

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



A26 \*A7HHJW9\* 27/10/2018 #24  
COMPANIES HOUSE

### 1 Company details

Company number 0 9 3 2 9 4 7 6

Company name in full CVL Realisations (2018) Limited

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

### 2 Administrator's name

Full forename(s) Matthew Boyd

Surname Callaghan

### 3 Administrator's address

Building name/number 7 More London Riverside

Street

Post town London

County/Region

Postcode S E 1 2 R T

Country

### 4 Administrator's name ①

Full forename(s) David Robert

Surname Baxendale

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 7 More London Riverside

Street

Post town London

County/Region

Postcode S E 1 2 R T

Country

② Other administrator  
Use this section to tell us about  
another administrator

## Continuation page

Name and address of insolvency practitioner

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

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

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

### 1 Appointment type

Tick to show the nature of the appointment:

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

<sup>1</sup> You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

### 2 Insolvency practitioner's name

Full forename(s)

Ian David

Surname

Green

### 3 Insolvency practitioner's address

Building name/number 7 More London Riverside

Street

Post town

London

County/Region

Postcode

S E 1 2 R T

Country

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	0	d	6	m	0	m	4	y	2	y	0	y	1	y	8
To date	d	0	d	5	m	1	m	0	y	2	y	0	y	1	y	8

### 7 Progress report

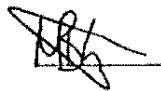
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date	d	2	d	4	m	1	m	0	y	2	y	0	y	1	y	8
----------------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

# AM10

## Notice of administrator's progress report



### Presenter information

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

Contact name **Beth Stoker**

Company name **PricewaterhouseCoopers LLP**

Address **8th Floor Central Square**

**29 Wellington Street**

Post town **Leeds**

County/Region

Postcode

**L S 1 4 D L**

Country

DX

Telephone **0113 289 4331**



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

---

## Joint administrators' progress report from 6 April 2018 to 5 October 2018

### ***BB Realisations (2018) Limited***

*(in administration and formerly known as  
Bargain Booze Limited)*

High Court of Justice  
Business and Property Courts of England and Wales  
Insolvency & Companies List (ChD)  
Case no. 2928 of 2018

26 October 2018

### ***CVL Realisations (2018) Limited***

*(in administration and formerly known as  
Conviviality Retail Logistics Limited)*

High Court of Justice  
Business and Property Courts of England and Wales  
Insolvency & Companies List (ChD)  
Case no. 2929 of 2018

### ***WR Realisations (2018) Limited***

*(in administration and formerly known as  
Wine Rack Limited)*

High Court of Justice  
Business and Property Courts of England and Wales  
Insolvency & Companies List (ChD)  
Case no. 2930 of 2018

# ***Contents***

---

Abbreviations and definitions	2
Key messages	4
Background and circumstances leading to our appointment	5
Progress since we were appointed	7
Appendix A: Receipts and payments	14
Appendix B: Pre-administration costs	18
Appendix C: Remuneration Report	19
Appendix D: Other information	40

---

# Abbreviations and definitions

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

Abbreviation or definition	Meaning
the Companies	BB Realisations (2018) Limited, WR Realisations (2018) Limited and CVL Realisations (2018) Limited
Administrators / we / us / our	Matthew Boyd Callaghan, Ian David Green, Peter David Dickens and David Robert Baxendale, appointed as shown in Appendix D
firm / PwC	PricewaterhouseCoopers LLP
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")
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
the Purchaser / Bestway	Bestway Direct Limited
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
secured creditors	Creditors with security in respect of their debt, in accordance with Section 248 IA86
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
unsecured creditors	Creditors who are neither secured nor preferential
ROT claims	Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment

<b>Abbreviation or definition</b>	<b>Meaning</b>
WRR	WR Realisations (2018) Limited (formerly Wine Rack Limited)
BBL	BB Realisations (2018) Limited (formerly Bargain Booze Limited)
CRL	CVL Realisations (2018) Limited (formerly Conviviality Retail Logistics Limited)
Brands	Conviviality Brands Limited
Plc	Conviviality Plc
Group	Conviviality Plc and its subsidiaries
Proposals	Joint Administrators proposals for achieving the purpose of the administration dated 13 April 2018
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
NOMAD	A firm or company approved by the London Stock Exchange as a 'nominated adviser' for the Alternative Investment Market (AIM).
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.
SIP16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations



---

## ***Key messages***

### ***Why we've sent you this report***

We're writing to update you on the progress of the administration of the Companies in the six months since our appointment as joint administrators on 6 April 2018. It may be helpful if you read this report in conjunction with our Proposals that were issued on 13 April 2018 and which are still available at [www.pwc.co.uk/conviviality](http://www.pwc.co.uk/conviviality).

You may recall that the Companies operated the Group's Retail business. A separate part of the Group operated the Direct business, the 100% shareholding in which was sold to C&C Holdings (NI) Limited on 4 April 2018; a transaction unconnected to the sale of the Retail business to Bestway Direct Limited.

### ***Secured creditors***

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

The secured creditors are expected to recover some of their remaining debt from the Companies' Retail business, in particular from debts owed to the Companies of £47.4m, including some £34m owed by franchisees at the time of our appointment. We have included further details on the debtor collections and other asset realisations in this report.

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. Book debt recoveries represent the main source for future recoveries and it is likely to take several more months to be completed.

### ***Preferential Creditors***

The Companies employees transferred to the Purchaser and therefore we are not anticipating any employee preferential claims in any of the Companies.

### ***Unsecured creditors***

We previously advised that it would be prudent to assume that there will be insufficient net assets to enable a dividend to be paid to the unsecured creditors of any of the Companies, from the Prescribed Part or otherwise. This continues to be our view.

Therefore, only the secured creditors have a financial interest in the outcome of the administrations.

### ***What you need to do***

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

# Background and circumstances leading to our appointment

## Background

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.

The Group had grown through a series of strategic acquisitions with revenues of £1.6bn in the financial year ended April 2017. The Group operated as two distinct businesses:

1. **Conviviality Direct:** distributing 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.
2. **Conviviality Retail:** with over 370 franchisees operating more than 700 stores, trading 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, which traded under the Central Convenience brand.

The following table shows the Group's latest financial results to indicate the relative size of each business unit:

£m	Year ended 30 April 2017	9 months ended 31 January 2018
<b>Sales</b>		
Direct	1,220	1,000
Retail	376	305
<b>Total revenue</b>	<b>1,596</b>	<b>1,305</b>
<b>EBITDA</b>		
Direct	51	32
Retail	15	8
Central overheads	(4)	(12)
<b>Total</b>	<b>62</b>	<b>28</b>

Source: Management accounts

The Group had a nationwide distribution network with 15 distribution centres and a fleet of over 300 vehicles, with headquarters in Crewe (Retail), Bristol (Direct) and two in London (both for Direct).

## Brands and Plc

Plc is the ultimate parent company of the Group and was listed on the Alternative Investment Market, a sub-market of the London Stock Exchange. Its assets were a 100% shareholding in Conviviality Brands Limited – 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.

This report covers only the administrations of the three Companies operating Retail business. Separate progress reports are being issued to the creditors of Plc and Brands, however we may refer to them in this report where beneficial or necessary to do so.

## *The circumstances leading to our appointment*

### ***Cash pressures and unsuccessful equity raise***

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. This was exacerbated by forecasting inadequacies.

On 8 March 2018, Conviviality 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 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. The AIM listed shares in Conviviality Plc were suspended on 14 March 2018.

PwC was introduced to the Group on 13 March 2018 to discuss assisting management and to provide working capital and cash flow support. In light of the emerging and immediate funding issues, 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 £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.

### ***Sale process***

Following the failure to raise the equity required, 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. During this time, the board met regularly to assess the financial position, prospects of achieving a sale and sought independent legal advice about continuing to trade.

The best offer received was for the purchase of the shareholdings in Matthew Clarke (Holdings) Limited and Bibendum BLB (Topco) Limited, owned by Conviviality Brands Limited. Those two companies and all their subsidiaries would remain solvent as a result of a transaction on these terms. However, the offer confirmed that Conviviality Brands Limited 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, Conviviality Plc also entered administration. On 6 April 2018, Wine Rack Limited, Conviviality Retail Logistics Limited and Bargain Booze Limited (collectively the Retail business) entered administration and their businesses and assets were immediately sold to Bestway Direct Limited.

These transactions collectively represented the successful rescue of Group's trading operations.

Shortly after appointment, the Companies changed their names to those shown earlier in this report.

---

# ***Progress since we were appointed***

## ***Sale of business and assets***

As previously reported, a sale of the Companies' business and assets was completed on 6 April 2018 to Bestway Direct Limited, immediately following our appointment as joint administrators.

As required by SIP16, a detailed narrative explanation and justification of why a pre-packaged sale was undertaken and the alternatives considered, was included in our Proposals. In summary:

- Total consideration for the sale of the business and assets was £7,504,806, split between assets subject to the Lenders' fixed charge and floating charge security entitlements in the sum of £7,250,000 and £254,806 respectively.
- For the reasons explained in the SIP16 statement, the alternative outcome was most likely the insolvency of the Companies followed by a significant, necessary and immediate curtailment in trading operations, leading to little prospect of a sale on the scale achieved; and with a substantial loss of value impacting on recoveries and losses for all classes of creditors.
- The sale to Bestway enables the statutory purpose of the administrations to be achieved – it represented the best offer received, and so provided the best available outcome for creditors as a whole in all the circumstances. Some 2,000 jobs were also preserved.

The enclosed receipts and payments accounts show the receipt of the sale proceeds into the administrations.

Despite the successful and immediate sale of the Companies' business and assets, there remained a significant amount of work to do in the administrations, broadly split as follows:

- Matters arising directly in connection to the sale;
- Retention of title claims;
- Managing the property portfolio;
- Collection of book debts;
- Fulfilling statutory obligations on the joint administrators; and
- Dealing with other areas of the Companies affairs (including tax and VAT).

We provide more detail below on our work in these areas during the first six months of the administrations.

## ***Post sale matters***

We have spent a significant amount of time in the period assisting the Purchaser with post-sale matters, as described below.

### ***Pre-appointment bank accounts***

From the date of our appointment, we agreed with Bestway that their trading sale receipts could continue to be paid into the Companies pre-appointment bank accounts until alternative facilities were arranged. New cash receipts into the pre-appointment accounts would be transferred into the administration estate and paid to Bestway following a reconciliation to identify and segregate any amounts owed to the Companies in respect of pre-appointment sales.

All accounts have now been closed and we are currently holding c.£1.152m as shown in the attached receipts and payments account, pending final reconciliations being completed.

In order to protect the interests of the secured creditors (as the only class of creditor with a financial interest in the administrations), we agreed with Bestway that they would contribute to our costs for dealing with this cash sweep and reconciliation process. Such contribution will be paid by Bestway by a deduction from funds held, with the net amount due to Bestway.

### ***Contract novations***

We have novated a number of the Companies pre-appointment contracts to the Purchaser. Time has been spent corresponding with suppliers and the Purchaser, including legal reviews of agreements, commercial negotiations and proposed amendments from certain suppliers before final agreements were reached.

### ***Shareholding in Ardiles Bidco Limited (“ABL”)***

In the period we identified and reviewed a number of options in relation to BBL's shareholding in ABL. A number of options were considered, concluding with a sale of the shares to Bestway on 12 June 2018 for the sum of £1.

### ***Sale and Purchase agreement (“SPA”) amendments***

In addition to the sale of the ABL shares, a number of other amendments were required to the SPA, including updates to schedules of property assets following a full reconciliation of the property portfolio after our appointment. Our solicitors (DLA Piper UK LLP and Hogan Lovells International LLP) acted on our behalf for the purpose of the required changes.

### ***Retention of title***

On appointment, the Companies held £9.1m of stock across c.250 suppliers; mainly at the warehouse in Crewe. We wrote to all known creditors on 13 April 2018 notifying them of the sale of the business and assets of the Companies to Bestway and to advise them of the process for submitting a claim in the event that they considered that any of the Companies held stock subject to ROT at the appointment date.

To date, we have had direct contact with c.225 suppliers regarding ROT claims.

A dedicated team was responsible for managing the ROT process. Suppliers wishing to submit an ROT claim were requested to complete a questionnaire and provide supporting documentation to substantiate their claim. Subject to all of the requested information being provided, claims were reviewed and (where appropriate) approved by us; and the supplier was provided with instructions as to how to make arrangements with designated Bestway head office staff to collect their stock.

In a large number of cases, Bestway were able to reach a settlement with suppliers to purchase the stock located in the warehouse. This provided suppliers with a more favourable alternative than arranging collection of their stock for re-sale. All settlement agreements were approved by us.

The main warehouse at Crewe is classified as a bonded warehouse. Through enquiries made by Bestway with HMRC, it was noted that any stock leaving the warehouse (including supplier collections) would crystallise a duty payment. We understand that Bestway subsequently made a payment to HMRC to settle the outstanding duty. For suppliers collecting stock, separate arrangements have been made between Bestway and the relevant supplier in relation to duty payments on the individual suppliers' stock.

On 1 August 2018, we wrote to suppliers where no response had been received, advising them of the steps they needed to take should they wish to submit an ROT claim. We set a deadline for responses of 31 August 2018.

There are now only a small number of suppliers who are yet to submit an ROT claim or reach a settlement agreement with Bestway regarding ROT stock held in the warehouse. A final letter was sent to these suppliers on 3 October 2018, setting a final deadline of 19 October 2018.

We have made extensive efforts to identify and contact suppliers with regards to potential ROT claims, assist in dealing with such claims and facilitate the return of a significant quantity and value of stock. This work has brought the matter to a substantive conclusion as soon as reasonably practical in the circumstances and mitigated losses to those creditors (and therefore reduced unsecured claims against the Companies).

## *Properties*

As you may recall from our Proposals, the Companies provided us with numerous property schedules for stores operating under various brands, including Bargain Booze, Select Convenience, Wine Rack, Bargain Booze+ and Thorough Goods.

On appointment, we granted the Purchaser a Licence to Occupy ("Licence") the known properties for a period of six months to 4 October 2018. During this time, the Purchaser has made progress with landlords, resulting in the assignment of 59 leases and offers to surrender 23 leases no longer required.

The large volume of properties (and therefore landlords) in the portfolio has been the principal factor for the relatively low proportion of leases assigned or surrendered during the period. In order to provide time for the Purchaser to deal with the remaining leases, we have agreed to an extension of the Licence until 4 January 2019. During the extension period, we will continue to provide reasonable assistance to the Purchaser with the assignment and/or surrender of properties; and the costs of such ongoing assistance will be met by the Purchaser.

Until such time as leases are assigned or properties vacated, the Companies will continue to pay rent to landlords for the periods of beneficial occupation. We have attempted to contact all known landlords and facilitate ongoing rent payments, however information obtained from the Companies' records was incomplete and as such, there is a small number of landlords who we have still been unable to contact.

All landlord queries and communication should be directed to [conviviality.landlords@uk.pwc.com](mailto:conviviality.landlords@uk.pwc.com).

## *Book debts*

The Lenders own the book debts of BBL. On appointment, the total ledger balance was £47.4m, of which £34m was due from current franchisees and £2.6m from closed franchise stores, relating to goods sold and delivered prior to our appointment.

The BBL debtors ledger comprised of c.490 franchisee's totalling £36.6m. Of this balance, £16.9m was due from the top 20 debtors, £17.1m due from the remaining debtors and £2.7m due from supplier income.

The remaining ledger relates to intercompany amounts due of £8.2m owed by owned corporate stores, therefore these debts are not collectable.

As part of the sale and purchase agreement, Bestway Retail Limited were appointed as agents to collect the book debts on behalf of the Lenders and they duly assigned a team of credit controllers to assist in collecting the debtor book in an organised (business as usual) manner.

We also updated and reconciled BBL's ledgers to reflect adjustments to the opening balances such as:

- Direct Debit timing adjustments;
- Goods invoiced but not delivered; and
- Goods delivered but not invoiced.

Bestway has confirmed that as at 15 October 2018, debtor collections into the pre appointment receivables account total £14.6m, of which £2.13m has been transferred to the administration account as part of the cash sweep process, as shown on the enclosed receipts and payments account. The amount received is subject to subsequent reconciliation and confirmation.

Given the ongoing commercial nature of the collections process, we are unable to disclose the ledger value that the actual recoveries represent. Similarly, we are unable to provide details of our estimate of future recoveries, in order to avoid prejudicing ongoing discussions with debtors.

The actual realisations also include £2.1m paid by Bestway as deferred consideration in the event that book debt collections did not reach a minimum threshold limit.

That threshold has now been achieved and £2.1m is repayable to Bestway. However it will be utilised in whole or part to discharge costs (including Licence to Occupy fees) owed by Bestway, with any net surplus remaining paid to Bestway at the appropriate time.

Since the end of the reporting period, we, in collaboration with the secured creditors, have engaged Hilton-Baird to take over the agency agreement from Bestway Retail Limited, for the collection of remaining debtors ledger. Hilton-Baird will report directly to the Lenders. Where appropriate, they will engage legal advisors to prepare legal proceedings in order to resolve any ongoing disputes.

## *Realisation of other assets*

### **Refund due from merchant services provider**

During the reporting period we have been in correspondence with Worldpay (being the Company's merchant services provider which enabled the acceptance of credit card payments) to agree to the release of funds held in respect of pre-appointment sales. We have now realised funds of £165,978 in this regard and no further amounts are expected to be received.

### **Book debt receipts**

We have managed to recover a debtor balance of £401,618 relating to a book debt due to BBL at the date of our appointment. This formed part of wider efforts by the administrators aimed at finalising the trading account between the debtor, Bestway and the Companies, with the final agreement incorporating discussions on ROT stock and relevant debtor and creditor balances.

### **Recoveries made from pre appointment bankruptcy petitions**

The Companies instructed Pannone Corporate LLP ("Pannone") to issue bankruptcy petitions to unpaid debtors prior to our appointment. We permitted Pannone to continue its work after our appointment, resulting in the recovery of some £21,698. No further recoveries are expected.

### **Utility refunds**

Funds of £4,910 have been received in respect of refunds from utility companies.

All receipts can be seen in our receipts and payments accounts at Appendix A.

## *Pensions*

Our specialist pensions team identified the operational pension schemes and ascertained the main issues requiring attention. We issued the statutory notifications of the administration appointments where required, in accordance with pensions legislation.

Our work has primarily been in connection with unpaid pre-appointment contributions and includes:

- liaising with The Pensions Regulator in relation to outstanding pension contributions due to NOW Pensions;
- dialogue with NOW Pensions on the treatment of unpaid pre-appointment contributions relating to the period prior to 12 months before the date of insolvency;
- arranging for unpaid pre-appointment contributions due to the Legal & General WorkSave Pension Plan for employees made redundant to be claimed from the Redundancy Payments Service; and
- advice on the transfer of liability to the Purchaser for outstanding pre-appointment pension contributions due to the WorkSave Pension Plan.

## *Connected party transactions*

In accordance with SIP13, 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. Further information on the sale to Bestway can be found in our Proposals at [www.pwc.co.uk/conviviality](http://www.pwc.co.uk/conviviality).

## *Other work*

As administrators, we become responsible for dealing with the Companies' tax and VAT affairs and filing obligations. Our work has involved liaising with the Companies' former staff to enable us to prepare the final pre-appointment VAT return. We are currently preparing the first VAT return which is due for the first six month period of the administrations.

In addition, we have appointed a Senior Tax Accounting Officer to comply with tax regulations in order to assist us when we need to prepare and submit our post appointment corporation tax returns.

## *Approval of our proposals*

Shortly after our appointment, we prepared and circulated our Proposals explaining how we believe the objective of the administrations will be achieved. We also said in our Proposals that we thought the Companies will not have enough assets to pay a dividend to unsecured creditors.

This meant that we did not have to seek a decision from creditors regarding the approval of our 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 to be sought, our Proposals were treated as approved on 26 April 2018.

## *Investigations and actions*

We have complied with our duties under the Company Directors' Disqualification Act 1986 and SIP2. During the period covered by this report, we have submitted our report to the Insolvency Service as required.

As widely reported in the media, the collapse of the Group resulted in the commencement of enquiries and/or investigations by certain regulatory bodies. We have cooperated with information requests received to date and will continue to do so.

We also have a duty to consider what potential claims against third parties may exist and what recoveries could be made. Our work on this matter is ongoing.

## *Our receipts and payments account*

We set out in Appendix A an account of our receipts and payments in each administration from 6 April 2018 to 5 October 2018.

## *Pre-administration costs*

You can find in Appendix B information about the approval and payment of the unpaid pre-administration costs previously detailed in our Proposals.

## *Our fees*

We enclose at Appendix C, our Remuneration Report containing the information that must be provided to all known creditors before the basis of our remuneration can be determined (in this case by the secured creditors).

## *Expenses of the administration*

This progress report and the enclosed Remuneration Report must include statements of the expenses we've incurred to the date covered by this report and an estimate of the future costs. To avoid repetition, this information is only included in the Remuneration Report at Appendix C.



The statements exclude 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.

## *Secured creditor funding*

In each of the five Group companies over which we have been appointed as joint administrators, no preferential creditors are expected and no dividends to unsecured creditors will be available due to the significant shortfall suffered by the secured creditors. Similarly, we do not expect there to be sufficient net floating charge realisations to generate a dividend by virtue of the statutory Prescribed Part fund.

Therefore, the secured creditors are the only class of creditor with a financial interest in the outcome of the administrations. Consequently and for the reasons explained below, it has been necessary to enter into a Funding Agreement with the secured creditors to ensure each administration has sufficient funding to pay the reasonable costs incurred:

- There have been no asset realisations in the ultimate parent company (Plc);
- The transaction in Brands was structured such that the purchaser paid £102m directly to the secured creditors; and
- There are insufficient assets in WR and CRL to discharge the costs of those administrations in full.

The Funding Agreement dated 9 July 2018 permits us to retain c£4m of the sale proceeds from the sale to Bestway that are available to distribute to the secured creditors, for the purpose of discharging the pre-administration costs, administration expenses, our remuneration and legal costs (in each of the Group companies), up to certain limits and to be drawn at the appropriate time with the secured creditors' prior consent.

Further information on our remuneration is included in our Remuneration Report at Appendix C.

## *Creditors' rights*

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

[https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Administrators\\_fees\\_April\\_2017.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_fees_April_2017.pdf)

You can also get a copy free of charge by telephoning Andy Lilley on 0113 289 4153.

## *What we still need to do*

There is still a considerable amount of work to do before the administrations can be concluded. The following is a summary of the key matters:

- Finalise ROT claims;
- Surrender leases or complete assignments of leasehold properties as appropriate;
- Make interim distributions to the secured creditors;
- Assist with any queries into the Companies' affairs made by relevant authorities;
- Complete reconciliations of pre appointment account balances; and
- Collect the remaining debtor balances owed.

Once this (and all other) work has been completed, we will look to make the final distributions to the secured creditors. Other work will include compliance with our statutory duties as administrators, dealing with the Companies VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Companies.

## Next steps

In addition to the above work, we are currently considering the necessity for extending the period of the administrations beyond the statutory period of one year. If extensions are required, in the circumstances of this case, the extensions can be granted by the secured creditors.

It is possible that the administrations may end at different times, unless we consider that it is more cost effective to bring them to an end simultaneously. We'll provide an update on this in our next report.

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

If you've got any questions, please get in touch with Andy Lilley on 0113 289 4153.

Yours faithfully  
For and on behalf of



Matthew B Callaghan  
Joint administrator

*Matthew Boyd Callaghan, Ian David Green and David Robert Baxendale have been appointed as joint administrators of WR Realisations (2018) Limited (formerly Wine Rack Limited) and CVL Realisations (2018) Limited (formerly Conviviality Retail Logistics Limited) to manage their affairs, businesses and properties as agents and without personal liability. Matthew Boyd Callaghan, Ian David Green and Peter David Dickens have been appointed as joint administrators of BB Realisations (2018) Limited (formerly Bargain Booze Limited) to manage its affairs, business and property as agents and without personal liability.*

*Matthew Boyd Callaghan, Ian David Green, Peter David Dickens and David Robert Baxendale are all 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>*

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

## Appendix A: Receipts and payments

Directors' Statement of Affairs £	BBL Realisations (2018) Limited	Total from 6 April 2018 to 5 October 2018 £
	<b>FIXED CHARGE REALISATIONS</b>	
	Plant and Machinery	2,549,496.52
4,025,331.41	Sale of business / goodwill	2,130,652.74
	Intangible Assets	2,519,765.39
22,361,257.10	Book Debts	2,132,311.38
	Bank Interest	1,140.56
		<b>9,333,366.59</b>
	<b>COST OF REALISATION / PAYMENTS</b>	
	Intergroup Funding	20,572.23
	Fixed charge VAT receivable	457.35
		<b>21,029.58</b>
	<b>DISTRIBUTION TO FIXED CHARGE HOLDER</b>	4,669,917.00
	<b>BALANCE OF FIXED CHARGE FUNDS</b>	<b>4,642,420.01</b>
	<b>FLOATING CHARGE REALISATIONS</b>	
300,754.19	Rents / Licence Fee account	3,073.33
1,239,778.40	Book debts	589,603.30
	Sundry debts & refunds	6,612.45
	Bank Interest Gross	1,724.25
3,680,499.93	Cash in Hand	292,066.80
	Suspense Account (Note 1)	3,252,703.00
4,778,955.04	Other assets (Note 2)	-
		<b>4,145,783.13</b>
	<b>COST OF REALISATION / PAYMENTS</b>	
	Pre appointment legal fees and expenses (Note 3)	803,025.95
	Legal fees and expenses	297,626.62
	Office costs, stationary and postage	7,838.66
	Storage costs	34.50
	Statutory advertising	75.00
	Finance/ Bank interest and charges	105.00
	VAT Receivable	385,506.67
		<b>1,494,212.40</b>
	<b>BALANCE OF FLOATING CHARGE FUNDS</b>	<b>2,651,570.73</b>
	<b>VAT CONTROL ACCOUNT</b>	-
	<b>TOTAL BALANCE AT BANK</b>	<b>7,293,990.74</b>
Note 1.	Suspense account funds relate to £1,152,703 funds received relating to post appointment funds received into pre appointment bank account held while final reconciliation to determine split between administrator/purchaser is determined. Additional funds relate to: BB Licence Fee (889,194), WSR Licence Fee (£523,340), BB Realisations LTO extension costs (£147,780), WSR LTO extension costs (£90,930), funds to be returned to Bestway (£448,756).	
Note 2.	A breakdown is given on the next page.	
Note 3.	Pre-administration legal fees and expenses are shown at the full invoice value for VAT accounting purposes. DLA were in possession of £50k of Company funds (recorded as cash in hand) which was used to part pay these costs.	

The following table provides further comments on the recovery of assets disclosed in the director's statement of affairs ("SoA") for BBL.

<b>Asset</b>	<b>Estimated to realise (SoA) £</b>	<b>Actual realisations £</b>	<b>Comments</b>
Tangible	4,025,331	7,200,000	
<ul style="list-style-type: none"> <li>- Plant and Machinery</li> <li>- Sale of business / goodwill</li> <li>- Intangible Assets</li> </ul>			Consideration received for assets subject to fixed charge security, related only to plant and equipment (£2.549m), goodwill (£2.13m) and intangible assets (£2.519m).
Book Debts (Fixed)	22,361,257	2,132,311	Book debt receipts transferred from pre appointment receivables account.
Rents / Licence Fee account	300,754	3,073	We have not identified any sources of recoveries from rents. The amount held is the balance on the Licence Fee account with Bestway which does not represent an asset of the administration.
Book Debts (Floating)	1,239,778	589,603	Actual realisations include c£401k recovered from Pernod Rickard as discussed earlier in this report, plus £165k of funds held by World Pay. It also includes £22k in relation to bankruptcy petitions issued prior to our appointment. We do not expect any material further realisations from this source.
Cash in hand	3,680,499	292,066	All cash at bank was automatically retained by the relevant Lenders in respect of the amount(s) owed to them. However, the sale to Bestway included consideration for cash in tills, of £242k. In addition, our realisations to date show £50k held by DLA at the time of our appointment in respect of (and used to part settle) their pre-administration costs.
Other assets (Note 2)	3,337,774	-	
<ul style="list-style-type: none"> <li>- Stock</li> </ul>			In the sale to Bestway, no consideration was allocated to stock. It was believed (and subsequently confirmed) that large quantities of the company's stock would be the subject of retention of title claims from unpaid suppliers.
Other assets (Note 2)	91,417	-	
<ul style="list-style-type: none"> <li>- Central Trade Debtors</li> </ul>			To date, we have not yet identified any debtors outside of those captured by the receivables finance agreement with the Lenders.
Other assets (Note 2)	657,144	-	
<ul style="list-style-type: none"> <li>- Stock in store</li> </ul>			See 'Stock' comment above.
Other assets (Note 2)	673,150	-	
<ul style="list-style-type: none"> <li>- Rates</li> </ul>			We have engaged specialist agents (CAPA) to pursue any potential rates refunds. However, due to the time of appointment roughly coinciding with the fiscal year end, we do not expect any material recoveries from this source.
Other assets (Note 2)	19,468	-	
<ul style="list-style-type: none"> <li>- Other</li> </ul>			The directors did not provide any information to explain this potential asset.

Directors' Statement of Affairs £	CVL Realisations (2018) Limited	From 6 April 2018 To 5 October 2018 £
<b>FIXED CHARGE REALISATIONS</b>		
5,476.46 Plant and Machinery		5,172.90
Bank Interest		2 32
		<u>5,175.22</u>
<b>COST OF REALISATION / PAYMENTS</b>		-
<b>DISTRIBUTION TO FIXED CHARGE HOLDER</b>		-
<b>BALANCE OF FIXED CHARGE FUNDS</b>		<u>5,175.22</u>
<b>FLOATING CHARGE REALISATIONS</b>		
329,729.15 Cash in bank		-
<b>COST OF REALISATION / PAYMENTS</b>		
Statutory advertising		75 00
VAT Receivable		15.00
		<u>90 00</u>
<b>BALANCE OF FLOATING CHARGE FUNDS</b>		<u>90.00</u>
<b>VAT CONTROL ACCOUNT</b>		-
<b>TOTAL BALANCE AT BANK</b>		<u>5,085.22</u>

Note - All cash at bank was automatically retained by the relevant Lenders in respect of the amount(s) owed to them.

Directors' Statement of Affairs £	WR Realisations (2018) Limited	From 6 April 2018 To 5 October 2018 £
<b>FIXED CHARGE REALISATIONS</b>		
83,545.79	Plant and Machinery	44,912.45
	Bank Interest	19.77
		<u>44,932.22</u>
<b>COST OF REALISATION / PAYMENTS</b>		
		-
<b>DISTRIBUTION TO FIXED CHARGE HOLDER</b>		
		-
<b>BALANCE OF FIXED CHARGE FUNDS</b>		<u><b>44,932.22</b></u>
<b>FLOATING CHARGE REALISATIONS</b>		
228,847.61	Cash in Hand	12,740.30
	Property surrender settlement	20,000.00
612,786.21	Other assets	-
		<u>32,740.30</u>
<b>COST OF REALISATION / PAYMENTS</b>		
	Rents	5,808.33
	Statutory advertising	75.00
	Finance/ Bank interest and charges	15.00
		<u>5,898.33</u>
<b>BALANCE OF FLOATING CHARGE FUNDS</b>		<u><b>26,841.97</b></u>
<b>VAT CONTROL ACCOUNT</b>		2,823.33
<b>TOTAL BALANCE AT BANK</b>		<u><b>74,597.52</b></u>

The following table provides further comments on the recovery of assets disclosed in the director's statement of affairs ("SoA") for WR.

Assets	Estimated to realise (SoA) £	Actual realisations £	Comment
Plant and Machinery	83,545	44,912	This represents the sale of capitalised store fit out costs subject to fixed charge security
Cash in hand	228,847	12,740	All cash at bank was automatically retained by the relevant Lenders in respect of the amount(s) owed to them. However, the sale to Bestway included consideration for cash in tills, of £12k.
Other assets	545,489	-	In the sale to Bestway, no consideration was allocated to stock. It was believed (and subsequently confirmed) that large quantities of the company's stock would be the subject of retention of title claims from unpaid suppliers.
- Stock at store			
Other assets	36,436	20,000	Prior to our appointment, the company had negotiated a premium for the surrender of a leasehold property. Despite the property being no longer required and the company being insolvent, we were able to recover some £20k from this matter. No other recoveries are expected.
- Rent			
Other assets	26,916	-	We have engaged specialist agents (CAPA) to pursue any potential rates refunds. However, due to the time of appointment roughly coinciding with the fiscal year end, we do not expect any material recoveries from this source.
- Rates			
Other assets	3,944	-	We have not identified any sources of recoveries from insurance sources.
- Insurance			

## Appendix B: Pre-administration costs

### Summary of the costs

In our Proposals dated 13 April 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 are summarised in the following table showing the position at the date of appointment:

	Paid amount (£)	Unpaid amount (£)
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
<b>Total</b>	<b>649,659</b>	<b>1,152,119</b>

*Note: the unpaid amounts were incorrectly stated as \*£233,327 and \*\*£785,672 in our Proposals*

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

Entity in administration	Fees (£)	Expenses (£)
Plc	-	121,592
Brands	-	121,592
BBL	298,327	451,090
CRL	12,000	62,259
WR	23,000	62,259
<b>Total</b>	<b>333,327</b>	<b>818,792</b>

*\* expenses are legal costs incurred by DLA and Hogan Lovell's*

Details of the work performed that gave rise to the costs above were included in our Proposals 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. The legal costs have been paid and our pre-administration fees will be drawn in due course.

---

## Appendix C: Remuneration Report

We explained earlier that the Lenders have provided a single facility to ensure that there 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 the Lenders. Therefore this Remuneration Report covers all five Group companies in order for creditors to understand where costs have arisen, what our remuneration and expenses are likely to be and what the Lenders are expecting to fund. The facility becomes available after any floating charge realisations have been utilised in the first instance.

### *Purpose of this initial advice to creditors*

If a company or individual is facing financial difficulty they may enter a formal insolvency process under the control of an independent external person (an insolvency practitioner). The costs of the proceedings are paid out of the assets of the company or the individual's estate and include the insolvency practitioner's remuneration, which in this case would be our fees for acting as administrators.

We must seek approval to the basis of our remuneration before it is paid and provide the fee approving body with sufficient information for them to make a decision. Insolvency law determines who the fee approving body is (and it depends on the circumstances of the case), but it's usually those creditors who have a direct interest in the amount paid because it impacts on how much those creditors recover.

Insolvency legislation also requires us to give all known creditors details of the work we expect to carry out during the case and the expenses that are likely to be incurred. Also, if our fees are proposed to include remuneration calculated on a time costs basis, we must provide an estimate of those fees. This report provides all this information and details of where further information can be obtained.

### *Action required by you*

The following table gives our current estimates on the likely return for the various classes of creditors in each of the Group companies over which we have been appointed as joint administrators. We caution creditors against using data in this report as a basis for estimating the value of their claims or their likely eventual entitlement to payment from the Company's assets. The Administrators, their firm, its members, partners and staff and advisers accept no liability to any party for any reliance placed upon this report.

<i><b>Class of creditor</b></i>	<i><b>Forecast return</b></i>	<i><b>Timing</b></i>
Secured creditors	Upwards 70 p/£	Uncertain
Preferential creditors	n/a	n/a
Unsecured creditors	Nil	n/a

Due to the nature of the Lenders' security across the Group, the outcome shown above reflects the secured creditors' overall recovery on their debt. Some £102m on the initial Group debt has been repaid together with further recoveries from debts owed to the Companies and the sale to Bestway. Given the aged book debt nature is the main source for future recoveries, it is likely to take several more months for realisations to be completed.

We stated in our Proposals (and confirmed in this report) that we believe there will be no funds to distribute to unsecured creditors. There are no known preferential creditors. Therefore if no committee is appointed, the secured creditors' have the responsibility for fixing the basis of our fees and Category 2 disbursements (as defined later). We explain later the steps already taken and future actions on this matter. This Remuneration Report is therefore for information purposes only and no action is required.



## *Creditors' rights*

As stated earlier, you can find information on administrators' fees and your rights at:

[www.icaew.com/~media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en](http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en)

You can also obtain a copy free of charge by contacting Andy Lilley on 0113 289 4153.

## *How fees are calculated*

Insolvency law currently allows fees to be calculated in three ways:

- As a percentage of the value of the property which we deal with; often referred to as a "percentage basis");
- By reference to the time properly given by us and our staff attending to the matters arising ("time costs basis"); or
- A set amount (a fixed fee).

The basis of our fees can be a combination of the above and different bases can be used for different parts of our work. The fee approving body decides which basis (or combination of bases) should be used to calculate fees, once it is satisfied that the fee basis proposed represents the most appropriate mechanism in the circumstances of the case.

## *The proposed basis of fees*

In this case we are proposing that our remuneration is on a combination of a percentage of realisations and time costs basis. However, please note that the percentage of realisation basis is only likely to be required in relation to BBL, WR and CRL.

### ***Percentage of realisations***

We are performing certain work only to assist Bestway and which goes beyond our obligations in the sale agreement or as joint administrators. This includes necessary revisions to the sale agreement itself, protracted management of Bestway receipts into pre-appointment accounts and (since 4 October 2018 when the licence to occupy the various properties expired) ongoing receipt of licence fees, novation of contracts and trademarks, payment of rent (and certain related property costs) and cooperation in the assignment and/or surrender of leases.

As this work should not have an adverse impact on the outcome for the secured creditors, we have agreed that Bestway will contribute to these additional costs, including legal fees. We will recharge costs to Bestway by reference to time costs incurred by us and our solicitors, or any other appropriate mechanism that may be subsequently agreed with Bestway.

However, it is proposed that the remuneration we actually draw for all work that Bestway pays for, is calculated as 100% of the amount received from Bestway (excluding VAT) in respect of costs incurred by our firm. We believe this is an appropriate basis for the following reasons:

- It is a simple mechanism that matches our fees for the work done solely for Bestway directly to the amount received from Bestway; thereby avoiding any adverse impact on the outcome for the secured creditors;
- The duration of ongoing assistance to Bestway is currently indeterminate and therefore it would be difficult to estimate the total time required if using the alternative time cost basis; and
- It avoids the statutory costs of additional reporting to creditors (if a time cost basis was used) and seeking further approvals from secured creditors if costs exceeded the initial fees estimate for that work.

It will be for the secured creditors to approve this proposed basis of our fees for this work, even though it should not impact the outcome for them.

### ***Time cost basis***

We are proposing that the basis of our remuneration for all work (other than that described above), is on a time cost basis. Time will be charged in accordance with the policy set out later in this Remuneration Report.

As only the secured creditors have a financial interest in the outcome of the administrations and therefore the level of our remuneration, we have already discussed the basis and likely quantum with the secured creditors. In particular, for the purpose of providing regular updates to the secured creditors and entering into the Funding Agreement, we agreed that:

- our remuneration will be on a time cost basis;
- the hourly charge-out rates set out later in this section, will apply; and
- our fees will be capped at £1,601,400 plus VAT across the various Group company administrations.

Whilst these matters have already been agreed, in accordance with insolvency legislation, such agreement cannot be effective until such time as this Remuneration Report has been issued to all known creditors. In any event, the Funding Agreement requires that we seek the secured creditors' consent before drawing remuneration under this agreement.

We believe a time cost basis is appropriate for this work, for the following reasons:

- It ensures that creditors are only charged for work that is performed;
- We are required to perform a number of tasks which do not relate to the realisation of assets (for example: reporting to creditors, investigating the conduct of the directors and dealing with a high volume of creditor queries); and
- We are unable to estimate with any reasonable degree of certainty the total amount of fees necessary to *complete all tasks required in the administration (that would make a set fee a suitable alternative basis)*.

In the next section, we include details of our fees estimate.

### ***Our fees estimate***

This section provides the following information:

- Details of the work we propose to undertake;
- The hourly rates we propose to charge for each part of that work;
- The time we anticipate each part of the work will take; and
- Whether we think it will be necessary to seek approval to exceed the amount of the estimate, and if so, why.

By its statutory definition, a fees estimate is calculated by multiplying the hours expected to be incurred and the hourly rates to be applied to that work. The following tables show the fees estimate for each of the companies, our actual costs in the six-month period and then more detail on each area of work. Time costs are shown at the hourly rates set out later. We haven't included an estimate of our fees and the expenses for any subsequent liquidation as one is not expected for any of the companies.

Whilst the fees estimates effectively show the total costs expected to be incurred, as explained above, we have already agreed that our remuneration will be limited to £1,601,400 (plus VAT) across the various Group companies, as provided for in the Funding Agreement. Any increase to that amount (or the fees estimates set out below) would need the approval of the secured creditors.

**BBL Realisations (2018) Limited**

<i>Category of work</i>	<i>Hours</i>	<i>Fees estimate (£)</i>	<i>Average hourly rate (£/hour)</i>	<i>Hours incurred to 5 October 2018</i>	<i>Time costs incurred to 5 October 2018 (£)</i>	<i>Average hourly rate for time costs incurred to 5 October 2018 (£/hour)</i>
Accounting and treasury	179.13	58,979.12	329.25	129.13	42,516.62	329.25
Assets	41.95	19,354.20	461.36	31.95	14,740.60	461.36
CDDA	21.20	7,706.85	363.53	21.20	7,706.85	363.53
Creditors	246.04	74,103.06	301.18	171.04	51,514.56	301.18
Debtors	612.76	266,052.84	434.19	412.76	179,214.84	434.19
Employees and pensions	11.25	4,394.05	390.58	6.25	2,441.15	390.58
Insurance	28.85	10,665.85	369.70	13.85	5,120.35	369.70
Investigations	0.15	52.50	350.00	0.15	52.50	350.00
Property	928.27	316,979.22	341.47	928.27	316,979.22	341.47
ROT	362.65	159,479.55	439.76	357.65	157,280.75	439.76
Secured creditors	161.60	80,164.05	496.60	86.60	42,919.05	496.60
Statutory and compliance	300.95	102,157.60	339.45	150.95	51,240.10	339.45
Strategy and planning	177.97	85,119.03	478.28	102.97	49,248.03	478.28
Tax	104.55	28,720.65	284.27	44.55	12,664.45	284.27
VAT	40.65	17,010.25	418.58	10.65	4,457.85	418.58
<b>Total hours and fees estimate</b>	<b>3,217.97</b>	<b>1,231,943.82</b>	<b>382.83</b>	<b>2,467.97</b>	<b>938,096.92</b>	<b>380.11</b>

**WR Realisations (2018) Limited**

<i>Category of work</i>	<i>Hours</i>	<i>Fees estimate (£k)</i>	<i>Average hourly rate (£/hour)</i>	<i>Hours incurred to 5 October 2018</i>	<i>Time costs incurred to 5 October 2018 (£k)</i>	<i>Average hourly rate for time costs incurred to 5 October 2018 (£/hour)</i>
Accounting and treasury	24.47	8,641.13	353.13	14.47	5,109.83	353.13
Assets	0.25	108.35	433.40	0.25	108.35	433.40
CDDA	7.40	2,278.85	307.95	7.40	2,278.85	307.95
Creditors	28.85	7,417.58	257.11	20.85	5,360.70	257.11
Debtors	1.45	376.50	259.66	1.45	376.50	259.66
Employees and pensions	0.80	207.95	259.94	0.80	207.95	259.94
Insurance	12.40	4,661.27	375.91	5.40	2,029.90	375.91
Property	23.45	6,718.50	286.50	23.45	6,718.50	286.50
ROT	1.00	646.00	646.00	1.00	646.00	646.00
Secured creditors	0.10	35.00	350.00	0.10	35.00	350.00
Shareholders	0.50	175.00	350.00	0.50	175.00	350.00
Statutory and compliance	140.85	51,154.05	363.18	70.85	25,731.45	363.18
Strategy and planning	34.45	11,615.25	337.16	19.45	6,557.85	337.16
Tax	57.50	15,441.05	268.03	25.50	6,834.70	268.03
VAT	15.95	5,500.20	344.84	0.95	327.60	344.84
<b>Total hours and fees estimate</b>	<b>349.42</b>	<b>114,947.29</b>	<b>328.96</b>	<b>192.42</b>	<b>62,498.18</b>	<b>324.80</b>

**CVL Realisations (2018) Limited**

<i>Category of work</i>	<i>Hours</i>	<i>Fees estimate (£k)</i>	<i>Average hourly rate (£/hour)</i>	<i>Hours incurred to 5 October 2018</i>	<i>Time costs incurred to 5 October 2018 (£k)</i>	<i>Average hourly rate for time costs incurred to 5 October 2018 (£/hour)</i>
Accounting and treasury	12.35	4,611.50	373.40	7.35	2,744.50	373.40
Assets	0.10	35.00	350.00	0.10	35.00	350.00
CDDA	5.45	1,617.65	296.82	5.45	1,617.65	296.82
Creditors	26.55	6,693.96	252.13	19.55	4,929.05	252.13
Debtors	1.45	376.50	259.66	1.45	376.50	259.66
Employees and pensions	3.30	890.45	269.83	3.30	890.45	269.83
Insurance	8.20	3,014.80	367.66	3.20	1,176.50	367.66
Investigations	6.05	2,117.50	350.00	6.05	2,117.50	350.00
Property	21.85	6,137.20	280.88	21.85	6,137.20	280.88
Secured creditors	0.10	35.00	350.00	0.10	35.00	350.00
Statutory and compliance	130.00	44,915.20	345.50	65.00	22,457.70	345.50
Strategy and planning	39.60	13,899.70	351.00	22.60	7,932.70	351.00
Tax	47.70	12,315.00	258	22.70	5,865.00	258.37
VAT	23.45	11,214.70	474.40	8.45	4,008.70	474.40
<b>Total hours and fees estimate</b>	<b>326.15</b>	<b>107,784.16</b>	<b>330.47</b>	<b>187.15</b>	<b>60,323.45</b>	<b>322.33</b>

**Conviviality Brands Limited**

<b>Category of work</b>	<b>Hours</b>	<b>Fees estimate (£)</b>	<b>Average hourly rate (£/hour)</b>	<b>Hours incurred to 3 October 2018</b>	<b>Time costs incurred to 3 October 2018 (£)</b>	<b>Average hourly rate for time costs incurred to 3 October 2018 (£/hour)</b>
Accounting and treasury	12.85	4,507.50	350.78	7.85	2,753.60	350.78
Assets	7.15	3,728.75	521.50	7.15	3,728.75	521.50
CDDA	8.65	2,643.05	305.55	8.65	2,643.05	305.55
Creditors	18.40	7,067.06	384.08	11.40	4,378.50	384.08
Employees and pensions	6.50	2,144.00	329.08	6.50	2,144.00	329.08
Insurance	8.10	3,180.05	392.60	4.10	1,609.65	392.60
Property	43.20	16,426.75	380.25	28.20	10,723.00	380.25
Secured creditors	12.10	7,006.88	579.08	6.10	3,532.40	579.08
Statutory and compliance	210.40	85,927.30	408.40	110.40	45,087.30	408.40
Strategy and planning	51.35	19,418.65	378.16	31.35	11,855.45	378.16
Tax	88.40	34,452.05	389.73	38.40	14,965.55	389.73
VAT	15.75	5,111.35	324.53	0.75	243.40	324.53
<b>Total hours and fees estimate</b>	<b>482.85</b>	<b>191,613.39</b>	<b>396.83</b>	<b>260.85</b>	<b>103,664.65</b>	<b>397.41</b>

## Conviviality Plc

Category of work	Hours	Fees estimate (£)	Average hourly rate (£/hour)	Hours incurred to 4 October 2018	Time costs incurred to 4 October 2018 (£)	Average hourly rate for time costs incurred to 4 October 2018 (£/hour)
Accounting and treasury	21.85	8,116.10	371.45	16.85	6,258.85	371.45
Assets	32.45	17,920.35	552.24	32.45	17,920.35	552.24
CDDA	12.40	3,749.50	302.38	12.40	3,749.50	302.38
Creditors	76.30	20,299.05	266.04	46.30	12,317.85	266.04
Employees and pensions	157.30	61,059.10	388.17	137.30	53,295.70	388.17
Insurance	12.40	4,828.70	389.42	6.40	2,492.30	389.42
Investigations	116.45	37,677.15	323.55	91.45	29,588.40	323.55
Secured creditors	124.50	90,068.50	723.44	74.50	53,896.50	723.44
Shareholders	51.50	18,516.50	359.24	31.50	11,331.70	359.74
Statutory and compliance	313.95	118,747.75	378.24	213.95	80,923.75	378.24
Strategy and planning	53.35	22,473.20	421.24	33.35	14,048.40	421.24
Tax	82.50	31,901.90	386.69	32.50	12,567.40	386.69
VAT	18.75	6,822.00	363.84	3.75	1,364.40	363.84
<b>Total hours and fees estimate</b>	<b>1,073.70</b>	<b>442,179.80</b>	<b>411.82</b>	<b>732.70</b>	<b>299,755.10</b>	<b>409.11</b>

In each case, our total remuneration cannot exceed the total amount of these fees estimates without prior consent from the fee approving body. However as explained above, the amount actually drawn as remuneration will be limited to the amount set out in the Funding Agreement or any revision thereof. We currently expect our remuneration will be drawn from the various estates as follows:

Entity in administration	Fees (£k)
Plc	174
Brands	117
BBL	1,087
CRL	108
WR	115
<b>Total</b>	<b>1,601</b>

## Work we propose to undertake

The following table provides details of the work we propose to do (indicated by →), have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks. For ease of reference we have provided one table for all five Group companies, but where relevant or appropriate, we have highlighted where the work relates to certain individual entities.

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>
<b>Assets</b>	Sale of business	<ul style="list-style-type: none"> <li>Supporting post sale matters as discussed in this report □</li> </ul>
	Property (principally BBL)	<ul style="list-style-type: none"> <li>Carrying out title searches and securing relevant property records ✓</li> <li>Liaising with Purchaser, agents and landlords regarding the collection and remittance of rent and service charge payments □</li> <li>Complete reconciliation of landlord rents and other associated property costs □</li> <li>Agreeing licence to occupy agreements as appropriate □</li> <li>Correspondence with landlords in relation to lease surrenders and rent payments □</li> <li>Complete lease assignments □</li> <li>Decide how to deal with any residual leases where surrenders can't be agreed. □</li> </ul>
	Debtors (principally BBL)	<ul style="list-style-type: none"> <li>Corresponding with debtors □</li> <li>Reviewing and assessing debtors ledgers □</li> <li>Liaising with debt collectors and solicitors □</li> <li>Recovered £401,618 from a supplier in relation to an amount due to the Company for historical contractual rebates ✓</li> <li>Continue to collect debtors with the assistance of third party agents □</li> </ul>
	Retention of title claims (principally BBL and WR)	<ul style="list-style-type: none"> <li>Arranging for the completion of retention of title claim forms ✓</li> <li>Arranging for claimants to attend site to identify goods ✓</li> <li>Maintaining retention of title file □</li> <li>Meeting claimants on site to identify goods □</li> <li>Adjudicating retention of title claims □</li> <li>Corresponding with claimants regarding outcome of adjudication □</li> <li>Inviting and meeting claimants on site to perform stock counts/collection of goods or alternatively arrange financial settlements □</li> <li>Dealing with any residual retention of title queries that may arise. →</li> </ul>
	Intangible assets	<ul style="list-style-type: none"> <li>Carrying out tasks associated with realising such assets □</li> <li>Identifying potential asset recoveries □</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Identifying potential issues requiring attention of insurance specialists ✓</li> <li>Initial notices sent to pre appointment insurers ✓</li> <li>Setting up insurance cover on appointment ✓</li> <li>Reviewing insurance policies ✓</li> <li>Corresponding with insurer regarding initial and ongoing insurance requirements □</li> <li>Realising any value within policies →</li> <li>Providing updates to insurers as appropriate →</li> </ul>
	Third party assets	<ul style="list-style-type: none"> <li>Reviewing leasing documents ✓</li> <li>Liaising with owners/Purchasers regarding contract novations □</li> <li>Carrying out tasks associated with disclaiming leases →</li> </ul>
<b>Creditors</b>	Creditor enquiries	<ul style="list-style-type: none"> <li>Setting up a dedicated website for delivery of initial and ongoing communications and reports ✓</li> <li>Setting up and managing mailbox to deal with creditor enquiries including responding to requests as appropriate □</li> </ul>



<b>Category of work</b>	<b>General description</b>	<b>Work included</b>
		<ul style="list-style-type: none"> <li>• Receiving and following up creditor enquiries via telephone, email and post <input type="checkbox"/></li> <li>• Reviewing and preparing correspondence to creditors and their representatives <input type="checkbox"/></li> <li>• Receipting and filing proofs of debt when not related to a dividend <input type="checkbox"/></li> <li>• Providing information to creditor insurers in relation to confirmation of debt enquiries <input type="checkbox"/></li> </ul>
	Secured creditors	<ul style="list-style-type: none"> <li>• Notifying secured creditors of appointment ✓</li> <li>• Liaising with secured creditors on appointment in relation to our strategy <input type="checkbox"/></li> <li>• Preparing reports to, and holding meetings with, the secured creditors <input type="checkbox"/></li> <li>• Responding to secured creditor's queries <input type="checkbox"/></li> <li>• Making distributions in accordance with security entitlements <input type="checkbox"/></li> </ul>
	Unsecured claims	<ul style="list-style-type: none"> <li>• Preparing and sending initial letter and notifications to creditors following appointment →</li> <li>• Setting up a dedicated website for delivery of initial and ongoing communications and reports →</li> <li>• Receiving proofs of debt and maintaining register <input type="checkbox"/></li> <li>• Receiving and following up creditor enquiries via telephone, email and post <input type="checkbox"/></li> </ul>
	Shareholder enquiries	<ul style="list-style-type: none"> <li>• Responding to various shareholder queries (Plc) <input type="checkbox"/></li> </ul>
<b>Investigations</b>	Conducting investigations	<ul style="list-style-type: none"> <li>• Collecting Company books and records where related to investigatory work ✓</li> <li>• Reviewing books and records ✓</li> <li>• Preparing investigation file and lodging findings through the Director Conduct Reporting Service ✓</li> <li>• Providing information to Regulators to assist with external investigations <input type="checkbox"/></li> </ul>
<b>Statutory and compliance</b>	Initial letters and notifications	<ul style="list-style-type: none"> <li>• Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment ✓</li> </ul>
	Remuneration report	<ul style="list-style-type: none"> <li>• Preparing and circulating to creditors this report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred. <input type="checkbox"/></li> </ul>
	Case reviews	<ul style="list-style-type: none"> <li>• Conducting case reviews after the first month, then every six months →</li> </ul>
	Proposals	<ul style="list-style-type: none"> <li>• Drafting and delivering a statement of proposals. ✓</li> <li>• Circulating notice of the proposals to creditors, members and the Registrar of Companies. ✓</li> </ul>
	Progress reports and extensions	<ul style="list-style-type: none"> <li>• Preparing and issuing periodic progress reports to creditors and the Registrar <input type="checkbox"/></li> <li>• Making applications to secured creditors or court for the extension of the administration and filing relevant notices →</li> </ul>
	Other meetings / resolutions	<ul style="list-style-type: none"> <li>• Preparing documents and information for the purpose of obtaining approval to fees, Category 2 disbursements and other matters in the administration <input type="checkbox"/></li> </ul>
	Books and records	<ul style="list-style-type: none"> <li>• Arranging for the collection of Company books and records (Plc) ✓</li> <li>• Dealing with records in storage <input type="checkbox"/></li> <li>• Sending job files to storage →</li> </ul>
	Other statutory and compliance	<ul style="list-style-type: none"> <li>• Filing of documents <input type="checkbox"/></li> <li>• Updating checklists and diary management system <input type="checkbox"/></li> </ul>
<b>Tax &amp; VAT</b>	Tax	<ul style="list-style-type: none"> <li>• Gathering information in relation to the Company's tax matters following appointment ✓</li> <li>• Carrying out tax review and subsequent enquiries ✓</li> </ul>

<i>Category of work</i>	<i>General description</i>	<i>Work included</i>
		<ul style="list-style-type: none"> <li>• Calculation of the Group's terminal losses and correspondence with C&amp;C Holdings (NI) Limited regarding their potential purchase. <input type="checkbox"/></li> <li>• Preparing tax computations <input type="checkbox"/></li> <li>• Liaising with HMRC to obtain tax clearance →</li> </ul>
	VAT	<ul style="list-style-type: none"> <li>• Gathering information for the initial VAT review ✓</li> <li>• Carrying out VAT review and subsequent enquiries ✓</li> <li>• Preparation and submission of the Company's pre appointment VAT return. <input type="checkbox"/></li> <li>• Preparing quarterly VAT returns →</li> <li>• Correspondence with HMRC in relation to the Company's VAT matters <input type="checkbox"/></li> </ul>
<b>Administration</b>	Strategy and planning	<ul style="list-style-type: none"> <li>• Completing tasks relating to job acceptance ✓</li> <li>• Team meetings to review strategy and progress <input type="checkbox"/></li> <li>• Maintaining fee budgets &amp; monitoring costs <input type="checkbox"/></li> <li>• Considering timings for key milestones and key strategic decisions <input type="checkbox"/></li> </ul>
	Accounting and treasury	<ul style="list-style-type: none"> <li>• Opening bank accounts ✓</li> <li>• Dealing with receipts, payments and journals <input type="checkbox"/></li> <li>• Carrying out bank reconciliations and managing investment of funds <input type="checkbox"/></li> <li>• Corresponding with pre appointment banks regarding specific transfers <input type="checkbox"/></li> <li>• Making distributions to secured creditors <input type="checkbox"/></li> <li>• Closing bank accounts →</li> </ul>
	Closure procedures	<ul style="list-style-type: none"> <li>• Completing checklists and diary management system →</li> <li>• Closing down internal systems →</li> </ul>

Included in the above table are tasks that we must perform that may not directly benefit creditors financially. These are expected to relate to:

- fulfilling obligations imposed by statute or regulatory bodies;
- assistance provided to Bestway;
- dealing with volumes of creditor enquiries;
- any assistance to third party authorities investigating the Companies' affairs;
- managing the Companies tax and VAT affairs; and
- winding-down the Companies' affairs generally in advance of their dissolution in due course.

## *Our time charging policy and hourly rates*

The time we charge to the administrations is by reference to the time properly given by our staff and us in attending to matters arising.

It is our policy to delegate tasks to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators personally.

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually, or likely to be, involved on this assignment.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time charged is three minutes (i.e. 0.05 units). There has been/will be no allocation of any general costs or overhead costs. These rates will apply to each part of our work.

Specialist departments with our firm, such as Tax, VAT, Property and Pensions are also used where their expert advice and services are required. The rates below will also apply to these specialist teams. The rates below reflect discounted rates agreed with the secured creditors.

<b>Grade</b>	<b>Rate per hour (£)</b>
Partner	735
Director	646
Senior Manager	489
Manager	421
Senior Associate	350
Associate	219
Support staff	110

In common with all professional firms, our hourly rates increase from time to time over the period of the administration (for example to cover annual inflationary cost increases). Any amendments to the above rates will be agreed with the fee approving body as required and creditors will be updated on any changes in the first progress report thereafter.

The hourly rates and time charging policy applies to our work which is to be remunerated on a time cost basis only. They will not necessarily apply to the work in assisting Bestway (where a percentage of realisations basis is proposed) or the manner in which costs will be recharged to Bestway, which may change from time to time as considered appropriate and agreed with them.

## *Further approval*

Creditors should be assured that the provision of a fees estimate will not affect the proper conduct of the administrations. If the necessary work exceeds (or is likely to exceed) that included in the fees estimate, we can seek consent, usually from the fee approving body, for our fees to exceed the fees estimate.

Our fees estimate is based on a number of assumptions, which are explained later. In broad terms and in our experience, the key issues likely to affect the level of costs are the:

- availability and quality of the books and records (for example in relation to any investigation matters);
- the level of assistance requested of us by third party authorities on any investigation matters;
- level of co-operation received, for example: from Bestway in relation to the provision of information to support ongoing debt collections;
- the response from debtors in paying outstanding debts;
- the volume of future queries from creditors and other stakeholders; and
- any changes to our strategy that might be necessary as a result of the above.

At the present time, we do not think we will need to seek further approval because we have agreed a limit on the amount we will draw as fees, which is lower than the fees estimate. Although that limit may change if there is a material change in the circumstances of the administrations and after further discussions with the secured creditors.

In our periodic progress reports, we will keep creditors updated on how our fees are comparing to the fees estimates.

## *Expenses*

### *What is an expense?*

Expenses are defined in SIP9 as amounts properly payable by the office holder from the estate which are not office holders' remuneration or a distribution to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2:

<b>Disbursement</b>	<b>SIP9 definition</b>
Category 1	Payments to independent third parties where there is specific expenditure directly referable to the appointment in question.
Category 2	Costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis.

Our firm's disbursements policy allows for all properly incurred expenses to be recharged to the case. We don't need approval from creditors to draw Category 1 disbursements as these have all been provided by third parties, but we do need approval to draw Category 2 disbursements as these are for services provided by our firm. The body of creditors who approve our fees also have responsibility for agreeing the policies for the payment of Category 2 disbursements, which in this case are as follows:

<b>Photocopying</b>	At 10 pence per side copied, only charged for circulars to creditors and other bulk copying
<b>Mileage</b>	At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).

The following disbursements arose in the period of this report.

Category	Policy	BBL £	CRL £	WR £	Brands £	Plc £
2	<b>Photocopying</b> - at 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	129.46	-	-	-	-
2	<b>Mileage</b> - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	739.28	-	-	-	63.61
All other disbursements reimbursed at cost:						
1	Accommodation and subsistence	996.40				679.33
	Postage	1,235.36			16.75	
	Rail fares	554.40		-		1,319.60
	Taxi fares	48.94				610.68
	Miscellaneous	20.00			3.00	
	Courier	12.78				226.45
<b>Total</b>		<b>3,736.62</b>	<b>-</b>	<b>-</b>	<b>19.75</b>	<b>2,899.67</b>

## Our expenses estimate

The following table provides details of expenses incurred and expected to be incurred in the various administrations, including those set out above which were incurred by our firm. Expenses are amounts properly payable by us as administrators from the estate and include our fees, but exclude distributions to creditors. 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 enclosed receipts and payments account(s), which show expenses actually paid during the period. Receipts and payments accounts are enclosed for those companies to which this report relates.

Nature of expenses	BBL		CRL		WR		Brands		Plc	
	Incurring date	Estimate of future expenses	Incurring date	Estimate of future expenses	Incurring date	Estimate of future expenses	Incurring date	Estimate of future expenses	Incurring date	Estimate of future expenses
Office costs, Stationery and Postage	7,839	5,000	-	-	-	-	-	-	-	-
Inter-group Funding	20,572	-	-	-	-	-	-	-	-	-
Finance / Bank Interest and charges	105	100	-	-	15	15	-	-	-	-
Legal fees and expenses of (DLA Piper UK LLP)	22,029	9,000	19,396	7,000	19,394	7,000	3,986	2,000	3,986	2,000
Legal fees and expenses (Hogan Lovells International LLP)	191,051	110,000	15,527	5,000	15,527	5,000	41,261	25,000	61,404	25,000
Office holders' fees estimates	938,097	293,847	60,323	47,460	62,498	52,449	103,665	87,949	299,755	142,425
Office holders' disbursements	3,737	3,500	-	-	-	-	20	-	2,900	1,000
Pre-administration costs	749,417	-	74,259	-	85,259	-	121,592	-	121,592	-
Statutory advertising	75	-	75	-	75	-	-	-	150	-
Storage costs	35	30	-	-	-	-	-	-	168	50
<b>Total expenses</b>	<b>1,932,957</b>	<b>412,486</b>	<b>169,580</b>	<b>59,460</b>	<b>182,768</b>	<b>64,464</b>	<b>270,524</b>	<b>114,949</b>	<b>489,955</b>	<b>170,475</b>
<b>Expenses estimates</b>		<b>2,345,433</b>	<b>229,040</b>	<b>247,232</b>				<b>365,473</b>		<b>660,430</b>

## Professionals and subcontractors

The following table provides details of the professionals we've engaged in these administrations, plus subcontractors used to undertake work that we could otherwise do ourselves.

<b>Service provided</b>	<b>Name of firm</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal services, including: <ul style="list-style-type: none"><li>• appointment related matters (Retail)</li></ul>	DLA Piper UK LLP	Industry knowledge; Previous company knowledge	Time costs and disbursements
Legal advice, including: <ul style="list-style-type: none"><li>• appointment related matters (Brands and Plc); and</li><li>• leasehold properties and licence to occupy agreements/surrenders.</li></ul>	Hogan Lovells International LLP	Industry knowledge; Previous company knowledge?	Time costs and disbursements
Agents services, including: <ul style="list-style-type: none"><li>• debtor collections.</li></ul>	Hilton-Baird Collection Services Limited	Industry knowledge	Percentage of realisations

We require all third party professionals to submit time costs analyses or schedule of asset realisations and narrative in support of invoices rendered.

## Notes and assumptions

### Fees estimates

We have made the following key assumptions:

- We have assumed the administrations will last between one and two years.
- Only one extension will be required to the statutory one year period of the administrations, which can be granted by the secured creditors.
- Bestway will continue to fund the work we do to in providing assistance on property and other *ad hoc* matters.

### Expenses

We have made the following key assumptions:

- We have assumed that all properties will be surrendered or assigned prior to the anniversary of the administrations.
- No additional assets will come to light which will require legal or agent assistance.
- No additional assets will come to light that will require insurance.

### Associates

We have no business or personal relationships with parties responsible for approving remuneration or who provide services to the administrations in respect of the appointment where the relationship could give rise to a conflict of interest.

# Analysis of our time in the period

## BB Realisations (2018) Limited

Analysis of time spent in the period from 6 April 2018 to 5 October 2018

Aspect of assignment	Partner	Director	Senior			Senior Associate	Associate	Support	Total Hours	Total Time Cost	Average hourly rate
			Manager	Manager	Manager				£	£	£
Accounting & Treasury	1.00	-	3.80	30.00	50.65	43.68	-	-	129.13	42,516.62	329.25
Assets	1.00	-	20.80	6.00	3.05	1.10	-	-	31.95	14,740.60	461.36
CDDA	-	-	0.50	9.15	8.25	3.30	-	-	21.20	7,706.85	363.53
Creditors	-	2.00	1.20	51.10	40.90	50.14	25.70	-	171.04	51,514.56	301.18
Debtors	21.75	-	19.80	340.30	26.80	4.11	-	-	412.76	179,214.84	434.19
Employees & Pensions	-	-	0.30	4.00	1.40	0.55	-	-	6.25	2,441.15	390.58
Insurance	-	-	1.35	1.20	11.30	-	-	-	13.85	5,120.35	369.70
Investigations	-	-	-	-	0.15	-	-	-	0.15	52.50	350.00
Property	-	-	56.40	281.62	317.35	272.90	-	-	928.27	316,979.22	341.47
ROT	-	-	101.30	254.30	1.80	0.25	-	-	357.65	157,280.75	439.76
Secured creditors	9.00	2.00	47.30	27.85	0.45	-	-	-	86.60	42,919.05	495.60
Statutory & Compliance	-	-	29.85	37.50	39.25	20.55	23.80	-	150.95	51,240.10	339.45
Strategy & Planning	26.50	-	12.10	35.20	20.20	8.97	-	-	102.97	49,248.03	478.28
Tax	-	-	0.40	10.10	5.80	28.25	-	-	44.55	12,664.45	284.27
VAT	-	-	4.60	1.65	4.20	0.20	-	-	10.65	4,457.85	418.58
Grand Total	59.25	4.00	299.70	1,089.97	531.55	434.00	49.50	-	2,467.97	938,096.92	380.11



# CVL Realisations (2018) Limited

Analysis of time spent in the period from 6 April 2018 to 5 October 2018

Aspect of assignment	Partner	Director	Senior Manager		Manager	Senior Associate		Associate	Support	Total Hours	£	Average hourly rate £
Accounting & Treasury	-	-	-	0.40	3.30	-	2.75	0.90	-	7.35	2,744.50	373.40
Assets	-	-	-	-	-	-	0.10	-	-	0.10	35.00	350.00
CDDA	-	-	-	0.20	0.60	-	1.90	2.75	-	5.45	1,617.65	296.82
Creditors	-	1.00	-	-	0.30	-	4.30	10.25	3.70	19.55	4,929.05	252.13
Debtors	-	-	-	-	-	-	0.45	1.00	-	1.45	376.50	259.66
Employees & Pensions	-	-	-	0.50	-	-	0.25	2.55	-	3.30	890.45	269.83
Insurance	-	-	-	0.10	0.60	-	2.50	-	-	3.20	1,176.50	367.66
Investigations	-	-	-	-	-	-	6.05	-	-	6.05	2,117.50	350.00
Property	-	-	-	-	0.50	-	9.55	11.80	-	21.85	6,137.20	280.88
Secured creditors	-	-	-	-	-	-	0.10	-	-	0.10	35.00	350.00
Statutory & Compliance	-	-	-	8.75	16.20	-	22.50	14.25	3.30	65.00	22,457.70	345.50
Strategy & Planning	-	1.75	-	3.85	2.00	-	6.05	8.95	-	22.60	7,932.70	351.00
Tax	-	-	-	-	4.10	-	0.50	18.10	-	22.70	5,865.00	258.37
VAT	-	-	-	7.70	0.10	-	0.45	0.20	-	8.45	4,008.70	474.40
Grand Total	-	2.75	21.50	27.70	57.45	70.75	7.00	187.15	60,323.45	322.33		

# **WR Realisations (2018) Limited**

*Analysis of time spent in the period from 6 April 2018 to 5 October 2018*

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total Hours £	Time Cost £	Average hourly rate £
Accounting & Treasury	-	-	1.00	2.50	8.90	2.07	-	14.47	5,109.83	353.13
Assets	-	-	0.15	-	0.10	-	-	0.25	108.35	433.40
CDDA	-	-	0.20	0.30	4.15	2.75	-	7.40	2,278.85	307.95
Creditors	-	1.00	-	0.80	5.15	9.60	4.30	20.85	5,360.70	257.11
Debtors	-	-	-	-	0.45	1.00	-	1.45	376.50	259.66
Employees & Pensions	-	-	-	-	0.25	0.55	-	0.80	207.95	259.94
Insurance	-	-	0.70	0.60	4.10	-	-	5.40	2,029.90	375.91
Property	-	-	-	0.80	10.85	11.80	-	23.45	6,718.50	286.50
ROT	-	1.00	-	-	-	-	-	1.00	646.00	646.00
Secured creditors	-	-	-	-	0.10	-	-	0.10	35.00	350.00
Shareholders	-	-	-	-	0.50	-	-	0.50	175.00	350.00
Statutory & Compliance	-	-	18.45	11.90	23.60	14.50	2.40	70.85	25,731.45	363.18
Strategy & Planning	-	1.75	0.85	2.10	6.85	7.90	-	19.45	6,557.85	337.16
Tax	-	-	-	5.80	0.60	19.10	-	25.50	6,834.70	268.03
VAT	-	-	-	0.30	0.45	0.20	-	0.95	327.60	344.84
Grand Total	-	3.75	21.35	25.10	66.05	69.47	6.70	192.42	62,498.18	324.80

# Conviviality Brands Limited

Analysis of time spent in the period from 4 April 2018 to 3 October 2018

Aspect of assignment	Partner	Director	Senior Manager		Senior Associate		Support	Total Hours £	Time Cost £	Average hourly rate £
Accounting & Treasury	-	-	-	2.30	4.35	1.20	-	7.85	2,753.60	350.78
Assets	-	2.00	3.95	1.20	-	-	-	7.15	3,728.75	521.50
CDDA	-	-	0.25	-	5.20	3.20	-	8.65	2,843.05	305.55
Creditors	-	2.00	0.85	3.40	2.10	1.55	1.50	11.40	4,378.50	384.08
Employees & Pensions	-	-	-	-	5.50	1.00	-	6.50	2,144.00	329.85
Insurance	-	-	0.95	0.60	2.55	-	-	4.10	1,609.65	392.60
Property	-	-	0.15	13.75	13.20	1.10	-	28.20	10,723.00	380.25
Secured creditors	-	3.50	2.60	-	-	-	-	6.10	3,532.40	579.08
Statutory & Compliance	-	8.25	35.70	24.25	22.75	18.25	1.20	110.40	45,087.30	408.40
Strategy & Planning	-	4.00	1.30	5.30	14.20	6.55	-	31.35	11,855.45	378.16
Tax	0.60	10.50	-	8.50	0.35	18.45	-	38.40	14,965.55	389.73
VAT	-	-	-	0.10	0.45	0.20	-	0.75	243.40	324.53
Grand Total	0.60	30.25	45.75	59.40	70.65	51.50	2.70	260.85	103,664.65	397.41

## Conviviality Plc

Analysis of time spent in the period from 5 April 2018 to 4 October 2018

Aspect of assignment	Partner	Director	Senior Manager		Senior Associate		Support	Total Hours £	Time Cost £	Average hourly rate £
Accounting & Treasury	-	-	0.30	8.10	6.50	1.95	-	16.85	6,258.85	371.45
Assets	10.00	2.00	10.15	10.00	0.30	-	-	32.45	17,920.35	552.24
CDDA	-	-	0.35	0.50	6.40	5.15	-	12.40	3,749.50	302.38
Creditors	-	1.00	-	7.65	4.65	29.30	3.70	46.30	12,317.85	266.04
Employees & Pensions	-	3.20	6.40	67.50	49.60	10.60	-	137.30	53,295.70	388.17
Insurance	-	-	1.10	1.40	3.90	-	-	6.40	2,492.30	389.42
Investigations	-	1.75	9.00	1.90	45.80	33.00	-	91.45	29,588.40	323.55
Secured creditors	71.00	-	3.50	-	-	-	-	74.50	53,896.50	723.44
Shareholders	-	-	2.55	6.80	18.10	4.05	-	31.50	11,331.70	359.74
Statutory & Compliance	-	5.00	38.55	54.85	81.90	31.05	2.60	213.95	80,923.75	378.24
Strategy & Planning	4.00	2.00	2.00	6.90	14.45	4.00	-	33.35	14,048.40	421.24
Tax	1.60	8.80	0.45	3.30	0.60	17.75	-	32.50	12,567.40	386.69
VAT	-	-	-	1.10	2.45	0.20	-	3.75	1,364.40	363.84
Grand Total	86.60	23.75	74.35	170.00	234.65	137.05	6.30	732.70	299,755.10	409.11

---

## Appendix D: Other information

### **All Companies**

Court details for the administration:	High Court of Justice Business and Property Courts in Manchester <u>Insolvency &amp; Companies List (ChD)</u>
Registered address:	8 <sup>th</sup> Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	6 April 2018
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to these administrations 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

### **BB Realisations (2018) Limited**

Court reference:	Case no. 2928 of 2018
Company's registered name:	BB Realisations (2018) Limited (formerly Bargain Booze Limited)
Registered number:	01801597
Joint Administrators' names, addresses and contact details:	Matthew Boyd Callaghan and David Robert Baxendale, of PricewaterhouseCoopers LLP 7 More London Riverside, London, SE1 2RT; and Peter David Dickens or PricewaterhouseCoopers LLP No 1, 1 Hardman Square, Manchester, M3 3EB

### **WR Realisations (2018) Limited**

Court reference:	Case no. 2930 of 2018
Company's registered name:	WR Realisations (2018) Limited (formerly Wine Rack Limited)
Registered number:	06880288
Joint Administrators' names, addresses and contact details:	Matthew Boyd Callaghan, Ian David Green and David Robert Baxendale, all of PricewaterhouseCoopers LLP 7 More London Riverside, London, SE1 2RT

### **CVL Realisations (2018) Limited**

Court reference:	Case no. 2929 of 2018
Company's registered name:	CVL Realisations (2018) Limited (formerly Conviviality Retail Logistics Limited)
Registered number:	09329476
Joint Administrators' names, addresses and contact details:	Matthew Boyd Callaghan Ian David Green and David Robert Baxendale, all of PricewaterhouseCoopers LLP 7 More London Riverside, London, SE1 2RT