

Joint Administrators' progress report from 11 February 2025 to 10 August 2025

BH1 Realisations Limited (formerly Belfield Holdings Limited)

BG1 Realisations Limited (formerly Belfield Group Limited)

WFD1 Realisations Limited (formerly Westbridge Furniture
Designs Limited)

BF1 Realisations Limited (formerly Belfield Furnishings Limited
(t/a Belfield Leisure))

TT1 Realisations Limited (formerly Tetrad Limited)

CPN1 Realisations Limited (formerly Clinchplain Limited) -

All in Administration

10 September 2025

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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
Addleshaw Goddard	Addleshaw Goddard LLP
Administrators/we/us/our	Sarah O'Toole and Edward Williams
Belfield	BF1 Realisations Limited (formerly Belfield Furnishings Limited) - In administration
Belfield Group / the Group / the Companies	BH1 Realisations Limited (formerly Belfield Holdings Limited) - In administration BG1 Realisations Limited (formerly Belfield Group Limited) - In administration WFD1 Realisations Limited (formerly Westbridge Furniture Design Limited) - In administration BF1 Realisations Limited (formerly Belfield Furnishings Limited (t/a Belfield Leisure)) - In administration TT1 Realisations Limited (formerly Tetrad Limited) - In administration CPN1 Realisations Limited (formerly Clinchplain Limited) - In administration
BGL	BG1 Realisations Limited (formerly Belfield Group Limited) - In administration
BHL	BH1 Realisations Limited (formerly Belfield Holdings Limited) - In administration
Buyers	Jointly: Craft Group Holdings Limited, Craft (Westbridge) Limited, Craft (Belfield) Limited, Craft (Tetrad) Limited and Craft (Clinchplain) Limited
CID	Confidential invoice discounting
Clinchplain	CPN1 Realisations Limited (formerly Clinchplain Limited) - In administration
Clydesdale Bank / Virgin Money	Clydesdale Bank Plc (trading as Virgin Money)
DBT	Department for Business and Trade
DBoW	Development Bank of Wales
First ranking preferential creditors	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: • unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances;
Hilco	Hilco Appraisal Limited (t/a Hilco Valuation Services)
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016

Leasehold properties	<p>Occupied as at appointment:</p> <p>Unit 59, Greenfield Business Park, Greenfield ("WB2") Hartford Mill, Swan Street, Preston, Lancashire ("Hartford Mill") Britannia House, 57 Churchill Way, Lomeshaye Industrial Estate, Nelson, Lancashire BB9 6RT ("Britannia House") Land and buildings on the North East side of Hallam Fields Road, Ilkeston, DE7 4AZ ("Hallam Fields")</p> <p>Vacated but contractually leased:</p> <p>Unit 41/41A, First Avenue, Deeside Industrial Park, Deeside, CH5 2UA ("WB3") Part of the ground floor of the building, Whittle Road, Meir, ST3 7QA ("Stoke shop")</p>
LTO	Licence to Occupy
M&A	Mergers and Acquisitions
Northedge	Northedge Capital LLP
PAYE	Pay as you earn tax
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
Purchaser	Craft Group Holdings Limited, Craft (Westbridge) Limited, Craft (Belfield) Limited, Craft (Tetrad) Limited and Craft (Clinchplain) Limited. All entities are affiliated with Blandford Capital LLP
PwC	PricewaterhouseCoopers LLP
Regulations	Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
ROT	Retention of title
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secondary preferential creditors	<p>Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds These include claims for:</p> <ul style="list-style-type: none"> • certain HMRC debts owed at the date of insolvency, consisting of VAT and relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions). Penalties and interest do not form part of HMRC's preferential claim.
Secured creditor	A creditor with security in respect of their debt, in accordance with section 248 IA86
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
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
SPA	The agreement for the sale and purchase of the businesses and assets of the Group dated 11 February 2025 and made between the Group, the Administrators and the Buyers
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
t/a	Trading as
Tetrad	TT1 Realisations Limited (formerly Tetrad Limited) - In administration
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured creditors	Creditors who are neither Secured nor Preferential
VAT	Value added tax
Westbridge	WFD1 Realisations Limited (formerly Westbridge Furniture Design Limited) - In administration
Westbridge Romania	Westbridge Manufacturing Srl

This report has been prepared by Sarah O'Toole and Edward Williams as Joint Administrators of the Companies, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Companies.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Group's creditors, which can be found at www.pwc.co.uk/belfield. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Sarah O'Toole and Edward Williams have been appointed as Joint Administrators of the Companies to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

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Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of Companies during the six months since our appointment on 11 February 2025.

You may wish to review this report in conjunction with our statement of proposals dated 18 February 2025 (available online at www.pwc.co.uk/belfield) which provided details on the background to the Companies, the reasons they entered into administration and the sale of the Companies' business and assets after our appointment. Some of that information is repeated in this report where necessary or beneficial to do so.

Please use the contact details below if you need the password to access any documents on the above website or have any other questions in connection with this report or the administrations generally:

uk_westbridge_creditors@pwc.com

uk_belfield_creditors@pwc.com

uk_tetrad_creditors@pwc.com

uk_clinchplain_creditors@pwc.com

Contacting us by email will allow us to direct your query to the relevant team member as quickly as possible. You may also contact a member of the team on 0113 289 4000.

How much creditors may receive

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

What secured creditors are owed (applicable to all six Companies):			£
Virgin Money:			6,532,285
Northedge:			1,938,329
DBoW:			332,981
What the Secured creditors have recovered (all six Companies in total):		% Recovery	Forecast timing
Virgin Money:		3.5%	n/a
Northedge:		0%	n/a
DBoW:		0%	n/a

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
For first-ranking preferential creditors	Nil	n/a
For secondary preferential creditors:	Nil	n/a
For unsecured creditors:	Nil	n/a

Secured creditors

The Group's secured lenders in order of priority based upon an intercreditor deed is (1) Virgin Money (2) Northedge and (3) DBoW. Virgin Money and Northedge benefit from debentures and cross guarantees from all entities within the Group, whereas DBoW has debentures and cross guarantees from Westbridge and BGL only.

We don't think the secured creditors will be fully repaid their lending out of their security over the Group's assets.

Virgin Money

The Companies' first ranking secured creditor, Virgin Money, provided overdraft, term loan and CID facilities to the Group which were all subject to debentures and cross guarantees. The outstanding amount of £6.5m represents the amounts due to Virgin Money in relation to both overdraft and term loan facilities as at the date of the Administration appointments. As a condition of the pre-packaged sale, the Buyers acquired the majority of the Group's trade debtors for headline consideration of £8.3m settling the CID facility separately. Virgin Money has received £229.9k from fixed charge realisations across the Group as detailed in the table below. We do not expect to make any further material distributions; a final distribution is expected from BHL and BGL only once all costs are paid.

Company	Amount (£)
BHL	20,654.00
BGL	21,274.00
Westbridge	47,001.00
Belfield	47,001.00
Tetrad	47,001.00
Clinchplain	47,001.00
Total	229,932.00

Northedge

The Group also granted second-ranking security to Northedge in relation to loan notes totalling £1,938,329 including accrued interest which were subject to debentures and cross guarantees, but which are subordinated to Virgin Money pursuant to an intercreditor deed. Given the significant shortfall in amounts owed to Virgin Money, there will be no amounts available for distribution to Northedge.

DBoW

Westbridge and BGL also granted security to DBoW in relation to a term loan totalling £332,981 including accrued interest. This amount is subject to debentures and cross guarantees, but is also subordinated pursuant to an intercreditor deed given the significant shortfall in amounts owed to Virgin Money, there will be no amounts available for distribution to DBoW.

First-ranking preferential creditors (mainly employees)

Based on present information, we think that the level of first-ranking preferential claims will be £707 in Westbridge and £15,658 in Belfield. These claims have arisen due to outstanding wages and salaries owed to employees who did not transfer as part of the pre-packaged sale and were made redundant immediately upon the Administration appointments, and these claims have been submitted to the RPS. We understand that there will be no claims for holiday pay, as all employees that were on notice of redundancy were asked to use any accrued holiday as part of their gardening leave during their notice period. We do not expect there to be any funds available to make a distribution to any class of preferential creditor.

Secondary preferential creditors (HMRC)

We have received initial proof of debts from HMRC, their secondary preferential claims are as follows:

Company	Secondary preferential claims (£)
BHL	0
BGL	57,053
Westbridge	2,867,744
Belfield	1,646,984
Tetrad	1,016,525

Clinchplain	284,118
Total	5,872,424

We do not expect there to be any funds available to make a distribution to any class of preferential creditors owing to a lack of floating charge funds in the Companies.

Unsecured creditors

The prescribed part applies in all Companies as each entity has at least one floating charge created on or after 15 September 2003. However, we do not anticipate that a prescribed part fund will be available for the benefit of unsecured creditors in any of the Companies because, based on current information, we do not believe that any company within the Group will have net floating charge realisations after taking into account the insolvency expenses. If a company doesn't have any net floating charge realisations, the value of the net property and prescribed part will be nil.

What you need to do

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

Overview of what we've done to date

A detailed account of the background of the Companies and why we were appointed administrators, along with a detailed summary of activity can be found in the Proposals which are available for viewing at www.pwc.co.uk/belfield.

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

Background

The Group was established in 2002 and headquartered in Ilkeston, Derbyshire. The Group operated as the leading UK manufacturer of premium upholstered furniture and soft furnishings, supplying both blue-chip and independent retailers. Over time, the Group expanded through acquisitions, including Tetrad (a premium heritage sofa manufacturer) and Clinchplain (a foam and fibre converter). The Group's structure comprised six UK legal entities, with the main trading operations being Westbridge (white label upholstered furniture), Tetrad, Clinchplain, and Belfield (serving the leisure and mobile home sector). The Group also had a Romanian subsidiary providing sew and cut services exclusively to Westbridge. A summary of the six companies within the Group is below:

- **Holdco** and **BGL** are non-trading entities, with the other four UK entities trading as separate operations, being:
- **Westbridge**: white label upholstered furniture, supplying blue-chip retailers and which accounted for around c.58% of Group revenue. Westbridge also has a 100% owned subsidiary incorporated in Romania (Westbridge Romania).
- **Tetrad**: hand-crafted furniture maker, largely supplying independent retailers.
- **Clinchplain**: a foam and fibre converter, providing foam and fibre cuttings to upholstery and soft furnishings manufacturers.
- **Belfield**: upholstery and soft furnishings service for the leisure and mobile home sector including sofas and curtains. Within Belfield, there were sub-divisions referenced by the Group as the 'home division' and the 'retail division' but these had been closed by the Group prior to the Administration appointments.

Reasons for the appointment

We were appointed as Joint Administrators because the Group was experiencing severe financial distress resulting from a combination of adverse market conditions and internal challenges. The Group's financial performance had been significantly impacted by a market-wide slowdown, which was driven by the post-pandemic reduction in demand, higher interest rates affecting the housing market, and broader pressures on consumer spending. In addition, the Group suffered a major setback when a key customer, responsible for approximately 21% of Group revenue in FY24, exited the large furniture market. Despite implementing substantial cost-saving measures—including site closures, headcount reductions, and operational efficiencies—the Group continued to face a substantial funding shortfall. Efforts to secure further financial support from stakeholders were unsuccessful, and an accelerated M&A process failed to attract solvent offers due to the Group's high debt levels. As a result, administration was deemed the only viable option to protect creditor interests and preserve value.

Sales process

The Group was facing acute liquidity pressures, with a rapidly diminishing cash runway and mounting creditor pressure, including threats of winding-up petitions. The Group was also contending with significant operational disruption, as it struggled to manage ongoing trading, payroll, and supplier relationships under severe financial constraints. The absence of viable options for a solvent sale or additional funding meant that insolvency was imminent. This situation created considerable uncertainty for employees, suppliers, and other stakeholders, necessitating urgent action to stabilise the business and safeguard as many jobs as possible through a pre-packaged sale of the majority of the business and assets.

After an initial review, we determined that the most appropriate strategy was to pursue an accelerated sale process, resulting in a pre-packaged sale of the majority of the business and assets. This approach was chosen due to the Group's severe liquidity issues, imminent funding shortfall, and increasing creditor pressure, which made continued trading or a solvent sale unfeasible.

Further information on the pre-packaged sale can be found in the 'Progress since we last reported' section.

Post-appointment strategy

Immediately on our appointment, we secured and took control of the Group's assets, which included:

- Any assets or employees relating to the 'home division' and 'retail division';
- Prepayments;
- Tax refunds;
- Investments in subsidiaries, which have no realisable value as all direct investments are insolvent;
- Intercompany claims against associated Group companies, which are not expected to yield any material recoveries due to the insolvency of all entities; and
- Potential VAT and corporation tax receivables.

Whilst goods subject to retention of title were excluded from the sale, as referred to later on in this report, the Buyers had the obligation to deal with such claims.

We remain in office mainly to deal with the following matters:

- Conclude our review of the prepayments listings on Westbridge and Belfield;
- Collection of the remaining books and records;
- Preparation of remuneration report for the Joint Administrators' fee approval;
- Conclude statutory work in relation to the administrations, including:
 - Preparation and submission of final VAT returns;
 - Deregistering from VAT and submitting final VAT426 forms;
 - Preparation and submission of final Corporation Tax returns;
 - Discharging final costs and expenses associated with the Administrations, including the Joint Administrators' final fees;
 - Preparing and delivering periodic progress reports to creditors and the Registrar of Companies;
 - Preparing and delivering the final progress report to creditors and the Registrar of Companies;
- Manage the LTO, handle lease assignments, and liaise with landlords to facilitate the surrender of leases;
- Maintaining public liability cover in respect of leases held where the landlord has not yet accepted surrender of the lease; and
- Manage the closure of the Companies and move to dissolution.

Progress since we last reported

Sale of business and assets

Pre-Packaged Sale

Shortly after appointment on 11 February 2025, the Joint Administrators completed a pre-packaged sale of the majority of the business and assets of the Belfield Group to the Buyers (Craft Group Holdings Limited and affiliates).

The sale consideration was £1m plus the settlement of amounts outstanding under the CID facility, with the debtor book purchased for £8,294,110 (used to settle the CID facility debt). The sale excluded assets and employees relating to the 'home division' and 'retail division', which had been closed prior to administration.

We have not repeated details of the pre-packaged sale in this report however we refer you to our proposals dated 18 February 2025, specifically our SIP16 disclosure included at Appendix C which provides a comprehensive account.

A summary of the allocation of the £1,000,000 consideration is below:

	BHL	BGL	Westbridge	Belfield	Tetrad	Clinchplain	Total
Asset	£	£	£	£	£	£	£
The Business Name	1	1	1	1	1	1	6
The Business Rights	1	1	1	1	1	1	6
The Customer Contracts	0	0	1	1	1	1	4
The Goodwill	24,995	24,995	50,000	50,000	50,000	50,000	249,990
The Intellectual Property	1	1	1	1	1	1	6
The Plant	0	0	158,993	152,994	48,994	112,994	473,975
The Option	0	0	1	0	0	0	1
The Transferred Records	1	1	1	1	1	1	6
The Software	1	1	1	1	1	1	6
The Stock	0	0	144,000	75,000	52,000	5,000	276,000
Total	25,000	25,000	353,000	278,000	151,000	168,000	1,000,000

At the time of the transaction, it was understood that there was no connection between the Companies and the Buyers, however, it later transpired that the directors of the Companies were appointed as directors of the Buyers' group later on the day of the transaction and as a result, the Buyers could be considered "connected persons" in relation to the substantial disposal of the Companies' business and/or assets, as set out by the Regulations.

In the interests of full transparency, in the event that the transaction could be considered to fall within the Regulations, the Administrators commissioned an Evaluator's Report, a copy of which is attached at Appendix F.

Option

As part of the sale, the Buyers had an option to purchase the shares of the Romanian entity (Westbridge Production Srl) for £1 within two months of the transaction. This was completed on 14 April 2025.

CID facilities

In addition to the above £1,000,000 consideration, the Group had historically assigned all of the rights to its trade debtor book to Virgin Money under the terms of a CID facility (with funding provided to the four trading entities, Belfield, Westbridge, Tetrad and Clinchplain).

Immediately upon the appointment of the Joint Administrators, it was agreed that Virgin Money would reassign all the trade debtors back to the Group (with the exception of c£400,000 of trade debtors relating to the “home division”) with a specific condition that the CID facility debt was settled from the transactional consideration.

The Buyer subsequently purchased the Group's debtor book as at 11 February 2025 for £8,294,110 (which was equivalent to the funding which had previously been advanced to the Group under the CID) and this consideration was used to settle the CID facility debt.

These additional amounts are not reflected in the above table, but we have included them in the receipts and payments accounts as follows:

- Westbridge - £3,703,814
- Belfield - £3,433,940
- Tetrad - £986,641
- Clinchplain - £169,714

Employees

Of the 875 UK employees, 835 transferred to the Buyers under TUPE as part of the sale. The remaining 40 employees (mainly from excluded divisions, 26 in Belfield and 14 in Westbridge) were made redundant and were supported in making claims to the Redundancy Payments Service (RPS).

Realisation of other assets

Property and Leasehold Interests

As at the date of the Joint Administrators' appointment, the Group held leasehold interests in six properties. Four leasehold properties were still in use at appointment and are subject to LTOs granted to the Buyers, with arrangements in place to facilitate assignment or similar arrangements as required.

These four properties are:

- Belfield: WB2 and Hallam Fields
- Tetrad: Hartford Mill
- Clinchplain: Britannia House

To date, none of the four leases have been formally assigned to the Buyer, however, these are expected to be assigned within the coming months. During the LTO period, we have collected rent and other property related costs from the Buyers in order to pass these on to the landlords for the period of occupation. These receipts and payments are shown at Appendix A.

For the other two properties (Belfield: WB1 and Westbridge: Stoke), these had largely been vacated prior to the Joint Administrators' appointments, albeit a small number of assets remained. In conjunction with the advice provided by Hilco as part of the transaction, it was deemed that any value in these assets would be significantly outweighed by the associated holding costs (rent, rates, insurance etc.) and professional fees that would be incurred as part of any realisation strategy. As a result, it was determined that there was no value in the assets, nor the leaseholds, and so the Joint Administrators have offered surrenders to the respective landlords effective from the date of the Administration appointments.

To date, no surrenders have been accepted by the landlords, however shortly after the period of this report, we consented to the forfeiture of one of the leases on the basis that the property in question was not used during the administration. We remain in discussions with the remaining landlords and will update creditors further in our next report.

Connected party transactions

To date, no assets have been disposed of by the Joint Administrators to a party (person or company) with a connection to the directors, shareholders or secured creditors of the Companies or their associates.

As referred to earlier in this report, at the time of the transaction, it was understood that there was no connection between the Companies and the Buyers, however, it later transpired that the directors of the Companies were appointed as directors of the Buyers' group later on the day of the transaction and as a result, the Buyers could be

considered “connected persons” in relation to the substantial disposal of the Companies’ business and/or assets, as set out by the Regulations.

Other issues

Home and retail divisions

The sale excluded any assets or employees relating to the ‘home division’ and ‘retail division’ on the basis that these had been closed prior to the Joint Administrators’ appointments. Whilst there were c.£400k trade debtors relating to the ‘home division’ within Belfield, these debts had been historically assigned to Virgin Money pursuant the CID agreement. Virgin Money is collecting these amounts directly to recover its shortfall across all of its facilities provided to the Group under the terms of its security. There will therefore be no realisations in the Administration estates.

Goods subject to retention of title

These were excluded from the sale and any claims for retention of title are being dealt with by the Buyers. The administration team is liaising with the Buyers to ensure that our records are updated in respect of settled retention of title claims to ensure these are fully reflected in the Joint Administrators’ records.

Prepayments

We understand the Group may have prepaid for insurance and property related payments. We have been exploring the potential for any realisations, but anticipate these are likely to be minimal, if any. We will update creditors further in our next report.

Tax refunds

We had requested certain tax records from the Group to explore the potential for any tax claims to be made, however these have not been provided. As reported later on, we are aware that HMRC is a secondary preferential creditor, therefore should any refunds come to light, we believe that HMRC will offset them against amounts to be claimed by the Group.

Tax and VAT

The Joint Administrators assume responsibility for the Group’s corporation tax returns during the period of the administrations. We will be liaising with HMRC in order to submit the necessary returns.

Each company is separately registered for VAT, with the exception of BH1, which is not registered at all. The first post-appointment VAT returns for the period 11 February 2025 to 31 May 2025 were submitted on 27 June 2025. The position for each company is as follows:

- BF1 Realisations Limited - a net VAT payment of £62,954.43 was made, with the payment completed on 1 July 2025.
- BG1 Realisations Limited - a net VAT reclaim of £30.40 is due from HMRC and remains outstanding at the date of this report.
- CPN1 Realisations Limited - a net VAT payment of £16,119.57 was made, with the payment completed on 1 July 2025.
- TT1 Realisations Limited - a net VAT payment of £30,174.76 was made, with the payment completed on 1 July 2025.
- WFD1 Realisations Limited - a net VAT reclaim of £62.40 is due from HMRC and remains outstanding at the date of this report.

Approval of our proposals

We issued to creditors our proposals for achieving the purpose of administration dated 18 February 2025.

We said in our proposals that we thought the Group does not have enough assets to pay a dividend to unsecured creditors other than from the Prescribed part.

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 be sought, our proposals were treated as approved on 28 February 2025.

Statement of affairs

At the time our proposals were issued, we had not received a statement of the Group's affairs from the directors. We confirm these have now been received and copies of the statement of affairs dated 3 March 2025 have been filed at Companies House.

We received the statement of affairs of the Group on 3 March 2025. It was signed by Jon Stewart Sharrock. As required by law, it included details of the names, addresses and debts of creditors (including details of any security held), employees and former employees of the Group and consumers claiming amounts paid in advance for the supply of goods and services.

Our comments on the statement of affairs received are:

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

Investigations and actions

As we said in our initial letter to creditors, one of our duties is to look at the actions of anybody who has been a director of any of the entities within the three years preceding our appointment. We submitted our findings to DBT within three months of our appointment.

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

Our receipts and payments account

We set out at Appendix A an account of our receipts and payments in the administrations from 11 February 2025 to 10 August 2025.

Our expenses

We set out at Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses. 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 at 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 at Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

Creditors' rights

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

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

You can also get a copy free of charge by telephoning the case team at 0113 289 4000.

What we still need to do

The following is a summary of the key matters which need to be completed before the administration can be concluded:

- Review the prepayments listings on Westbridge and Belfield;
- Collection of the remaining books and records;
- Preparation of remuneration report for the Joint Administrators' fee approval;
- Conclude statutory work in relation to the administrations, including:
 - Preparation and submission of final VAT returns;
 - Deregistering from VAT and submitting final VAT426 forms;
 - Preparation and submission of final Corporation Tax returns;
 - Discharging final costs and expenses associated with the Administrations, including the Joint Administrators' final fees;
 - Preparing and delivering periodic progress reports to creditors and the Registrar of Companies;
 - Preparing and delivering the final progress report to creditors and the Registrar of Companies;
- Manage LTO, handle lease assignments, and liaise with landlords to facilitate the surrender of leases;
- Maintaining public liability cover in respect of leases held where the landlord has not yet accepted surrender of the lease; and
- Manage the closure of the Companies and move to dissolution.

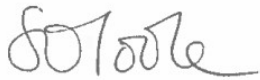
Next steps

We are currently considering the best strategy for ending the administrations, taking into account the costs of the administrations, and the level of future work required to achieve the purpose of the administrations. 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 the case team at 0113 289 4000.

Yours faithfully
For and on behalf of the Companies



Sarah O'Toole
Joint Administrator

Appendix A: Receipts and payments

BHL

Statement
of Affairs
£

11 February 2025 to 10
August 2025
£

Fixed charge receipts

Goodwill	24,995.00
Intellectual Property	1.00
Bank interest	16.34
CID facilities	-
- Trade debtors	-
Total	25,012.34

Fixed charge payments

CID facilities	-
Professional Fees	(100.00)
Total	(100.00)

Fixed charge distribution to Secured Creditor	(20,654.00)
--	--------------------

Net fixed charge realisations	4,258.34
--------------------------------------	-----------------

Floating charge receipts

The Business Name	1.00
The Business Rights	1.00
Customer Contracts	-
The Plant	-
Option	-
Transferred Records	1.00
The Software	1.00
Stock	-
Bank Interest Gross	142.52
- Other Debtors and Prepayments	-
Total	146.52

Floating charge payments

Statutory advertising	(52.00)
Insurance	(112.00)

Total	(164.00)
Net floating charge realisations	(17.48)
VAT control account	(30.40)
Balance held in interest-bearing bank account	4,210.46

Notes to the Receipts and Payments account

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. The directors' statement of affairs provided an estimated to realise value of nil for each class of asset.
3. Funds are held in an interest bearing account.
4. Expenses have been allocated between the fixed and floating charge accounts in accordance with the value of assets realisations recovered for each class.

BGL**Statement
of Affairs
£****11 February 2025 to 10
August 2025
£****Fixed charge receipts**

50,000.00	Goodwill	24,995.00
	Intellectual Property	1.00
	Bank interest	16.34
	CID facilities	-
-	Trade debtors	-
Total		25,012.34

Fixed charge payments

	CID facilities	-
	Professional Fees	(100.00)
Total		(100.00)

Fixed charge distribution to Secured Creditor	(21,274.00)
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Net fixed charge realisations	3,638.34
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Floating charge receipts

	The Business Name	1.00
	The Business Rights	1.00
	Customer Contracts	-
	The Plant	-
	Option	-
	Transferred Records	1.00
	The Software	1.00
	Stock	-
	Bank Interest Gross	132.33
-	Other Debtors and Prepayments	-
Total		136.33

Floating charge payments

	Statutory advertising	(52.00)
	Insurance	(672.00)
Total		(724.00)

Net floating charge realisations	(587.67)
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VAT control account	(30.40)
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Balance held in interest-bearing bank account

3,020.27

Notes to the Receipts and Payments account

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. Funds are held in an interest bearing account.
3. Expenses have been allocated between the fixed and floating charge accounts in accordance with the value of assets realisations recovered for each class.

Belfield

Statement of Affairs £

11 February 2025 to
10 August 2025
£

Fixed charge receipts		
50,000.00	Goodwill	50,000.00
	Intellectual Property	1.00
	Bank Interest	32.67
3,433,940.00	CID facilities	3,433,940.00
Total		3,483,973.67
Fixed charge payments		
	CID facilities	(3,433,940.00)
Total		(3,433,940.00)
Fixed charge distribution to Secured Creditor		(47,001.00)
Net fixed charge realisations		3,032.67
Floating charge receipts		
	The Business Name	1.00
	The Business Rights	1.00
	Customer Contracts	1.00
152,993.00	The Plant	152,994.00
	Transferred Records	1.00
	The Software	1.00
75,000.00	Stock	75,000.00
	Bank Interest Gross	3,931.86
	- Other Debtors and Prepayments	-
	- Group Debtors - trading	-
Total		231,930.86
Floating charge payments		
	Professional Fees	(1,112.00)
	Statutory advertising	(52.00)
	Insurance	(112.00)
Total		(1,276.00)
Net floating charge realisations		230,654.86
VAT control account		(8,684.48)

Balance held in Licence to Occupy - bank account	201,362.20
Balance held in interest-bearing bank account	135,048.06
Total held in interest bearing account	336,410.26
	11 February 2025 to 10 August 2025
Licence to Occupy - Receipts and Payments Account	£
RECEIPTS	
Licence Fees	391,775.48
Bank Interest	1,814.55
Insurance	101,755.53
PAYMENTS	
Rent	(308,237.54)
Insurance	(75,700.81)
BALANCE	111,407.21

Notes to the Receipts and Payments account

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. Funds are held in interest bearing accounts.
3. The net amounts retained in the LTO account is shown in the main receipts and payments account. We are in the process of reconciling the LTO account. It is our understanding that certain LTO receipts have inadvertently been received into the main bank account, not the LTO account. This will be fully reconciled in the next reporting period.
4. Expenses have been allocated between the fixed and floating charge accounts in accordance with the value of assets realisations recovered for each class.

Westbridge

Statement
of Affairs
£

11 February 2025 to 10
August 2025
£

Fixed charge receipts		
50,000.00	Goodwill	50,000.00
	Intellectual Property	1.00
	Bank interest	32.67
3,703,818.00	CID facilities	3,703,814.00
Total		3,753,847.67
Fixed charge payments		
	CID facilities	(3,703,814.00)
Total		(3,703,814.00)
Fixed charge distribution to Secured Creditor		(47,001.00)
Net fixed charge realisations		3,032.67
Floating charge receipts		
	The Business Name	1.00
	The Business Rights	1.00
	Customer Contracts	1.00
158,992.00	The Plant	158,993.00
	Option	1.00
	Transferred Records	1.00
	The Software	1.00
144,000.00	Stock	144,000.00
	Bank Interest Gross	4,823.58
-	Group Debtors - trading	-
Total		307,822.58
Floating charge payments		
	Professional Fees	(1,412.00)
	Insurance	(112.00)
Total		(1,524.00)
Net floating charge realisations		306,298.58
VAT control account		(344.80)

Balance held in interest-bearing bank account	308,986.45
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Notes to the Receipts and Payments account

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. Funds are held in an interest bearing account.
3. Expenses have been allocated between the fixed and floating charge accounts in accordance with the value of assets realisations recovered for each class.

Tetrad

Statement of Affairs £		11 February 2025 to 10 August 2025 £
Fixed charge receipts		
50,000.00	Goodwill	50,000.00
	Intellectual Property	1.00
	Bank interest	32.67
986,641.00	CID facilities	986,641.00
Total		1,036,674.67
Fixed charge payments		
	CID facilities	(986,641.00)
Total		(986,641.00)
Fixed charge distribution to Secured Creditor		(47,001.00)
Net fixed charge realisations		3,032.67
Floating charge receipts		
	The Business Name	1.00
	The Business Rights	1.00
	Customer Contracts	1.00
48,993.00	The Plant	48,994.00
	Transferred Records	1.00
	The Software	1.00
52,000.00	Stock	52,000.00
	Sundry debts & refunds	4,586.10
	Bank Interest Gross	360.07
	- Other Debtors and Prepayments	-
	- Group Debtors - trading	-
Total		105,945.17
Floating charge payments		
	Professional Fees	(604.00)
	Statutory advertising	(52.00)
	Insurance	(112.00)
Total		(768.00)

Net floating charge realisations	105,177.17
VAT control account	-
Balance held in Licence to Occupy - bank account	183,148.10
Balance held in interest-bearing bank account	77,943.88
Total held in interest bearing account	261,091.98

	11 February 2025 to 10 August 2025
Licence to Occupy - Receipts and Payments Account	£
RECEIPTS	
Licence Fees	151,244.88
Bank interest	1518.39
Overpayments	118.87
PAYMENTS	
Rent	-
Insurance	-
BALANCE	152,882.14

Notes to the Receipts and Payments account

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. Funds are held in interest bearing accounts.
3. The net amounts retained in the LTO account is shown in the main receipts and payments account. We are in the process of reconciling the LTO account. It is our understanding that certain LTO receipts have inadvertently been received into the main bank account, not the LTO account. This will be fully reconciled in the next reporting period.
4. Expenses have been allocated between the fixed and floating charge accounts in accordance with the value of assets realisations recovered for each class.

Clinchplain

Statement
of Affairs
£

11 February 2025 to 10
August 2025
£

Fixed charge receipts		
50,000.00	Goodwill	50,000.00
	Intellectual Property	1.00
169,714.00	CID facilities	169,714.00
Total		219,715.00
Fixed charge payments		
	CID facilities	(169,714.00)
Total		(169,714.00)
Fixed charge distribution to Secured Creditor		(47,001.00)
Net fixed charge realisations		3,000.00
Floating charge receipts		
	The Business Name	1.00
	The Business Rights	1.00
	Customer Contracts	1.00
112,993.00	The Plant	112,994.00
	Transferred Records	1.00
	The Software	1.00
5,000.00	Stock	5,000.00
	Bank Interest Gross	2,110.48
	- Other Debtors and Prepayments	-
	- Group Debtors - trading	-
Total		120,109.48
Floating charge payments		
	Professional Fees	(672.00)
	Statutory advertising	(52.00)
	Insurance	(112.00)
Total		(836.00)
Net floating charge realisations		119,273.48
VAT control account		(14,116.75)

Balance held in Licence to Occupy - bank account	13,059.70
Balance held in interest-bearing bank account	106,012.69
Total held in interest bearing account	119,072.39

	11 February 2025 to 10 August 2025
Licence to Occupy - Receipts and Payments Account	£
RECEIPTS	
Licence Fees	87,717.31
Bank Interest	209.33
Insurance	613.48
PAYMENTS	
Rent	(74,557.06)
Insurance	(3,067.40)
BALANCE	10,915.66

Notes to the Receipts and Payments account

1. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
2. Funds are held in interest bearing accounts.
3. The net amounts retained in the LTO account is shown in the main receipts and payments account. We are in the process of reconciling the LTO account. It is our understanding that certain LTO receipts have inadvertently been received into the main bank account, not the LTO account. This will be fully reconciled in the next reporting period.
4. Expenses have been allocated between the fixed and floating charge accounts in accordance with the value of assets realisations recovered for each class.

Appendix B: Expenses

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

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

Expenses fall into two categories:

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

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

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

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

BHL

Category	Cost incurred by	Basis of cost	Costs incurred (£)
		Photocopying - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	
2	PwC		-
1	PwC	Postage	13.00
1	PwC	Bonding	225.00
Total			238.00

BGL

Category	Cost incurred by	Basis of cost	Costs incurred (£)
		Photocopying - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	
2	PwC		255.00
1	PwC	Postage	71.00
1	PwC	Bonding	225.00
Total			551.00

Westbridge

Category	Cost incurred by	Basis of cost	Costs incurred (£)
		Photocopying - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	
2	PwC		-
1	PwC	Postage	754.00
1	PwC	Bonding	225.00
Total			979.00

Belfield

Category	Cost incurred by	Basis of cost	Costs incurred (£)
		Photocopying - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	
2	PwC		-
1	PwC	Postage	1,252.00
1	PwC	Bonding	225.00
Total			1,477.00

Tetrad

Category	Cost incurred by	Basis of cost	Costs incurred (£)
		Photocopying - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.	
2	PwC		204.00
1	PwC	Postage	575.00
1	PwC	Bonding	225.00
Total			1,004.00

Clinchplain

Category	Cost incurred by	Basis of cost	Costs incurred (£)
		<i>Photocopying - up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.</i>	
2	PwC		78.00
1	PwC	<i>Postage</i>	238.00
1	PwC	<i>Bonding</i>	225.00
Total			541.00

We will seek approval for Category 2 expenses as set out above in due course.

The tables below provide details of all the expenses incurred in the administrations:

BHL

Nature of expenses	Expenses incurred in this period	Estimated future	Anticipated total
Fixed charge			
Professional Fees	100.00	-	100.00
Post-appointment legal costs	-	120.00	120.00
Total fixed charge expenses	100.00	120.00	220.00
Floating charge			
Statutory advertising	52.00	-	52.00
Insurance	112.00	112.00	224.00
Joint Administrators' pre-appt fees	9,375.00	-	9,375.00
Pre-appointment legal costs	3,042.00	-	3,042.00
Post-appointment legal costs	-	-	-
Joint Administrators' post-appt disbursements	238.00	100.00	338.00
Total floating charge expenses	12,819.00	212.00	13,031.00
Total expenses	12,919.00	332.00	13,251.00

BGL

Nature of expenses	Expenses incurred in this period	Estimated future	Anticipated total
Fixed charge			
Professional Fees	100.00	-	100.00
Post-appointment legal costs	-	120.00	120.00
Total fixed charge expenses	100.00	120.00	220.00
Floating charge			
Statutory advertising	52.00	-	52.00
Insurance	672.00	672.00	1,344.00
Joint Administrators' pre-appt fees	9,375.00	-	9,375.00
Pre-appointment legal costs	3,042.00	-	3,042.00
Post-appointment legal costs	-	-	-
Joint Administrators' post-appt disbursements	551.00	100.00	651.00
Total floating charge expenses	13,692.00	772.00	14,464.00
Total expenses	13,792.00	892.00	14,684.00

Westbridge

Nature of expenses	Expenses incurred in this period	Estimated future	Anticipated total
Fixed charge			
Joint Administrators' post-appt disbursements	33.00	-	33.00
Total fixed charge expenses	33.00	-	33.00
Floating charge			
Professional Fees	1,412.00	-	1,412.00
Insurance	112.00	112.00	224.00
Joint Administrators' pre-appt fees	132,375.00	-	132,375.00
Pre-appointment legal costs	41,847.00	-	41,847.00
Post-appointment legal costs	12,007.16	-	12,007.16
Joint Administrators' post-appt disbursements	946.00	100.00	1,046.00
Pre-appointment agent costs	3,000.00	-	3,000.00
Total floating charge expenses	191,699.16	212.00	191,911.16
Total expenses	191,732.16	212.00	191,944.16

Belfield

Nature of expenses	Expenses incurred in this period	Estimated future	Anticipated total
Fixed charge			
Joint Administrators' post-appt disbursements	33.00	-	33.00
Total fixed charge expenses	33.00	-	33.00
Floating charge			
Professional Fees	1,112.00	-	1,112.00
Statutory advertising	52.00	-	52.00
Insurance	112.00	112.00	224.00
Joint Administrators' pre-appt fees	104,250.00	-	104,250.00
Pre-appointment legal costs	32,974.00	-	32,974.00
Post-appointment legal costs	2,350.00	-	2,350.00
Joint Administrators' post-appt disbursements	1,444.00	100.00	1,544.00
Pre-appointment agent costs	3,000.00	-	3,000.00
Total floating charge expenses	145,294.00	212.00	145,506.00
Total expenses	145,327.00	212.00	145,539.00

Tetrad

Nature of expenses	Expenses incurred in this period	Estimated future	Anticipated total
Fixed charge			
Joint Administrators' post-appt disbursements	33.00	-	33.00
Total fixed charge expenses	33.00	-	33.00
Floating charge			
Professional Fees	604.00	-	604.00
Statutory advertising	52.00	-	52.00
Insurance	112.00	112.00	224.00
Joint Administrators' pre-appt fees	56,625.00	-	56,625.00
Pre-appointment legal costs	17,949.00	-	17,949.00
Post-appointment legal costs	4,350.00	-	4,350.00
Joint Administrators' post-appt disbursements	971.00	100.00	1,071.00

Pre-appointment agent costs	3,000.00	-	3,000.00
Total floating charge expenses	83,663.00	212.00	83,875.00
Total expenses	83,696.00	212.00	83,908.00

Clinchplain

Nature of expenses	Expenses incurred in this period	Estimated future	Anticipated total
Floating charge			
Professional Fees	672.00	-	672.00
Statutory advertising	52.00	-	52.00
Insurance	112.00	112.00	224.00
Joint Administrators' pre-appt fees	63,000.00	-	63,000.00
Pre-appointment legal costs	19,960.00	-	19,960.00
Post-appointment legal costs	2,350.00	-	2,350.00
Joint Administrators' post-appt disbursements	541.00	100.00	641.00
Pre-appointment agent costs	3,000.00	-	3,000.00
Total expenses	89,687.00	212.00	89,899.00

Note that this expenses table does not provide an estimate for the ongoing costs associated with the LTO properties as these expenses are being met by the Buyers and are therefore not considered an expense of the administration.

Creditors will note from our Proposals that we sought approval for the Joint Administrators' pre-administration costs. These were approved by the Secured creditors and will be paid in the next reporting period.

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

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

Appendix C: Remuneration update

As stated in our Proposals we proposed that our fees will be fixed at a set amount for work performed during each administration. We will set these out within a specific remuneration report and seek the appropriate approvals from the required class of creditors (the Secured Creditors) in the next reporting period.

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

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Our work in the period

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

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury		
<ul style="list-style-type: none"> Carrying out bank reconciliations and managing receipts, payments, and journals; Liaised with banks regarding post-appointment account openings for all entities; Sorted and reconciled receipts of pre-appointment cash; and Corresponded with banks regarding sweep requests and account allocations. 	<ul style="list-style-type: none"> To ensure accurate financial records and proper management of estate funds 	<ul style="list-style-type: none"> To ensure orderly management and progression of the case and comply with statutory obligations
Assets		
<ul style="list-style-type: none"> Confirmed and documented cash sweep receipts; Drafted and sent correspondence to directors of subsidiaries regarding asset realisation (BHL & BGL); Reviewed insurance policy documents and approved payments; Chased client information on fixed assets and tax details; Updated asset sale positions and followed up on asset sales; Completing sale to the Buyer; Liaising with the evaluator to seek their opinion on the whether the Buyers could be considered as “connected persons” Dealing with post sale matters and assisting Buyer; and Managing the LTO accounts, requesting funds and reconciling the position. 	<ul style="list-style-type: none"> To maximise realisations for the benefit of creditors and ensure assets were dealt with appropriately 	<ul style="list-style-type: none"> To recover assets for the benefit of creditors and facilitate the best possible outcome for stakeholders
Creditors		
<ul style="list-style-type: none"> Setting up a dedicated website for delivery of initial and ongoing communications and reports; Receiving and following up creditor enquiries via telephone, email and post; Reviewing and preparing correspondence to creditors and their representatives; Liaising with HMRC regarding their claim; Notifying Secured creditors of appointment; and Distributing funds to the Secured creditor under their fixed charge. 	<ul style="list-style-type: none"> To keep creditors informed and facilitate the claims process 	<ul style="list-style-type: none"> To comply with statutory obligations and ensure transparency in the administration process
Employees and pensions		

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Transfer of 835 employees to the Buyer under TUPE; • Liaised with internal employee specialists and prepared employee communications; • Reviewed and liaised with the pension team for pension-related matters; and • Reviewed auto-enrolment positions and correspondence with Pension Protection Fund regarding scheme wind-ups. | <ul style="list-style-type: none"> • To ensure employee rights were protected and statutory obligations were met | <ul style="list-style-type: none"> • To comply with statutory obligations and mitigate preferential and unsecured claims |
|---|---|---|

Statutory and compliance

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Issued initial notifications and attended to statutory duties; • Corresponded with directors regarding the production of statements of affairs; • Drafting and reviewing a statement of Proposals to creditors including preparing receipts and payments accounts and statutory information; • Circulating notice of the Proposals to creditors, members and the Registrar of Companies; • Preparing decision notice and associated documentation; • Prepared and filed statutory documents and declarations; • Maintained compliance with the Insolvency Code of Ethics; • Updated Aryza and created file notes for administrations checks; • Held meetings and calls to discuss progress, tasks, and strategy; and • Reviewed books, records, and data information. | <ul style="list-style-type: none"> • To comply with statutory and regulatory obligations | <ul style="list-style-type: none"> • To comply with statutory obligations and ensure proper conduct of the administration |
|--|---|--|

Investigation

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Reviewed books and records information from company directors; • Identified potential de-facto directors and reviewed related letters; • Reviewed directors' questionnaires; • Preparation and review of SIP 2 filenote; • Summarised antecedent transactions and reviewed pre-appointment cash transactions; • Drafted responses to de facto director queries and completed CDDA reviews; and • Drafted intercompany assignment antecedent transaction reviews for all entities. | <ul style="list-style-type: none"> • To investigate the conduct of directors and identify potential recoveries for the benefit of creditors. • To comply with statutory investigation requirements | <ul style="list-style-type: none"> • To comply with statutory obligations and maximise potential recoveries for creditors |
|---|--|--|

Strategy and Planning

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Held frequent meetings with management and directors regarding administration planning; • Coordinated with legal advisors and secured creditors regarding sale and security releases; | <ul style="list-style-type: none"> • To ensure orderly management and progression of the case and to achieve the best outcome for creditors | <ul style="list-style-type: none"> • To ensure orderly management and progression of the case and comply with statutory obligations |
|--|--|--|

-
- Drafting, reviewing and finalising budgets;
 - Time cost analysis and weekly check-in calls; and
 - Updating progression tracker and allocating tasks.

Tax and VAT

- | | | |
|--|---|--|
| <ul style="list-style-type: none">• Liaised with HMRC regarding tax liabilities and potential refunds;• Reviewed and discussed tax positions and memos;• Confirmed VAT strategies with the VAT team;• Reviewed VAT group removal and de-registration confirmations; and• Summarised and discussed tax matters with management. | <ul style="list-style-type: none">• To ensure compliance with tax legislation and maximise potential recoveries | <ul style="list-style-type: none">• To comply with statutory obligations and potentially increase realisations for creditors |
|--|---|--|
-

Our future work

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

Work to be undertaken	What, if any, financial benefit will the work provide to creditors OR whether it is required by statute
Accounting and treasury	
<ul style="list-style-type: none"> Dealing with receipts, payments and journals; Carrying out bank reconciliations; and Closure of post appointment bank accounts. 	<ul style="list-style-type: none"> To ensure orderly management and progression of the case and comply with statutory obligations
Assets	
<ul style="list-style-type: none"> Investigate and pursue any potential recoveries from prepayments or tax refunds; and Finalising the LTOs and property workstreams. 	<ul style="list-style-type: none"> To recover assets for the benefit of creditors and to comply with statutory and regulatory obligations
Creditors	
<ul style="list-style-type: none"> Maintain ongoing communication with Secured, Preferential, and Unsecured creditors; and Respond to creditor queries and update records as claims are received. 	<ul style="list-style-type: none"> To comply with statutory obligations and ensure orderly management and progression of the case
Employees and Pensions	
<ul style="list-style-type: none"> Support employees with claims to the RPS for redundancy and other entitlements; and Address any outstanding pension matters and ensure compliance with relevant legislation. 	<ul style="list-style-type: none"> To comply with statutory obligations and facilitate the orderly wind down of employment matters
Statutory and compliance	
<ul style="list-style-type: none"> Preparing documents and information for the purpose of obtaining approval to fees, category 2 disbursements and other matters in the administrations; Preparing Joint Administrators' future progress/final reports; Consideration of and seeking approval from the Group's creditors to extend the administration appointments if appropriate; Filing appropriate notices to Companies House; Updating and maintaining permanent files that contains copies of all statutory documentation; Carrying out six monthly case reviews; Updating checklists and diary management systems; and Maintain case records and ensure compliance with insolvency legislation and best practice. 	<ul style="list-style-type: none"> To comply with statutory and regulatory obligations

Investigation	
<ul style="list-style-type: none"> Collection and review of remaining books and records. 	<ul style="list-style-type: none"> To comply with statutory and regulatory obligations
Strategy and Planning	
<ul style="list-style-type: none"> Hold regular meetings with management and stakeholders to review case strategy; Obtaining approval to fees, Category 2 disbursements and other matters in the administrations; and Monitoring costs and internal discussions regarding billing and allocations. 	<ul style="list-style-type: none"> To ensure orderly management and progression of the case and comply with statutory obligations
Tax and VAT	
<ul style="list-style-type: none"> Prepare and submit post-appointment corporation tax returns; Prepare and submit final VAT returns; Deregistering from VAT and submitting final VAT426 forms; and Liaise with HMRC regarding outstanding tax liabilities and potential refunds. 	<ul style="list-style-type: none"> To comply with statutory obligations and maximise returns to creditors where possible
Closure	
<ul style="list-style-type: none"> Completing checklists and diary management system; Closing down internal systems; Holding team calls and meetings on closure timetable; and Preparing and issuing final report. 	<ul style="list-style-type: none"> Required by statute. To ensure orderly case progression.

Our relationships

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

Details of subcontracted work

We have not instructed any subcontractors during the period of this report.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: Assisting with the transaction and the sale of the Companies' assets; Post-completion assistance; Assisting with the validity of appointment advice; Assisting with the change of legal names at Companies House; and Responding to ad-hoc queries as they arise in the administrations.	Addleshaw Goddard LLP	Industry knowledge	Time costs and disbursements: <ul style="list-style-type: none">• BF1 - £2,350• WDF1 - £10,950 plus £1,057.17 of disbursements• CPN1 - £2,350• TT1 - £4,350

Appendix D: Pre-administration costs

The following costs incurred before our appointment with a view to the Group's going into administration have been approved for payment by the relevant fee approving body (in this case the Secured creditors).

BF1 Realisations Limited

Nature of costs	Amount (£)
Pre- administration time costs incurred	119,319
Pre-appointment legal services - Addleshaw Goddard LLP	32,890
Disbursements- Addleshaw Goddard LLP	341
Pre-appointment asset valuation fees - Hilco Appraisal Limited	3,000
Total	155,550

BH1 Realisations Limited

Nature of costs	Amount (£)
Pre- administration time costs incurred	10,730
Pre-appointment legal services - Addleshaw Goddard LLP	2,958
Disbursements- Addleshaw Goddard LLP	341
Total	14,029

BG1 Realisations Limited

Nature of costs	Amount (£)
Pre- administration time costs incurred	10,730
Pre-appointment legal services - Addleshaw Goddard LLP	2,958
Disbursements- Addleshaw Goddard LLP	341
Total	14,029

CPN1 Realisations Limited

Nature of costs	Amount (£)
Pre- administration time costs incurred	72,106
Pre-appointment legal services - Addleshaw Goddard LLP	19,876

Disbursements- Addleshaw Goddard LLP	341
Pre-appointment asset valuation fees - Hilco Appraisal Limited	3,000
Total	95,323

TT1 Realisations Limited

Nature of costs	Amount (£)
Pre- administration time costs incurred	64,810
Pre-appointment legal services - Addleshaw Goddard LLP	17,865
Disbursements- Addleshaw Goddard LLP	341
Pre-appointment asset valuation fees - Hilco Appraisal Limited	3,000
Total	86,016

WFD1 Realisations Limited

Nature of costs	Amount (£)
Pre- administration time costs incurred	151,509
Pre-appointment legal services - Addleshaw Goddard LLP	41,763
Disbursements- Addleshaw Goddard LLP	341
Pre-appointment asset valuation fees - Hilco Appraisal Limited	3,000
Total	196,613

Please refer to the proposals for a full breakdown of the narrative for hours and pre-appointment work completed.

The unpaid pre-administration costs detailed above and as mentioned in Appendix B of the Joint Administrators' proposals dated 18 February 2025 are approved for payment as an expense of the administrations totalling £499,897 (excluding VAT) and apportioned across the aforementioned companies.

We have restricted PwC's pre-Administration costs to £375,000, AG's to £112,897 and Hilco to £12,000. Accordingly, we sought approval to pay total pre-appointment costs of £499,897 from floating charge assets. These will be paid shortly after the period end.

PricewaterhouseCoopers LLP

BF1 Realisations Limited	104,250
BH1 Realisations Limited	9,375
BG1 Realisations Limited	9,375
CPN1 Realisations Limited	63,000
TT1 Realisations Limited	56,625
WFD1 Realisations Limited	132,375

Addleshaw Goddard LLP

BF1 Realisations Limited	32,974
BH1 Realisations Limited	84
BG1 Realisations Limited	84
CPN1 Realisations Limited	19,960
TT1 Realisations Limited	17,949
WFD1 Realisations Limited	41,847

Hilco Valuations

BF1 Realisations Limited	3,000
CPN1 Realisations Limited	3,000
TT1 Realisations Limited	3,000
WFD1 Realisations Limited	3,000

Appendix E: Other information

Court details for the administration:	CR-2025-LDS-000130	CR-2025-LDS-000125	CR-2025-LDS-000131	CR-2025-LDS-000128	CR-2025-LDS-000127	CR-2025-LDS-000129
Company's registered name:	BH1 Realisations Limited (formerly Belfield Holdings Limited)	BG1 Realisations Limited (formerly Belfield Group Limited)	WFD1 Realisations Limited (formerly Westbridge Furniture Designs Limited)	BF1 Realisations Limited (formerly Belfield Furnishings Limited (t/a Belfield Leisure)	TT1 Realisations Limited (formerly Tetrad Limited)	CPN1 Realisations Limited (formerly Clinchplain Limited)
Trading name:	Belfield	Belfield	Belfield	Belfield	Belfield	Belfield
Registered number:	13322581	10061567	05149939	04416650	00936239	02299734
Registered address:	Hallam Fields Road, Ilkeston, England, DE7 4AZ	Hallam Fields Road, Ilkeston, England, DE7 4AZ	Hallam Fields Road, Ilkeston, England, DE7 4AZ	Hallam Fields Road, Ilkeston, England, DE7 4AZ	Hartford Mill, Swan Street, Preston, Lancashire, PR1 5PQ	Hallam Fields Road, Ilkeston, England, DE7 4AZ
Date of the Joint Administrators' appointment:	11 February 2025	11 February 2025	11 February 2025	11 February 2025	11 February 2025	11 February 2025
Joint Administrators' names, addresses and contact details:	<p>Sarah O'Toole - PricewaterhouseCoopers, 1 Hardman Square, Manchester, M3 3EB Edward Williams - PricewaterhouseCoopers, One Chamberlain Square, Birmingham B3 3AX</p> <p>Email - uk_belfield_creditors@pwc.com Telephone - 0113 289 4000</p>	<p>Sarah O'Toole - PricewaterhouseCoopers, 1 Hardman Square, Manchester, M3 3EB Edward Williams - PricewaterhouseCoopers, One Chamberlain Square, Birmingham B3 3AX</p> <p>Email - uk_belfield_creditors@pwc.com Telephone - 0113 289 4000</p>	<p>Sarah O'Toole - PricewaterhouseCoopers, 1 Hardman Square, Manchester, M3 3EB Edward Williams - PricewaterhouseCoopers, One Chamberlain Square, Birmingham B3 3AX</p> <p>Email - uk_westbridge_creditors@pwc.com Telephone - 0113 289 4000</p>	<p>Sarah O'Toole - PricewaterhouseCoopers, 1 Hardman Square, Manchester, M3 3EB Edward Williams - PricewaterhouseCoopers, One Chamberlain Square, Birmingham B3 3AX</p> <p>Email - uk_belfield_creditors@pwc.com Telephone - 0113 289 4000</p>	<p>Sarah O'Toole - PricewaterhouseCoopers, 1 Hardman Square, Manchester, M3 3EB Edward Williams - PricewaterhouseCoopers, One Chamberlain Square, Birmingham B3 3AX</p> <p>Email - uk_tetrad_creditors@pwc.com Telephone - 0113 289 4000</p>	<p>Sarah O'Toole - PricewaterhouseCoopers, 1 Hardman Square, Manchester, M3 3EB Edward Williams - PricewaterhouseCoopers, One Chamberlain Square, Birmingham B3 3AX</p> <p>Email - uk_clinchplain_creditors@pwc.com Telephone - 0113 289 4000</p>
Extension(s) to the initial period of appointment:	N/A	N/A	N/A	N/A	N/A	N/A

Appendix F: Evaluator Report



EVALUATOR'S REPORT

Pursuant to The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021

BH1 Realisations Limited (formerly Belfield Holdings Limited), BG1 Realisations Limited (formerly Belfield Group Limited), WFD1 Realisations Limited (formerly Westbridge Furniture Design Limited), BF1 Realisations Limited (formerly Belfield Furnishings Limited), TT1 Realisations Limited (formerly Tetrad Limited) and CPN1 Realisations Limited (formerly Clinchplain Limited) (The Belfield Group)

Date of Report: 9 April 2025

Prepared by:

Compass Evaluator Reports Limited, James House, Yew Tree Way,
Golborne, Warrington, WA3 3JD

Company Number 13288603

Kevin Murphy

kevin@compassevaluatorreports.co.uk



Contents & Abbreviations

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4. The Connected Person(s)
5. The Relevant Property
6. The Evaluator's Decision
7. Information Relied Upon
8. Previous Evaluator Reports

Appendices

- Appendix I Evaluator Bio

The following abbreviations or references are used in this report:

- | | |
|---------------------------|---|
| The Act: | The Insolvency Act 1986 (as amended) |
| The Regulations: | The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021. Unless otherwise stated, any reference to ‘Regulation’ within this document is a reference to this legislation. |
| The Companies: | BH1 Realisations Limited (formerly Belfield Holdings Limited), BG1 Realisations Limited (formerly Belfield Group Limited), WFD1 Realisations Limited (formerly Westbridge Furniture Design Limited), BF1 Realisations Limited (formerly Belfield Furnishings Limited), TT1 Realisations Limited (formerly Tetrad Limited) and CPN1 Realisations Limited (formerly Clinchplain Limited) (‘The Belfield Group’) |
| Substantial Disposal: | This has the meaning given to it in Regulation 3, i.e., a disposal, hiring out or sale to one or more Connected Persons during the period of 8 weeks beginning with the day on which the company enters administration of what is, in the administrator’s opinion, all or a substantial part of the company’s business or assets and includes a disposal which is effected by a series of transactions. |
| Relevant Property: | This means the property being disposed of, hired out or sold as part of the Substantial Disposal as defined in Regulation (See Section 5.) |
| Connected Person(s): | As defined in paragraph 60A (3) of Schedule B1 of the Act. (See Section 4.) |
| Appointed Administrators: | Sarah O’Toole and Edward Williams from PricewaterhouseCoopers LLP who are licenced Insolvency Practitioners, authorised and regulated by the ICAEW. |
| Valuation agents: | Jason Hall, Andrew Bibby and Ed Jeffrey from Hilco Valuation Services – an industry specialist valuation and asset realisation business – valued the Companies assets.

The valuation agents possess the requisite knowledge of the market for the type of asset being valued and the skills and understanding necessary to undertake the valuation competently. |

Purchaser(s):	TBG Furniture Limited (formerly Craft Group Holdings Limited), Westbridge Furniture Limited (formerly Craft (Westbridge) Limited), Belfield Leisure Limited (formerly Craft (Belfield) Limited), Tetrad Furniture Limited (formerly Craft (Tetrad) Limited) and Clinchplain Foam and Fibre Limited (formerly Craft (Clinchplain) Limited) ('The Craft Group').
Secured Creditors:	Northedge Capital LLP (Northedge), Clydesdale Bank PLC (Clydesdale), and Development Bank of Wales.
TUPE:	Transfer of Undertaking (Protection of Employment) Regulations 2006.

1. INTRODUCTION AND BACKGROUND

- 1.1. I, Kevin Murphy, Managing Director of Compass Evaluator Reports Limited, confirm that I meet the requirements for acting as an Evaluator specified in Part 3 of the Regulations.
- 1.2. This report has been requested by the Appointed Administrators following completion of the sale to the Purchasers. At the time of the transaction, it was understood that there was no connection between the Companies and the Purchasers, but it later transpired that the directors of the Companies were appointed as directors of the Purchaser group on the same day and as a result the Purchasers could be considered Connected Persons in relation to the Substantial Disposal of the Companies business and/or assets. The report would ordinarily be commissioned by the Purchaser, but in this instance the Purchaser has received advice to say that a report isn't believed to be necessary, therefore the report has been commissioned by the Appointed Administrators, in the interests of openness and full transparency, in the event that the transaction could be considered to fall within The Regulations.
- 1.3. I am required to give an opinion as to whether I am satisfied that the consideration to be provided for the Relevant Property and the grounds for the Substantial Disposal were reasonable in the circumstances.
- 1.4. The Belfield Group is the UK's largest white label manufacturer of home furnishings and one of Europe's largest manufacturers specialising in the wholesale and distribution of products including upholstered furniture, soft furnishings and curtains. It was established in 2002.
- 1.5. In 2016, Northedge, a private equity investor, completed a management buy-out of The Belfield Group. Following this, the Group went on to make a number of acquisitions. I am advised that the Belfield Group's financial performance has been significantly impacted by the market-wide slowdown, driven by the run-off of post pandemic demand, higher interest rates and consumer spending pressures. This has been compounded by a key customer (c20% of revenue) exiting the large furniture market in October 2024.
- 1.6. I am advised that the Belfield Group took various measures to deliver cost savings, in addition to securing replacement revenue and contract wins, however a significant peak funding requirement remained.
- 1.7. The Companies explored a number of refinancing and sale options, but none resulted in additional finance being made available. In addition, whilst shareholders and secured creditors indicated that they remained financially supportive, and had provided additional support in 2024, they were not in a position to provide the additional capital needed to address the forecast funding requirement. The Companies explored an M&A process to identify any solvent solutions, but whilst interest was expressed, no solvent offers were received due to the level of debt.
- 1.8. The Companies were unable to pay their liabilities as and when they fell due, and the directors placed the Companies into administration on 11 February 2025, at which time Sarah O'Toole and Edward Williams of PricewaterhouseCoopers LLP were Appointed as administrators.

- 1.9. On the same day the administrators completed a sale of the majority of the Companies business and assets to the Purchasers ('The Craft Group'). All entities of The Craft Group are affiliated with Blanford Capital LLP, (Blanford'), a UK-based private investment office.
- 1.10. At the time that the agreement was concluded, it was understood that the sale was to persons unconnected with the Companies, being Companies owned by Blanford. However, it has subsequently transpired that the directors of the Companies were also Appointed to the Purchaser group on the day of sale and as such, the transaction may now be considered to constitute a substantial disposal.
- 1.11. Based on the information provided to me about the sale, as concluded, I am required to determine whether I am satisfied that the consideration provided for the relevant property and the grounds for the substantial disposal were reasonable in the circumstances.

2. EXECUTIVE SUMMARY

- 2.1. I have formed the following opinion in this case:

CASE MADE

I **AM SATISFIED** that the consideration provided for the Relevant Property and the grounds for the Substantial Disposal were reasonable in the circumstances.

- 2.2. The factors considered in forming this opinion are detailed in full within my report at section 6.

3. THE REQUIREMENTS FOR ACTING AS EVALUATOR

- 3.1. I confirm that I meet the requirements for acting as an Evaluator set out in Part 3 of the Regulations.
- 3.2. I am satisfied that I have the relevant knowledge and experience required to act as Evaluator and I include a summary of my qualifications and experience at Appendix 1.
- 3.3. Given the comments in 1.2 and 1.10 above, the report has been commissioned by the Appointed Administrators who are aware of my qualifications, insurance and ability to act as an Evaluator.
- 3.4. I confirm that I meet the requirements of independence within Regulation 12, as follows:
 - I am not connected with the Companies.
 - I am not an associate of the Connected Person or connected with the Connected Person.
 - I do not know of or have reason to believe that I have a conflict of interest with respect to the Substantial Disposal.
 - I have not, at any time during the period of 12 months ending with the date on which this report is made provided advice to, and in respect of, the Companies or a Connected Person in relation to the Companies –
 - In connection with, or in anticipation of, the commencement of an insolvency procedure under Parts A1 to 5 of the Act, or
 - In relation to corporate rescue or restructuring.
- 3.5. I am not excluded from acting as an Evaluator for any of the reasons outlined in Regulation 13.
- 3.6. I confirm that I meet the requirements as to insurance specified in Regulation 11.
- 3.7. Details of the professional indemnity insurance for Compass Evaluator Reports Limited are as follows:

- Axa Insurance Plc.
- Policy number AC SPI 4331301.
- Expiry date 22 August 2025.
- Professional indemnity cover limit of £1,000,000 for any one claim.
- Risks covered: Misc Professional Indemnity breach of professional duty.
- Exclusions from cover: Misc to include Directors' and Officers' liabilities, deliberate acts and omissions, virus exclusion, dishonesty, and fraud. (Full details available on request.)

4. THE CONNECTED PERSON(S)

4.1. Based on available information, Connected Persons include the following:

Name of Connected Person	Nature of the connection
TBG Furniture Limited (formerly Craft Group Holdings Limited), Westbridge Furniture Limited (formerly Craft (Westbridge) Limited), Belfield Leisure Limited (formerly Craft (Belfield) Limited), Tetrad Furniture Limited (formerly Craft (Tetrad) Limited) and Clinchplain Foam and Fibre Limited (formerly Craft (Clinchplain) Limited)	Purchaser(s).
Thomas Graham Prestwich	Director of both the Purchasers and the Companies.
Jon Stewart Sharrock	Director of both the Purchasers and the Companies.

It is worthy of note that the majority owner of the Purchaser group has no previous connection with the Companies, and was identified through a marketing campaign, but the report has been requested by the Appointed Administrators as they became aware, post completion, that directors of the Companies had been appointed as directors of the Purchaser group on the day of the administration and sale.

5. THE RELEVANT PROPERTY

5.1. The assets that were sold are now considered to constitute a substantial disposal.

5.2. The Purchasers have acquired whatever right, title and interest the Companies have in the following assets:

- the Business Name
- the Business Rights
- the Customer Contracts
- the Goodwill
- the Intellectual Property
- the Plant
- the Transferred Records
- the Software
- the Stock

5.3. Total consideration is stated to be £1,000,000 payable upon completion for the assets of The Belfield Group.

5.4. In addition, the Purchaser has acquired the Companies book debts, and in doing so assumed the liability of c£8.3m, being the sums owed to Clydesdale under their invoice finance facility at the date of appointment.

5.5. In assuming the liability detailed at 5.4 above, the Purchasers have also reimbursed a sum of c£727K of employee costs which were paid pre appointment paid by the Companies via the Clydesdale facility.

5.6. The offer excludes cash at Bank and any assets relating to the 'home division' or 'retail division'.

6. THE EVALUATOR'S DECISION

6.1 In accordance with Regulation 7, I am satisfied that the consideration provided for the Relevant Property and the grounds for the Substantial Disposal were reasonable in the circumstances.

6.2 My principal reasons for this opinion are as follows:

- 6.2.1 The assets have been professionally valued by the valuation agents, who possess the requisite knowledge of the market for the type of asset being valued. The offer has been recommended for acceptance by the valuation agents. The valuation agents are recognised professionals in the industry and are regulated by the industry professional bodies.
- 6.2.2 The Appointed Administrators had been seeking to maximise realisations from the Companies assets prior to the date of Administration on 11 February 2025. The Appointed Administrators had carried out a marketing exercise in relation to the business and assets in accordance with the guidance issued in SIP 16. In the timescale available to the Appointed Administrators, necessitated by the Companies' financial position and the need to provide certainty to all stakeholders, an offer has been received from the Purchaser group which was considered the best achievable in the circumstances by the valuation agents and the Appointed Administrators.
- 6.2.3 The consideration offered for all the assets was in excess of the valuation agents' opinion of the market value of the assets on an ex-situ / cessation of trading basis, after taking into account the realisation and disposal costs in that scenario. The offer includes a significant payment for goodwill, which is unlikely to be achieved in a cessation of trade scenario. In the event of a piecemeal disposal of all assets, the net realisations from all categories of assets would be reduced. The proposed sale to the Purchaser group therefore provides for better realisations than would be the case on a break-up. Based on a review of the Appointed Administrators Estimated Outcome Statement, the deal with the Purchaser group provides a better outcome for the Secured and preferential creditors, as well as the employees and landlords.
- 6.2.4 The 835 employees associated with the businesses acquired will transfer under TUPE to the Purchasers, avoiding a significant claim (est £10m) against the National Insurance Fund.
- 6.2.5 The acquisition of the Companies interest in the debtor book has provided certainty of outcome at the outset for the Secured Creditor, Clydesdale, and mitigated any risk of later disputes or non-payment from customers. In a cessation of trading scenario, it is unlikely that Clydesdale would have recovered their position in full.
- 6.2.6 The Purchasers will continue to occupy the Companies operational sites in the process, look to mitigate a claim from the landlords in respect of rent and dilapidations.
- 6.2.7 The consideration is all payable on completion, mitigating any risk of non payment had there been a deferred element to the consideration.

- 6.2.8 The Purchaser group will be part of Blandford which is a UK-based private investment office, investing from a significant pool of committed capital, whose mandate is to invest in opportunities that could benefit from Blandford's access to capital and operational expertise.
- 6.2.9 I am advised that Blandford specialise in backing management teams to improve company performance through taking majority positions. Blandford was founded by three senior entrepreneurs and executives from the investment and turnaround community who have significant experience in investing in distressed businesses. I am advised that the Blandford skillset and ethos provides a powerful partnership tool for management teams and owners of investee companies and the Blandford team of dedicated investment professionals will devote significant time and resource to ensure successful transactions and outcomes.
- 6.2.10 Blandford have indicated that it will look to strengthen the operational and financial governance with the appointment of 3 Blandford partners to the boards of the Purchaser group Companies (as well as the Purchaser group having wider access to the Blandford team and network) and will look to ensure meetings are productive, forward thinking and support growth and innovation.
- 6.2.11 The Purchaser will have the benefit of a £2m facility (in addition to the continuation of an invoice finance facility with Clydesdale) to provide the funds necessary to meet the likely funding requirement and provide sufficient headroom going forward.
- 6.2.12 I offer no opinion on the viability of the Purchaser.

7. INFORMATION RELIED UPON

7.1. In forming my opinion, I have relied on my discussions with, and information provided by, the Connected Persons, the Appointed Administrators, and the valuation agents instructed by the Appointed Administrators. This includes the following:

- Valuation report from the agents
- Offer letter, including availability of funding
- Recommendation from the agents
- Company financial information
- Correspondence with the Appointed Administrators
- Teaser document
- Marketing summary report from the Proposed Administrators
- Estimated Outcome Statement
- SIP 16 statement
- File note re the purposes of the Administration
- Administrators Proposals dated 18 March 2025.
- Draft sale and purchase agreement
- Employee schedule and estimated TUPE liability
- The Website at thebelfieldgroup.com

7.2. I have also relied on information freely available in the public domain.

7.3. I have relied upon the accuracy of the information as provided to me in forming my opinion. I have not carried out an audit or other verification of the information received. The Appointed Administrators are licenced Insolvency Practitioners with legal duties and obligations to creditors and their regulatory body, as such the decision whether to enter into the sale was for them to determine. As such, I offer no opinion on the decision to enter into the sale.

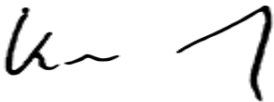
7.4. In addition to the sale of the business and assets, the Appointed Administrators have investigative powers available to them post appointment that may further enhance asset realisations.

7.5. The extent of my work is limited to providing the opinion specified in the Executive Summary.

8. PREVIOUS EVALUATOR REPORTS

8.1 Regulation 8 does not apply, as I am advised that no previous report exists in relation to this Substantial Disposal, and I have no reason to believe that this statement is incorrect.

**For and on behalf of
Compass Evaluator Reports Limited**

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

**Kevin Murphy
Evaluator**

Date: 9 April 2025

EVALUATOR BIO: KEVIN MURPHY

Before entering the insolvency profession, Kevin trained as a lawyer, undertaking a law degree (achieving a 2:1 classification) and successfully completing the Law Society's Final Exam. Kevin is a licensed Insolvency Practitioner (currently non-appointment-taking), with over 25 years of experience of dealing with a wide range of insolvency matters, including extensive experience of turnaround work, focusing on Company Voluntary Arrangements and Administration.

He has spent much of his career with a national firm of insolvency specialists, where he progressed to Director of Insolvency, heading up the firm's Administration Team in the Manchester Office. Responsible for many complex and challenging matters, Kevin developed practical skills in dealing with cases in an efficient, commercial, and pragmatic manner alongside the technical demands of compliance with regulation and legislation, to achieve the best outcome for stakeholders.

In more recent times, Kevin has utilised the extensive skill set developed because of his experience of turnaround and insolvency work in dealing with solvent acquisitions. Since 2017, Kevin has been an advisor to a buy and build acquisitions group.

Kevin is a member of the Turnaround and Management Association and R3, the Association of Business Recovery Professionals.

For more information, please visit <https://compassevaluatorreports.co.uk/>