with our statutory obligations	Required by statute.
Secured creditors	<ul style="list-style-type: none"> Preparing reports to, and holding meetings with, the secured creditors. Responding to secured creditor's queries. Making distributions in accordance with security entitlements. 	To keep Secured Creditors informed on the progress of the case.	To keep secured creditors informed of the progress of the administration and return funds to them.

Statutory and compliance	<ul style="list-style-type: none"> • Periodic reports to creditors on the progress of the administration. • Sending job files to storage. • Completing checklists and diary management system. • Closing down internal systems. 	To comply with our statutory obligations	Required by statute/regulations.
Shareholders	<ul style="list-style-type: none"> • Receiving and following up shareholder enquiries via telephone, email and post. 	To respond to shareholder enquiries	Work is required for the proper administration of the case.
Tax	<ul style="list-style-type: none"> • Preparing and submitting tax computations. 	To comply with our statutory obligations	Required by statute/regulations.
VAT	<ul style="list-style-type: none"> • Preparing quarterly VAT returns. • Preparing the required paperwork to deregister the Company for VAT purposes. • Correspondence with HMRC in relation to the Company's VAT matters and deregistration. 	To comply with our statutory obligations	Required by statute/regulations.

Payments to associates

We have made no payments to associates during the period covered by this report.

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by secured creditors.

No disbursements arose in the period of this report.

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.

Legal and other professional firms

We've instructed the following professionals on this case:

Legal services, including: Appointment related matters	DLA Piper UK LLP	Industry knowledge; and previous company knowledge	Time costs and disbursements
Legal advice, including: Appointment related matters; and leasehold properties/licence to occupy agreements/surrenders.	Hogan Lovells International LLP	Industry knowledge; and previous company knowledge	Time costs and disbursements

In our Proposals dated 24 May 2018, we provided details on the costs incurred before our appointment as joint administrators but with a view to the various Group companies entering administration. Those costs have been reviewed, reconciled, updated and are summarised in the following table showing the position at the date of appointment:

Our fees as administrators-in-waiting	649,659	333,327
Expenses incurred by us as administrators-in-waiting*	Nil	818,792
Fees charged by other persons qualified to act as an insolvency practitioner	n/a	n/a
Expenses incurred by other persons qualified to act as an insolvency practitioner	n/a	n/a
Total	649,659	1,152,119

We identified an appropriate split of the unpaid amount by each relevant entity, as follows:

Plc	Nil	121,592
Brands	Nil	121,592
BBL	298,327	451,090
CRL	12,000	62,259
WR	23,000	62,259
Total	333,327	818,792

**expenses are legal costs incurred by DLA and Hogan Lovells*

Details of the work performed that gave rise to the costs above were included in our Proposals (and the Retail companies' proposals also available at www.pwc.co.uk/conviviality) and are not repeated here.

Approval for payment as an expense

The payment of unpaid pre-administration costs as an expense of the administrations requires approval under Rule 3.52 IR16. The Secured Creditors approved the payment of pre-administration costs in the Funding Agreement dated 9 July 2018 and formal approval was obtained during the period of the administration. See Appendix B for the amounts paid to date.

Court details for the administration:	High Court of Justice, Business and Property Courts in Manchester, Insolvency & Companies List (ChD), Case no. 2308 of 2018
Company's registered name:	Conviviality Plc (formerly Conviviality Retail Plc)
Registered number:	05592636
Registered address:	8 th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	5 April 2018
Joint Administrators' names, addresses and contact details:	Mark James Tobias Banfield and David Robert Baxendale, both of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this administration and the proceedings are main proceedings.
Split of Administrators' responsibilities	All functions and powers of the Administrators may be exercised by all of the Administrators jointly or by any Administrator separately.
Extension(s) to the initial period of appointment:	<p>The administration was due to end automatically on 4 April 2019. An extension of twelve months to 4 April 2020 was granted by the Secured Creditors on 14 March 2019.</p> <p>A further extension of twelve months to 4 April 2021 was granted by the court on 20 March 2020.</p>