

# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



A30 \*A840GS4Q\* 03/05/2019 #110  
COMPANIES HOUSE

<b>1</b>	<b>Company details</b>	
Company number	0 1 8 0 1 5 9 7	<b>→ Filing in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	BB Realisations (2018) Limited - formerly Bargain Booze Limited	
<b>2</b>	<b>Administrator's name</b>	
Full forename(s)	Ian David	
Surname	Green	
<b>3</b>	<b>Administrator's address</b>	
Building name/number	7 More London Riverside	
Street		
Post town	London	
County/Region		
Postcode	S E 1 2 R T	
Country		
<b>4</b>	<b>Administrator's name ①</b>	
Full forename(s)	Matthew Boyd	<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Callagharr	
<b>5</b>	<b>Administrator's address ②</b>	
Building name/number	7 More London Riverside	<b>② Other administrator</b> Use this section to tell us about another administrator.
Street		
Post town	London	
County/Region		
Postcode	S E 1 2 R T	
Country		

## Continuation page

Name and address of insolvency practitioner

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

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

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

### 1 Appointment type

Tick to show the nature of the appointment:

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

① You can use this continuation page with the following forms:

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

### 2 Insolvency practitioner's name

Full forename(s) Peter David

Surname Dickens

### 3 Insolvency practitioner's address

Building name/number No 1

Street 1 Hardman Square

Post town Manchester

County/Region

Postcode M 3 3 E B

Country

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	0	d	6	m	1	m	0	y	2	y	0	y	1	y	8
To date	d	0	d	5	m	0	m	4	y	2	y	0	y	1	y	9

### 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	9	m	0	m	4	y	2	y	0	y	1	y	9
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# 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 Andy Lilley

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 4153



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



### Important information

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



### Where to send

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

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



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](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)

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## Joint administrators' progress report from 6 October 2018 to 5 April 2019

### ***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

29 April 2019

### ***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

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# 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	David Robert Baxendale, Ian David Green, Peter David Dickens and Matthew Boyd Callaghan, appointed as shown in Appendix E
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 Retail Limited (formerly 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
WRR	WR Realisations (2018) Limited (formerly Wine Rack Limited)

<b>Abbreviation or definition</b>	<b>Meaning</b>
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



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## ***Key messages***

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

I'm writing to update you on the progress of the administration of the Companies in the six months to 5 April 2019. You may wish to refer to our previous reports, which can still be accessed online at [www.pwc.co.uk/conviviality](http://www.pwc.co.uk/conviviality).

### ***Secured creditors***

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

In addition, the secured creditors have recovered some of their remaining debt from the Companies' Retail business, in particular from debts owed to the Companies at the time of our appointment. We have included further details on the debtor collections, other asset realisations and distributions to the lenders in this report.

Further distributions are expected and of the initial Group debt, we currently anticipate a recovery for the secured creditors of over 70%. We are not providing precise recovery estimates in this document for commercial reasons, as 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 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 and you don't need to do anything.

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## ***Recap on the administration***

As explained in our earlier reports, there was a sale of the majority of the business and assets of the Companies on 6 April 2018 to the Purchaser (immediately following our appointment). Full details of the sale were included in our initial letter to creditors (containing our SIP16 report) and in our Proposals, which can still be accessed online at [www.pwc.co.uk/conviviality](http://www.pwc.co.uk/conviviality).

Whilst we completed a sale of the business and assets, there remained a significant amount of work to do in the administrations.

Our previous report explained the progress of the administrations for the six month period to 5 October 2018. At that time, the key outstanding matters were as follows:

- Dealing with the Purchaser on post-sale matters connected to the transfer of the business and assets;
- Collecting licence fees from the Purchaser and making ongoing payments of rent (and associated costs) for the period of ongoing occupation;
- Assisting in the assignment or surrender of property leases;
- Finalising ROT claims;
- Making interim distributions to the secured creditors;
- Assisting with any queries into the Companies' affairs made by the relevant authorities;
- Completing reconciliations' of the pre-appointment account balances;
- Liaising with Bestway and subsequently Hilton Baird to support the collection of the remaining debtor balances owed;
- Fulfilling our statutory duties as joint administrators, including responsibility for the Company's VAT and tax affairs; and
- Winding down the Company's affairs generally with a view to its dissolution in due course.

In the next section, we provide an update on our work in these areas and (where relevant) how they have progressed.

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## ***Progress in the period***

### ***Post sale matters***

We have continued to assist the Purchaser with the post-sale matters described below.

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

As confirmed in our previous report, we agreed with Bestway that its 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.

We have completed our work to allocate receipts between the pre-appointment period and new cash receipts which were due to Bestway. As a result, we are now able to recognise as an asset in the administration, the amount of c£318k in respect of pre-appointment sales (book debts), as shown in the attached receipts and payments account.

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. The contribution will be paid by Bestway by a deduction from funds held, with the net amount paid to Bestway.

#### ***Contract novations***

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

We anticipate that the contract novations are now substantively complete.

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

We advised in our last progress report that there were a small number of suppliers who were 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.

All claims have now been finalised and we don't anticipate any further work in this regard.

## *Properties*

As you may recall from our proposals and previous report, 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 the known properties for a period of six months to 4 October 2018, which was subsequently extended to 4 January 2019 and again to 31 January 2019. In total, some 158 leases were assigned to the Purchaser and offers were made to surrender 42 leases that were no longer required.

All properties have now either been formally transferred to the Purchaser or vacated and offered back to landlords. No further rent payments will be made, with the exception of final rent payments to landlords for the period of occupation, up to no later than 31 January 2019. We have attempted to contact all known landlords and facilitate these rent payments, however information obtained from the Companies' records was incomplete and as such, there are 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 (BBL)*

As previously advised, the Lenders own the Franchisee debts of BBL. On appointment, the total ledger balance was £44.9m, of which £34m was due from franchisees relating to goods sold and delivered prior to our appointment and £2.7m related to supplier income. The remaining ledger relates to intercompany amounts due of £8.2m owed by owned corporate stores, therefore these debts are not collectable.

The BBL debtors ledger comprised of c.490 franchisee's with debts totalling £34.1m. Of this balance, £16.9m was due from the top 20 debtors, £14.5m due from the remaining debtors and £2.6m due from franchisees with closed stores.

As advised in our previous report, working with the secured creditors, we have engaged Hilton Baird Collection Services ("Hilton Baird") to take over the agency role from Bestway, for the collection of the remaining debtors ledger.

During the reporting period, we have been working alongside Hilton Baird to facilitate the transition of the debtor ledger and termination of Bestway's agency agreement.

Hilton Baird have now performed a full review of the transitioned balance and began the collection thereof.

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. As the debtors are subject to a receivables finance agreement, they are owned by the Lenders, paid directly to them and the Companies have no financial interest in the amount recovered (given the magnitude of the debt outstanding to the Lenders across the Group).

## *Realisation of other assets*

### **Utility refunds**

In the period, amounts totalling £2k have been received in respect of refunds from utility suppliers.

### **Pre appointment business rate refunds**

We engaged the services of CAPA to contact Local Authorities on our behalf to establish if there are any pre-appointment business rate refunds (relating to credit balances at the date of our appointment) due to the Companies. Refunds of totalling £30k have been recovered in the reporting period in this regard.

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

## *Pensions*

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

- Submission of a claim to the Redundancy Payments Service for unpaid pre-appointment pension contributions due to the Legal & General Worksave Pension Plan; and
- Correspondence with NOW pensions regarding a potential refund as a result of historical overpayments.

## *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).

## *Corporation tax*

The corporation tax computations and returns for the Companies have been brought up to date and submitted. There was no tax payable in the period.

Prior to entering into Administration, the Companies were part of a group payment arrangement ("GPA") in which BBL was the nominated group company responsible for making tax payments to HMRC. We are currently liaising with HMRC in order to terminate the GPA from 1 May 2017 onward.

## *Other work*

As administrators, we also become responsible for dealing with the Companies' VAT affairs and filing obligations.

We have submitted the VAT return for the quarter ended December 2018 and we are in the process of preparing the March 2019 return.

## *Investigations and actions*

We have complied with our duties under the Company Directors' Disqualification Act 1986 and SIP2.

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 the administrations from 6 October 2018 to 5 April 2019.

## *Our expenses*

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

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

## *Our fees*

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

## *Pre-administration costs*

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

## *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.

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.

We have been in contact with the secured creditors within the reporting period to obtain the formal approvals to enable us to discharge the professional costs.

## *Extension of the administrations*

During the period, we asked the secured creditors to grant an extension to the statutory one year period of the administrations of the Companies. The extensions were granted and the administrations must be concluded before 5 April 2020, unless further extended by an order of the Court.

## *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*

The following is a summary of the key areas of our work before the administrations can be concluded:

- Complete reconciliations of funds held in respect of property related costs and remit the surplus funds to Bestway;
- Complete a reconciliation of funds held in respect of our work in assisting with the sale agreement, management of Bestway receipts into the pre-appointment accounts, novation of contracts and trademarks; and if surplus funds are available, remit these to Bestway;
- Provide such assistance to the Lenders and Hilton Baird as may be required for the collection of the remaining debtor balances owed;

- Realise the remaining assets within the administrations, principally any remaining business rate refunds;
- Assist with any queries into the Companies' affairs made by regulatory authorities;
- Obtain the statutory formal approvals from secured creditors relating to the joint administrators remuneration;
- Make interim distributions to the secured creditors.

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.

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

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

Yours faithfully  
For and on behalf of the Companies

  
Ian David Green  
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

## BB Realisations (2018) Limited

Directors' Statement of Affairs £	Notes	Total from 6 April 2018 to 5 October 2018 £	Total from 6 October 2018 to 5 April 2019 £	Total £
<b>FIXED CHARGE REALISATIONS</b>				
4,025,331.41		2,549,496.52	-	2,549,496.52
		2,130,652.74	-	2,130,652.74
		2,519,765.39	-	2,519,765.39
22,361,257.10	1	2,154,318.18	81,860.17	2,236,178.35
		1,140.56	-	1,140.56
		<u>9,355,373.39</u>	<u>81,860.17</u>	<u>9,437,233.56</u>
<b>COST OF REALISATION / PAYMENTS</b>				
Intergroup Funding		(20,572.23)	-	(20,572.23)
		<u>(20,572.23)</u>	<u>-</u>	<u>(20,572.23)</u>
<b>DISTRIBUTION TO FIXED CHARGE HOLDER</b>		(4,669,917.00)	-	(4,669,917.00)
<b>BALANCE OF FIXED CHARGE FUNDS</b>		<u>4,664,884.16</u>	<u>81,860.17</u>	<u>4,746,744.33</u>
<b>FLOATING CHARGE REALISATIONS</b>				
300,754.19		3,073.33	463,959.94	467,033.27
1,239,778.40	2	567,596.50	317,670.44	885,266.94
		6,612.45	32,751.18	39,363.63
		1,724.25	28,260.97	29,985.22
3,680,499.93		292,066.80	-	292,066.80
4,762,949.04	3	3,252,703.00	(2,925,623.50)	327,079.50
		<u>4,123,776.33</u>	<u>(2,062,980.97)</u>	<u>2,060,795.36</u>
<b>COST OF REALISATION / PAYMENTS</b>				
Pre appointment legal fees and expenses	4	(803,025.95)	-	(803,025.95)
Insurance		-	(172.69)	(172.69)
Legal fees and expenses		(297,626.62)	(152,652.50)	(450,279.12)
Office costs, stationary and postage		(7,838.66)	-	(7,838.66)
Storage costs		(34.50)	-	(34.50)
Statutory advertising		(75.00)	-	(75.00)
Finance/ Bank interest and charges		(105.00)	(45.00)	(150.00)
		<u>(1,108,705.73)</u>	<u>(152,870.19)</u>	<u>(1,261,575.92)</u>
<b>BALANCE OF FLOATING CHARGE FUNDS</b>		<u>3,015,070.60</u>	<u>(2,235,651.16)</u>	<u>779,419.44</u>
<b>VAT CONTROL ACCOUNT</b>		(385,964.02)	(146,131.03)	(532,095.05)
<b>TOTAL BALANCE AT BANK</b>	5	<u>7,293,990.74</u>	<u>(2,300,122.02)</u>	<u>4,993,868.72</u>

Note 1 The fixed charge book debts are predominantly collected and paid into accounts controlled by the secured lenders and therefore do not feature in this receipts and payments account.

Note 2 £22,006.80 has been reallocated between fixed and floating charge realisations for the brought forward period to 5 October 2018 as this represents a Franchisee debtor receipt previously coded to floating charge in error. The £81,860.17 receipt in the period relates to Franchisee debtor receipts paid into an alternative company pre-appointment account and transferred to the administration.

Note 3 Suspense account funds held for the brought forward period to 5 October 2018 represent a combination of (1) post appointment funds received into pre appointment bank accounts held while final reconciliation to determine the split between administrator/purchaser was determined and (2) property related costs received from Bestway. Both the pre appointment account funds and property funds have been reallocated and the balance of funds held now represents £300,000 held to cover professional costs as discussed in this report (pending final reconciliations) and a £27,079.50 Franchisee debtor receipt that was paid in error that has been returned to Bestway post period end.

Note 4 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.

Note 5 Balances at bank are held on interest bearing accounts.

All amounts are shown exclusive of VAT.



# **WR Realisations (2018) Limited**

Directors' Statement of Affairs	Notes	Total from 6 April 2018 to 5 October 2018	Total from 6 October 2018 to 5 April 2019	Total
£		£	£	£
<b>FIXED CHARGE REALISATIONS</b>				
83,545.79	Plant and Machinery	44,912.45	-	44,912.45
	Bank Interest	19.77	-	19.77
		<u>44,932.22</u>	<u>-</u>	<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>44,932.22</u>	<u>-</u>	<u>44,932.22</u>
<b>FLOATING CHARGE REALISATIONS</b>				
228,847.81	Cash in Hand	12,740.30	-	12,740.30
	Property surrender settlement	20,000.00	-	20,000.00
	Bank Interest	-	856.94	856.94
612,786.21	Other assets	-	1,033.12	1,033.12
		<u>32,740.30</u>	<u>1,890.06</u>	<u>34,630.36</u>
<b>COST OF REALISATION / PAYMENTS</b>				
	Rents	(5,808.33)	-	(5,808.33)
	Insurance	-	(168.00)	(168.00)
	Statutory advertising	(75.00)	-	(75.00)
	Bank charges	(15.00)	-	(15.00)
		<u>(5,898.33)</u>	<u>(168.00)</u>	<u>(6,066.33)</u>
<b>BALANCE OF FLOATING CHARGE FUNDS</b>				
		<u>26,841.97</u>	<u>1,722.06</u>	<u>28,564.03</u>
<b>VAT CONTROL ACCOUNT</b>				
		2,823.33	(2,857.15)	(33.82)
<b>TOTAL BALANCE AT BANK</b>				
		<u>74,597.52</u>	<u>(1,135.09)</u>	<u>73,462.43</u>
Note 1 Balances at bank are held on interest bearing accounts				
All amounts are shown exclusive of VAT				

**CVL Realisations (2018) Limited**

Directors' Statement of Affairs	Notes	Total from 6 April 2016 to 5 October 2018	Total from 6 October 2018 to 5 April 2019	Total
£		£	£	£
<b>FIXED CHARGE REALISATIONS</b>				
5,476.46 Plant and Machinery		5,172.90	-	5,172.90
Bank Interest		2.32	-	2.32
		<u>5,175.22</u>	<u>-</u>	<u>5,175.22</u>
<b>COST OF REALISATION / PAYMENTS</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>DISTRIBUTION TO FIXED CHARGE HOLDER</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>BALANCE OF FIXED CHARGE FUNDS</b>		<u>5,175.22</u>	<u>-</u>	<u>5,175.22</u>
<b>FLOATING CHARGE REALISATIONS</b>				
329,729.15 Cash in bank		-	-	-
Other assets		-	1,383.40	1,383.40
Bank interest		-	15.04	15.04
		<u>-</u>	<u>1,398.44</u>	<u>1,398.44</u>
<b>COST OF REALISATION / PAYMENTS</b>				
Statutory advertising		(75.00)	-	(75.00)
		<u>(75.00)</u>	<u>-</u>	<u>(75.00)</u>
<b>BALANCE OF FLOATING CHARGE FUNDS</b>		<u>(75.00)</u>	<u>1,398.44</u>	<u>1,323.44</u>
<b>VAT CONTROL ACCOUNT</b>		<u>(15.00)</u>	<u>-</u>	<u>(15.00)</u>
<b>TOTAL BALANCE AT BANK</b>	1	<u>5,085.22</u>	<u>1,398.44</u>	<u>6,483.66</u>
Note 1. Balances at bank are held on interest bearing accounts				
All amounts are shown exclusive of VAT				

# Appendix B: Expenses

## BB Realisations (2018) Limited

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Office costs, Stationery and Postage	7,838.66	0.00	7,838.66	5,000.00	12,838.66	12,838.66	0.00
Intergroup Funding	20,572.23	0.00	20,572.23	0.00	20,572.23	20,572.23	0.00
Finance / Bank interest and charges	105.00	45.00	150.00	45.00	195.00	205.00	10.00
Legal fees and expenses of (DLA Piper UK LLP)	22,028.75	66,236.06	88,264.81	0.00	88,264.81	31,028.75	(57,236.06)
Legal fees and expenses of (Hogan Lovells International LLP)	191,051.31	96,993.56	288,044.87	25,000.00	313,044.87	301,051.31	(11,993.56)
Office holders' fees	914,024.74	381,393.12	1,275,417.86	97,000.00	1,372,417.86	1,231,943.82	(140,474.04)
Office holders' disbursements	3,736.62	641.26	4,377.88	1,000.00	5,377.88	7,236.62	1,858.74
Pre- administration costs	749,417.00	0.00	749,417.00	0.00	749,417.00	749,417.00	0.00
Statutory advertising	75.00	0.00	75.00	0.00	75.00	75.00	0.00
Storage costs	34.50	0.00	34.50	30.00	64.50	64.50	0.00
Insurance	0.00	172.69	172.69	150.00	322.69	0.00	(322.69)
<b>Total</b>	<b>1,908,883.81</b>	<b>525,481.69</b>	<b>2,434,365.50</b>	<b>128,225.00</b>	<b>2,562,590.50</b>	<b>2,354,432.89</b>	<b>(208,157.61)</b>

Note 1. As confirmed previously, the variance in respect of 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.

Note 2. See the next section for further details in respect of the variance of Office holders' fees.

### CVL Realisations (2018) Limited

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Legal fees and expenses of (DLA Piper UK LLP)	19,396.00	0.00	19,396.00	0.00	19,396.00	26,396.00	7,000.00
Legal fees and expenses of (Hogan Lovells International LLP)	15,527.35	0.00	15,527.35	0.00	15,527.35	20,527.35	5,000.00
Office holders' fees	60,276.00	25,145.90	85,421.90	36,000.00	121,421.90	107,784.16	(13,637.74)
Office holders' disbursements	0.00	273.26	273.26	250.00	523.26	0.00	(523.26)
Pre- administration costs	74,259.00	0.00	74,259.00	0.00	74,259.00	74,259.00	0.00
Statutory advertising	75.00	0.00	75.00	0.00	75.00	75.00	0.00
<b>Total</b>	<b>169,533.35</b>	<b>25,419.16</b>	<b>194,952.51</b>	<b>36,250.00</b>	<b>231,202.51</b>	<b>229,041.51</b>	<b>(2,161.00)</b>

### WR Realisations (2018) Limited

	Brought forward from preceding period £	Incurred in the period under review £	Cumulative £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Finance / Bank interest and charges	15.00	0.00	15.00	15.00	30.00	30.00	0.00
Legal fees and expenses of (DLA Piper UK LLP)	19,393.75	0.00	19,393.75	0.00	19,393.75	26,393.75	7,000.00
Legal fees and expenses of (Hogan Lovells International LLP)	15,527.35	0.00	15,527.35	5,000.00	20,527.35	20,527.35	0.00
Office holders' fees	62,275.53	27,604.45	89,879.98	37,000.00	126,879.98	114,947.29	(11,932.69)
Office holders' disbursements		277.90	277.90	250.00	527.90	0.00	(527.90)
Pre- administration costs	85,259.00	0.00	85,259.00	0.00	85,259.00	85,259.00	0.00
Statutory advertising	75.00	0.00	75.00	0.00	75.00	75.00	0.00
Insurance	0.00	168.00	168.00	168.00	336.00	0.00	(336.00)
<b>Total</b>	<b>182,545.63</b>	<b>28,050.35</b>	<b>210,595.98</b>	<b>42,433.00</b>	<b>253,028.98</b>	<b>247,232.39</b>	<b>(5,796.59)</b>

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## ***Appendix C: Remuneration update***

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

### ***The proposed basis of fees***

In this case we proposed that our remuneration is on a combination of a percentage of realisations and time costs basis as set out below.

#### ***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:

- revisions to the sale agreement;
- novation of contracts and trademarks;
- protracted management of Bestway receipts into pre-appointment accounts;
- (since 4 October 2018 when the licence to occupy the various properties was extended) ongoing receipt of licence fees;
- payment of rent (and certain related property costs); and
- cooperation in the assignment and/or surrender of leases.

We agreed to undertake this work on the basis that it had no adverse impact on the outcome for the secured creditors. Therefore we agreed that Bestway would 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, we 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;
- At the time of determining our fees estimate (for work based on time costs), the duration of ongoing assistance to Bestway was indeterminate and therefore it would have been 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 is 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
- that our fees will be capped at £1,601,400 plus VAT across the various Group company administrations.

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).

Due to the additional costs that have been incurred by the joint administrators (and future costs that are likely to be incurred) we are seeking further approval from the secured creditors to increase our fees estimate from £1.6m to £2.2m.

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

### Our hours and average rates

#### BB Realisations (2018) Limited

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support Staff	Total hours	Time cost £	Average hourly rate £
Accounting and Treasury	-	-	4.50	7.05	31.85	16.75	-	60.15	19,984.30	332.34
Assets	-	-	0.75	1.20	29.45	0.95	-	32.35	11,387.50	352.01
Creditors	-	-	0.40	1.70	28.55	15.35	-	46.00	14,855.42	322.92
Employees & pensions	-	-	-	0.20	1.05	0.70	-	1.95	605.00	310.26
Investigations	-	-	0.20	-	0.25	1.00	-	1.45	404.30	278.83
Secured creditors	-	-	17.15	88.00	38.30	-	-	143.45	58,839.30	410.17
Statutory and compliance	-	-	22.35	8.05	37.15	5.95	-	73.50	28,628.78	389.44
Strategy and planning	1.00	3.80	7.00	19.00	65.15	1.60	-	96.55	37,377.10	385.63
Debtors	-	-	20.50	170.80	207.50	1.65	-	400.45	154,917.65	386.66
Insurance	-	-	-	-	9.80	0.20	-	10.00	2,473.80	247.38
Property	-	-	3.00	5.32	1.10	1.70	-	11.12	4,464.03	401.44
ROT	-	-	4.75	0.75	0.10	-	-	5.60	2,673.80	477.41
Shareholders	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	12.45	4.25	25.15	4.05	46.90	13,107.66	285.57
VAT	-	-	3.60	13.45	7.55	6.50	-	31.10	11,869.59	374.42
<b>Total for the period</b>	<b>1.0</b>	<b>3.8</b>	<b>84.2</b>	<b>328.0</b>	<b>462.1</b>	<b>76.5</b>	<b>4.1</b>	<b>958.97</b>	<b>361,393.12</b>	<b>376.86</b>
<b>Brought forward from previous period</b>								<b>2,402.29</b>	<b>914,024.74</b>	
<b>Total</b>								<b>3,361.26</b>	<b>1,275,417.86</b>	

## WR Realisations (2018) Limited

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support Staff	Total hours	Time cost £	Average hourly rate £
Accounting and Treasury	-	-	-	0.30	2.75	2.35	-	5.40	1,603.43	296.94
Assets	-	-	-	-	-	0.25	-	0.25	54.75	219.00
Creditors	-	-	-	-	0.50	1.25	-	1.75	553.75	270.13
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Secured creditors	-	-	1.00	-	0.35	-	-	1.35	511.80	452.95
Statutory and compliance	-	-	1.00	3.05	21.20	5.55	-	30.80	10,430.40	337.55
Strategy and planning	-	-	0.10	-	12.75	0.55	-	13.40	4,531.85	345.66
Debtors	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	0.30	-	-	0.30	105.00	350.00
Property	-	-	-	-	0.25	0.50	-	0.75	197.00	262.67
ROT	-	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	4.50	0.50	20.15	5.45	30.70	7,589.10	250.46
VAT	-	-	-	2.30	1.45	1.15	-	4.90	1,727.55	352.58
<b>Total for the period</b>	-	-	2.1	10.2	40.3	31.9	5.5	90.00	27,504.43	306.72
<b>Brought forward from previous period</b>	-	-	-	-	-	-	-	191.62	62,275.53	-
<b>Total</b>	-	-	-	-	-	-	-	281.62	89,779.98	-

## CVL Realisations (2018) Limited

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support Staff	Total hours	Time cost £	Average hourly rate £
Accounting and Treasury	-	-	-	0.20	1.10	1.65	-	2.95	830.33	281.54
Assets	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	0.75	0.85	-	1.60	448.65	280.41
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Secured creditors	-	-	1.00	-	0.30	-	-	1.30	594.00	456.92
Statutory and compliance	-	-	0.20	3.00	17.20	5.55	-	26.05	8,618.15	330.83
Strategy and planning	-	-	0.10	-	12.20	0.55	-	12.85	4,489.35	348.47
Debtors	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	0.25	-	-	0.25	87.50	350.00
Property	-	-	-	-	-	-	-	-	-	-
ROT	-	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	5.20	0.55	22.20	3.05	31.10	7,984.35	256.75
VAT	-	-	2.30	1.40	0.65	1.15	-	5.50	1,793.40	326.07
<b>Total for the period</b>	-	-	3.6	9.8	33.1	35.1	3.1	81.60	25,145.90	308.16
<b>Brought forward from previous period</b>	-	-	-	-	-	-	-	187.15	60,275.00	-
<b>Total</b>	-	-	-	-	-	-	-	268.75	85,421.90	-

\*We regularly monitor and review our costs and make appropriate adjustments as necessary or appropriate. These reviews resulted in some small adjustments and overall reduction on time previously reported.

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administrations. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administrations (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

Grade	From 1 July 2018
Partner	735
Director	646
Senior manager	489
Manager	421
Senior associate – qualified	350
Associate	219
Support staff	110

### *Payments to associates*

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

### *Our work in the period*

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

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting & treasury	<ul style="list-style-type: none"> <li>• Dealing with receipts, payments and journals.</li> <li>• Carrying out bank reconciliations and managing investment of funds.</li> <li>• Corresponding with pre appointment banks regarding specific transfers.</li> </ul>	<ul style="list-style-type: none"> <li>• To manage both the post and pre appointment bank accounts.</li> <li>• To ensure receipts and payments are fully and accurately recorded.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures proper management of the funds held.</li> </ul>
Assets	<ul style="list-style-type: none"> <li>• Supporting post sale matters as discussed in this report.</li> <li>• Carrying out tasks associated with realising such assets.</li> <li>• Identifying potential asset recoveries.</li> <li>• Liaising with owners/Purchasers regarding contract novations.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure returns to the creditors are maximised.</li> </ul>	<ul style="list-style-type: none"> <li>• Realises funds for the benefit of creditors.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Managing the creditor mailbox which was set up to deal with creditor enquiries (including responding to requests as appropriate).</li> <li>• Receiving and following up creditor enquiries via telephone, email and post.</li> <li>• Reviewing and preparing correspondence to creditors and their representatives.</li> </ul>	<ul style="list-style-type: none"> <li>• To manage creditor enquiries.</li> <li>• To keep creditors informed on the progress of the case.</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required by statute and for the proper administration of the case.</li> </ul>



Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
	<ul style="list-style-type: none"> <li>• Receipting and filing proofs of debt when not related to a dividend.</li> <li>• Providing information to creditor insurers in relation to confirmation of debt enquiries.</li> <li>• Maintaining a dedicated website for delivery of initial and ongoing communications and reports.</li> </ul>		
Debtors	<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> </ul>	<ul style="list-style-type: none"> <li>• To ensure returns to the creditors are maximised.</li> </ul>	<ul style="list-style-type: none"> <li>• Realises funds for the benefit of creditors.</li> </ul>
Employees and Pensions	<ul style="list-style-type: none"> <li>• Dealing with pension related matters.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with our statutory obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute.</li> </ul>
Insurance	<ul style="list-style-type: none"> <li>• Reviewing insurance policies.</li> <li>• Corresponding with insurers regarding initial and ongoing insurance requirements.</li> <li>• Providing updates to insurers as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>• To maintain the relevant level of insurance cover in place.</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute.</li> </ul>
Investigations	<ul style="list-style-type: none"> <li>• Providing information to Regulators to assist with external investigations.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with our statutory obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute.</li> </ul>
Property (principally BBL)	<ul style="list-style-type: none"> <li>• Liaising with Purchaser, agents and landlords regarding the collection and remittance of rent and service charge payments.</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> </ul>	<ul style="list-style-type: none"> <li>• Ensures efficient case progression.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with our obligations under the sale and purchase agreement.</li> </ul>
Retention of title claims (principally BBL and WR)	<ul style="list-style-type: none"> <li>• Maintaining retention of title file.</li> <li>• Dealing with the residual retention of title queries.</li> </ul>	<ul style="list-style-type: none"> <li>• To assist creditors with retention of title claims.</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required by statute and for the proper administration of the case.</li> </ul>
Secured Creditors	<ul style="list-style-type: none"> <li>• Preparing reports to, and holding meetings with, the secured creditors.</li> <li>• Responding to secured creditor's queries.</li> <li>• Making distributions in accordance with security entitlements.</li> </ul>	<ul style="list-style-type: none"> <li>• To keep creditors informed on the progress of the case.</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required by statute and for the proper administration of the case.</li> </ul>
Statutory & compliance	<ul style="list-style-type: none"> <li>• Conducting case reviews every six months.</li> <li>• Preparing and issuing periodic progress reports to creditors and the Registrar.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with our statutory obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations.</li> </ul>

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
	<ul style="list-style-type: none"> <li>• Making applications to secured creditors for the extension of the administration and filing relevant notices.</li> <li>• Dealing with records in storage.</li> <li>• Filing of documents.</li> <li>• Updating checklists and diary management system.</li> </ul>		
Strategy & planning	<ul style="list-style-type: none"> <li>• Team meetings to review strategy and progress.</li> <li>• Maintaining fee budgets &amp; monitoring costs.</li> <li>• Considering timings for key milestones and key strategic decisions.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure case progression and monitoring costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Controls efficiencies, time costs and ensures continued case progression towards closure.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>• Preparing tax computations and submit returns as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with our statutory obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations.</li> </ul>
VAT	<ul style="list-style-type: none"> <li>• Preparing quarterly VAT returns.</li> <li>• Correspondence with HMRC in relation to the Company's VAT matters.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with our statutory obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute/regulations.</li> </ul>

## Our future work

We still need to do the following work to achieve the purpose of the administrations and before we can cease to act.

Area of work	Work we need to do	Estimated cost £	Whether or not the work will provide a financial benefit to creditors
Strategy & planning	<ul style="list-style-type: none"> <li>• Team meetings to review strategy and progress.</li> <li>• Maintaining fee budgets &amp; monitoring costs.</li> <li>• Considering timings for key milestones and key strategic decisions.</li> </ul>	<ul style="list-style-type: none"> <li>• 5,000</li> </ul>	<ul style="list-style-type: none"> <li>• Controls efficiencies, time costs and ensures continued case progression towards closure.</li> </ul>
Accounting & treasury	<ul style="list-style-type: none"> <li>• Dealing with receipts, payments and journals.</li> <li>• Carrying out bank reconciliations and managing investment of funds.</li> <li>• Making distributions to secured creditors.</li> <li>• Closing bank accounts.</li> </ul>	<ul style="list-style-type: none"> <li>• 15,000</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures proper management of the funds held.</li> </ul>
Assets	<ul style="list-style-type: none"> <li>• Carrying out tasks associated with realising such assets, principally business rates refunds and other sundry assets.</li> </ul>	<ul style="list-style-type: none"> <li>• 5,000</li> </ul>	<ul style="list-style-type: none"> <li>• Realises funds for the benefit of creditors.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Managing the creditor mailbox which was set up to deal with creditor enquiries (including responding to requests as appropriate).</li> <li>• Receiving and following up creditor enquiries via telephone, email and post.</li> <li>• Reviewing and preparing correspondence to creditors and their representatives.</li> <li>• We expect the volume of queries to continue to reduce.</li> </ul>	<ul style="list-style-type: none"> <li>• 5,000</li> </ul>	<ul style="list-style-type: none"> <li>• Work is required by statute and for the proper administration of the case.</li> </ul>

Area of work	Work we need to do	Estimated cost £	Whether or not the work will provide a financial benefit to creditors
	<ul style="list-style-type: none"> <li>• Receipting and filing proofs of debt when not related to a dividend.</li> <li>• Providing information to creditor insurers in relation to confirmation of debt enquiries.</li> <li>• Maintaining a dedicated website for delivery of initial and ongoing communications and reports.</li> </ul>		
Debtors (principally BBL)	<ul style="list-style-type: none"> <li>• Liaising with debt collectors and solicitors.</li> <li>• Continue to support the collection of debtors by third party agents.</li> </ul>	• 10,000	• Realises funds for the benefit of creditors.
Insurance	<ul style="list-style-type: none"> <li>• Providing updates to insurers as appropriate.</li> </ul>	• 5,000	• Required by statute.
Investigations	<ul style="list-style-type: none"> <li>• Providing information to Regulators to assist with external investigations.</li> </ul>	• 10,000	• Required by statute.
Property (principally BBL)	<ul style="list-style-type: none"> <li>• Complete reconciliation of landlord rents and other associated property costs.</li> <li>• Deal with any residual leases where surrenders can't be agreed.</li> </ul>	• 5,000	• To comply with our obligations under the sale and purchase agreement.
Secured creditors	<ul style="list-style-type: none"> <li>• Preparing reports to, and holding meetings with, the secured creditors.</li> <li>• Responding to secured creditor's queries.</li> <li>• Making distributions in accordance with security entitlements.</li> </ul>	• 10,000	• Work is required by statute and for the proper administration of the case.
Statutory & compliance	<ul style="list-style-type: none"> <li>• Period reports to creditors on the progress of the administrations.</li> <li>• Sending job files to storage.</li> <li>• Completing checklists and diary management system.</li> <li>• Closing down internal systems.</li> </ul>	• 50,000	• Required by statute/regulations.
Tax	<ul style="list-style-type: none"> <li>• Preparing and submitting tax computations.</li> <li>• Liaising with HMRC to obtain tax clearance.</li> </ul>	• 20,000	• Required by statute/regulations.
VAT	<ul style="list-style-type: none"> <li>• Preparing quarterly VAT returns.</li> <li>• Correspondence with HMRC in relation to the Company's VAT matters.</li> </ul>	• 20,000	• Required by statute/regulations.

## Disbursements

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

Our expenses policy allows for all properly incurred expenses to be recharged to the administration but has not yet been approved by the Secured Creditors where required.

The following disbursements arose in the period of this report.

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

Category	Description	Costs incurred £
1	Storage	72.50
	Postage	563.18
	Searches	3.00
	Courier	2.58
	<b>Total</b>	<b>641.26</b>

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

Category	Description	Costs incurred £
1	Postage	273.26
	<b>Total</b>	<b>273.26</b>

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

Category	Description	Costs incurred £
1	Postage	277.90
	<b>Total</b>	<b>277.90</b>

### ***Our relationships***

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

### ***Professional 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.

Service provided	Name of firm	Reason selected	Basis of fees
Legal services, including appointment related matters (Retail)	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	Time costs and disbursements
Debtor collections.	Hilton-Baird Collection Services Limited	Industry knowledge	Percentage of realisations
Property audit / rates refunds	CAPA	Industry knowledge	Percentage of realisations

## Appendix D: 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. See Appendix A for the amounts paid to date.

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## Appendix E: Other information

### All Companies

Court details for the administration:	High Court of Justice Business and Property Courts in Manchester Insolvency & Companies List (ChD)
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
Extension to the initial period of appointment	The administrations of the Companies were due to end automatically on 5 April 2019. An extension of twelve months to 5 April 2020 was granted by the Secured Creditors on 14 March 2019.

### 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 Ian David Green, 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