

# Blue Group UK Group Properties Limited

Remuneration Report: Initial Information to creditors  
including Fees Estimate

8 September 2021

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# 1. Abbreviations and definitions

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

| Abbreviation or definition                  | Meaning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Alteri</b>                               | Alteri Partners LLP t/a Alteri Investors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Blue Group/the Group</b>                 | Blue Group UK Furniture Limited, Blue Group Hold Co Limited, Blue Group UK Beds Limited, Blue Group UK Manufacturing Limited, Blue Group UK Retail Limited, Blue Group UK Group Properties Limited, Formation Furniture Limited, Homestyle Group Operations Limited, Property Portfolio (No 1) Limited, Property Portfolio (No 2) Limited, Property Portfolio (No 8) Limited, Property Portfolio (No 11), Property Portfolio (No 14) Limited, Property Portfolio (No 15) Limited, Property Portfolio (No 17) Limited, Wellington Group Limited (formerly Relyon Group Limited), Wellington Realisations Limited (formerly Relyon Limited), Serais Investments Limited, Unitrans UK Limited, Unitrans Logistics (UK) Limited, Unitrans Limited |
| <b>The Company/BGUKGP</b>                   | Blue Group UK Group Properties Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>CJRS</b>                                 | Coronavirus Job Retention Scheme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>ERS</b>                                  | European Retail Solutions II Ltd, agents engaged to assist with Harveys stock disposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Firm / PwC</b>                           | PricewaterhouseCoopers LLP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>HMRC</b>                                 | HM Revenue & Customs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>IA86</b>                                 | Insolvency Act 1986                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>IR16</b>                                 | Insolvency (England and Wales) Rules 2016                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Joint Administrators / we / us / our</b> | Zelf Hussain, Peter David Dickens, Yulia Marshall                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>LTO</b>                                  | Licence to occupy leasehold premises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>NIC</b>                                  | National Insurance Contributions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>PAYE</b>                                 | Pay as you earn                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Preferential creditors</b>               | Creditors with claims for: <ol style="list-style-type: none"><li>1. unpaid wages for the whole or any part of the period of four months before 30 June 2020 (up to a maximum of £800);</li><li>2. accrued holiday pay for any period before 30 June 2020; and</li><li>3. unpaid pension contributions in certain circumstances.</li></ol>                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Pre-packaged sale</b>                    | The immediate sale of certain of the Blue Group business and assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Prescribed part</b>                      | The amount set aside for unsecured creditors from floating charge funds in accordance with Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Proposals</b>                            | Joint administrators' proposals for achieving the purpose of administration dated 8 July 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Purchaser</b>                            | Bensonsforbedsretail Limited, Bensonsforbedsmanufacturing Limited and BlueGroup Propco Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>RPS</b>                                  | Redundancy Payments Service (part of the Insolvency Service, an executive                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                            |                                                                                                                                                                                                                                                                      |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | agency of the Department for Business, Energy & Industrial Strategy)                                                                                                                                                                                                 |
| <b>Secured creditors</b>   | Creditors with security in respect of their debt, in accordance with Section 248 IA86. The only secured creditor of the Companies is Alteri.                                                                                                                         |
| <b>SIP</b>                 | Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply |
| <b>SIP 9</b>               | Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates                                                                                                                                                                       |
| <b>TUPE</b>                | Transfer of Undertakings (Protection of Employment) Regulations 2006                                                                                                                                                                                                 |
| <b>Unsecured creditors</b> | Creditors who are neither secured nor preferential                                                                                                                                                                                                                   |
| <b>VAT</b>                 | Value Added Tax                                                                                                                                                                                                                                                      |

Zelf Hussain, Peter David Dickens and Yulia Marshall have been appointed as Joint Administrators of Blue Group UK Group Properties Limited to manage its affairs, business and property as its agents and act without personal liability.

The Joint Administrators 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>

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

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## 2. Background

### 2.1 Purpose of this initial advice to creditors

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

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

Changes to insolvency legislation on 1 October 2015 also now require us to give all known creditors details of the work we expect to carry out during the case and the expenses that are likely to be incurred. Also, if our fees are proposed to include remuneration calculated on a time costs basis, we must provide an estimate of those fees. This report provides all this information and details of where further information can be obtained.

Creditors should refer to our proposals and progress reports for details of the background to the administration, our strategy and progress of the administration to date. All reports are available to download from [www.pwc.co.uk/bluegroup](http://www.pwc.co.uk/bluegroup). The information provided in previous reports is not repeated here unless it is necessary for the purposes of this report.

### 2.2 Action required by you

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

**Table 1 – Dividend prospects**

| <b>Class of creditor</b>      | <b>Forecast return</b> | <b>Timing</b> |
|-------------------------------|------------------------|---------------|
| <b>Secured creditor</b>       | 93 - 99p/£             | 6 - 12 months |
| <b>Preferential creditors</b> | N/A                    | N/A           |
| <b>Unsecured creditors</b>    | 2 - 3p/£               | 6 - 12 months |

We have stated in our Proposals that we believe there will be no funds to distribute to unsecured creditors, other than via the Prescribed part.

Therefore if no committee is appointed, the secured creditor has the responsibility for fixing the basis of our fees and Category 2 expenses (as defined in Section 4.1). We will seek such fee approval separately in due course.

This Remuneration Report is therefore for information purposes only and no action is required by the preferential or unsecured creditors.

## Creditors' rights

You can find information on administrators' fees and your rights at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

## 2.3 How fees are calculated

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

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

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

In this case we are proposing that our remuneration is on a time costs basis only, 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
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the administration.

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

Insolvency law says that in determining the basis of our remuneration, regard must be had to the following:

- The complexity (or otherwise) of the case;
- Any exceptional responsibility falling on us;
- The effectiveness with which we are carrying out, or to have carried out, our duties; and
- The value and nature of the property with which we have to deal.

## 2.4 Overview of the Administration including details of asset realisations

### Appointment of the Administrators

On 30 June 2020, the Group was placed into administration by its directors under Paragraph 22 Schedule B1 IA86 and (where required) with the consent of the Secured Creditor.

Zelf Hussain, Peter Dickens and Yulia Marshall were appointed as Joint Administrators of the Company.

### License to occupy

On appointment, the Joint Administrators granted the Purchasers a LTO for 126 properties within the portfolio for an initial period of 6 months to 29 December 2020, which was further extended by two 3 month periods which were to run until 29 June 2021. The LTO for the remaining properties, which was due to expire on 29 June 2021, has been formally extended for a further period of 6 months.

Just under 50% of these properties relate to BGUKGP. Further details can be found in our Proposals and previous progress reports.

### **Progress since our appointment**

Further details in relation to the history of the Group, the reasons for the Group being placed into administration and details of work carried out since our appointment can be found in the Proposals dated 8 July 2020, our first progress report dated 27 January 2021 and our most recent progress report dated 23 July 2021.

All of these documents can be found on our website [www.pwc.co.uk/bluegroup](http://www.pwc.co.uk/bluegroup). Please get in touch with us at [uk\\_bluegroup\\_creditors@pwc.com](mailto:uk_bluegroup_creditors@pwc.com) if you need any of the passwords to access the reports.

### **Work streams undertaken since our appointment**

Since our appointment the main work streams undertaken in relation to BGUKGP have been as follows:

- Dealing with 126 properties under the LTO
- Instructing agents to conduct property reviews
- Recovering sundry assets and refunds
- Review and recovery of intercompany claims
- Discharging our statutory obligations, such as reporting to creditors, and dealing with the Company's VAT and tax affairs

# 3. Our fees estimate

## 3.1 Summary

This section provides the following information:

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

The total amount of our fees estimate is £1,434,377. The following tables summarise our anticipated time costs and then provide more detail on each area of work. Time costs are shown at the hourly rates set out later. We also explain (given the circumstances of this case) why there are reasons that we do not expect to draw these time costs in full.

In the period since our appointment to 30 July 2021, we have incurred time costs of £1,225,810 representing 86% of the fees estimate.

**Table 2 – Time costs**

| <b>Category of work</b>              | <b>Hours</b> | <b>Fees estimate (£k)</b> | <b>Average hourly rate (£/hour)</b> | <b>Hours incurred to 30 July 2021</b> | <b>Time costs incurred to 30 July 2021 (£)</b> | <b>Average hourly rate for time costs incurred to 30 July 2021 (£/hour)</b> |
|--------------------------------------|--------------|---------------------------|-------------------------------------|---------------------------------------|------------------------------------------------|-----------------------------------------------------------------------------|
| <b>Accounting &amp; Treasury</b>     | 224          | 83,525                    | 372                                 | 173                                   | 64,008                                         | 362                                                                         |
| <b>Assets</b>                        | 4,230        | 1,000,152                 | 236                                 | 4,185                                 | 981,158                                        | 223                                                                         |
| <b>Creditors</b>                     | 439          | 123,847                   | 282                                 | 76                                    | 13,198                                         | 173                                                                         |
| <b>Investigations</b>                | 15           | 8,243                     | 550                                 | 15                                    | 8,243                                          | 556                                                                         |
| <b>Statutory and compliance</b>      | 146          | 59,334                    | 407                                 | 74                                    | 29,359                                         | 397                                                                         |
| <b>Strategy and Planning</b>         | 124          | 57,649                    | 465                                 | 109                                   | 50,369                                         | 464                                                                         |
| <b>Tax and VAT</b>                   | 105          | 54,744                    | 521                                 | 64                                    | 32,631                                         | 512                                                                         |
| <b>Trading</b>                       | 121          | 46,844                    | 387                                 | 121                                   | 46,844                                         | 388                                                                         |
| <b>Total hours and fees estimate</b> | <b>5,404</b> | <b>1,434,337</b>          |                                     | <b>4,817</b>                          | <b>1,225,810</b>                               |                                                                             |



Our total remuneration cannot exceed the total amount of this fees estimate without prior consent from the fee approving body.

The above table provides an estimate of the anticipated time likely to be required on the various areas of work and in future reports we will provide an update by reference to actual costs incurred. To facilitate such a comparison, we are likely to report costs on the same basis and using our normal rates.

However, in the circumstances of this case, we do not expect to draw these costs in full as we may agree with the fee approving body to limit the amount we draw to reflect the changing circumstances of the case.

## 3.2 Work we propose to undertake

The following table provides details of the work we propose to do (indicated by →), have already done (✓) or which is in progress (□). It provides a brief summary for each category rather than an exhaustive list of all possible tasks. The fees estimate for each category is also shown, together with costs incurred to 30 July 2021.

**Table 3 – Work we propose to do**

| Category of work                                                                                            | General description | Work included                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | What, if any, financial benefit the work provided to creditors OR whether it was required by statute                                                                                                         |
|-------------------------------------------------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assets</b><br>Estimate:<br>4,230 hours<br>£1,000,152<br><br>Incurred to date:<br>4,185 hours<br>£981,158 | Sale of business    | <ul style="list-style-type: none"> <li>Preparing an information memorandum ✓</li> <li>Liaising with purchasers and solicitors ✓</li> <li>Holding internal meetings to discuss/review offers received ✓</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Direct benefit to creditors through payment of distributions and provision of information.</li> </ul>                                                                 |
|                                                                                                             | Property            | <ul style="list-style-type: none"> <li>Carrying out title searches and securing relevant property records ✓</li> <li>Securing possession of property ✓</li> <li>Collect Licence fees from Purchaser and pay ongoing rent from appointment and reconciling figures to ascertain any shortfalls in funding □</li> <li>Deal with ongoing property matters as they arise including queries and legal disputes □</li> <li>Liaising with valuers, agents and landlords to seek surrenders of leases □</li> <li>Pay rent, service charges and insurance as appropriate □</li> <li>Liaising with solicitors regarding the novation of leases</li> <li>Liaising with Landlords to ensure receipt of Tax invoices □</li> </ul> | <ul style="list-style-type: none"> <li>Efficient management of the property portfolio will mitigate any claims against the administrations, resulting in a potential greater return to creditors.</li> </ul> |
|                                                                                                             | Insurance           | <ul style="list-style-type: none"> <li>Identifying potential issues requiring attention of insurance specialists ✓</li> <li>Reviewing insurance policies ✓</li> <li>Corresponding with insurer regarding initial and ongoing insurance requirements □</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Direct benefit to creditors by mitigating any potential risk and associated costs an enhanced asset realisations in the administration</li> </ul>                     |

|                                                                                                                    |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                    | Third party assets | <ul style="list-style-type: none"> <li>● Reviewing leasing documents ✓</li> <li>● Liaising with owners/lessors ✓</li> <li>● Carrying out tasks associated with disclaiming leases ✓</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>● Direct benefit to creditors by enhanced asset realisations in the administration</li> </ul>           |
| <p><b>Creditors</b><br/>Estimate:<br/>439 hours<br/>£123,847</p> <p>Incurred to date:<br/>76 hours<br/>£13,198</p> | Creditor enquiries | <ul style="list-style-type: none"> <li>● Setting up a dedicated website for delivery of initial and ongoing communications and reports ✓</li> <li>● Receiving and following up creditor enquiries via telephone, email and post □</li> <li>● Reviewing and preparing correspondence to creditors and their representatives □</li> <li>● Receipting and filing proofs of debt when not related to a dividend □</li> </ul>                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>● Direct benefit to creditors through payment of distributions and provision of information.</li> </ul> |
|                                                                                                                    | Secured creditors  | <ul style="list-style-type: none"> <li>● Notifying secured creditors of appointment ✓</li> <li>● Preparing reports to secured creditor □</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>● Direct benefit to creditors through payment of distributions and provision of information.</li> </ul> |
|                                                                                                                    | Unsecured claims   | <ul style="list-style-type: none"> <li>● Dealing with proofs of debt for dividend purposes →</li> <li>● Preparing correspondence to potential creditors inviting lodgment of proof of debt □</li> <li>● Receiving proofs of debt and maintaining register □</li> <li>● Adjudicating claims, including requesting further information from claimants →</li> <li>● Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend →</li> <li>● Advertising intention to declare dividend →</li> <li>● Calculating dividend rate and preparing dividend file →</li> <li>● Preparing correspondence to creditors announcing declaration of dividend →</li> <li>● Preparing and paying distribution →</li> </ul> | <ul style="list-style-type: none"> <li>● Direct benefit to creditors through payment of distributions and provision of information.</li> </ul> |
| <p><b>Trading</b><br/>Estimate:<br/>121 hours<br/>£46,844</p> <p>Incurred to date:<br/>121 hours<br/>£46,844</p>   | Trading management | <ul style="list-style-type: none"> <li>● Liaising with management and staff ✓</li> <li>● Attending on site ✓</li> <li>● Reviewing company's budgets and financial statements ✓</li> <li>● Preparing budgets and financial reports ✓</li> <li>● Holding meetings to discuss trading position ✓</li> <li>● Arranging store closures ✓</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>● Benefit to creditors in relation to potential enhanced asset realisation.</li> </ul>                  |

|                                          |                                            |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                              |
|------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | Processing receipts and payments           | <ul style="list-style-type: none"> <li>Entering receipts and payments into accounting system. ✓</li> </ul>                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>No direct benefit, however, the work is necessary to ensure the correct management of the estate accounts.</li> </ul> |
| <b>Investigations</b>                    | Conducting investigations                  | <ul style="list-style-type: none"> <li>Collecting company books and records where related to investigatory work ✓</li> <li>Reviewing books and records ✓</li> <li>Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills ✓</li> </ul>                                                                                                     | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                              |
| Estimate:<br>15 hours<br>£8,243          |                                            |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                              |
| Incurred to date:<br>14 hours<br>£8,243  |                                            |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                              |
| <b>Statutory and compliance</b>          | Initial letters and notifications          | <ul style="list-style-type: none"> <li>Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment ✓</li> </ul>                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                              |
| Estimate:<br>146 hours<br>£59,334        |                                            |                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                              |
| Incurred to date:<br>74 hours<br>£29,359 | Remuneration report                        | <ul style="list-style-type: none"> <li>Preparing and circulating to creditors a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred. □</li> </ul>                                                                                                                                                    | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                              |
|                                          | Case reviews                               | <ul style="list-style-type: none"> <li>Conducting case reviews after the first month, then every six months □</li> </ul>                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                              |
|                                          | Proposals and initial meeting of creditors | <ul style="list-style-type: none"> <li>Drafting and reviewing a statement of proposals to creditors including preparing receipts and payments accounts and statutory information. ✓</li> <li>Circulating notice of the proposals to creditors, members and the Registrar of Companies. ✓</li> <li>Preparing minutes of meeting and issuing a report on the outcome to creditors ✓</li> </ul> | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                              |
|                                          | Progress reports and extensions            | <ul style="list-style-type: none"> <li>Preparing and issuing periodic progress reports to creditors and the Registrar □</li> <li>Making applications to creditors or court for the extension of the administration and filing relevant notices ✓</li> </ul>                                                                                                                                  | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                              |
|                                          | Other meetings / resolutions               | <ul style="list-style-type: none"> <li>Preparing documents and information for the purpose of obtaining approval to fees, Category 2 expenses and other matters in the administration ✓</li> <li>Issuing notices and associated documentation for seeking decisions of creditors ✓</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                              |

|                                                                                                              |                                |                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                              | Books and records              | <ul style="list-style-type: none"> <li>Collecting company's books and records where not related to investigatory work ✓</li> <li>Dealing with records in storage □</li> <li>Sending job files to storage →</li> </ul>                                                                                                                        | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                                  |
|                                                                                                              | Other statutory and compliance | <ul style="list-style-type: none"> <li>Filing of documents □</li> <li>Updating checklists and diary management system □</li> </ul>                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                                  |
| <b>Tax &amp; VAT</b><br>Estimate:<br>105 hours<br>£54,744<br><br>Incurred to date:<br>64 hours<br>£32,631    | Tax                            | <ul style="list-style-type: none"> <li>Gathering information for the initial tax review ✓</li> <li>Carrying out tax review and subsequent enquiries ✓</li> <li>Preparing tax computations □</li> <li>Seeking tax clearance when appropriate →</li> <li>Liaising with HMRC □</li> </ul>                                                       | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                                  |
|                                                                                                              | VAT                            | <ul style="list-style-type: none"> <li>Gathering information for the initial VAT review ✓</li> <li>Carrying out VAT review and subsequent enquiries ✓</li> <li>Preparing VAT returns □</li> <li>Liaising with HMRC □</li> </ul>                                                                                                              | <ul style="list-style-type: none"> <li>No direct benefit but is required by statute.</li> </ul>                                                                  |
| <b>Administration</b><br>Estimate:<br>348 hours<br>141,174<br><br>Incurred to date:<br>282 hours<br>£114,377 | Strategy and planning          | <ul style="list-style-type: none"> <li>Completing tasks relating to job acceptance ✓</li> <li>Monitoring fee budgets &amp; costs □</li> <li>Holding team meetings not relating to trading and discussions regarding status of administration □</li> </ul>                                                                                    | <ul style="list-style-type: none"> <li>No direct financial benefit, however the work is necessary to ensure correct management of the administration.</li> </ul> |
|                                                                                                              | Accounting and treasury        | <ul style="list-style-type: none"> <li>Opening and closing bank accounts and arranging facilities ✓</li> <li>Dealing with receipts, payments and journals not relating to trading □</li> <li>Carrying out bank reconciliations and managing investment of funds □</li> <li>Corresponding with bank regarding specific transfers □</li> </ul> | <ul style="list-style-type: none"> <li>No direct financial benefit, however the work is necessary to ensure correct management of the administration.</li> </ul> |
|                                                                                                              | Closure procedures             | <ul style="list-style-type: none"> <li>Withdrawing undertakings not relating to trading and obtaining clearances from third parties →</li> <li>Completing checklists and diary management system →</li> <li>Closing down internal systems →</li> </ul>                                                                                       | <ul style="list-style-type: none"> <li>No direct financial benefit, however the work is necessary to ensure correct closure of the administration.</li> </ul>    |

Included in the above table are tasks that we must perform that may not directly benefit creditors financially. These typically relate to fulfilling obligations imposed by statute or regulatory bodies.

Other work in the table above including, but not limited to, assets, trading and creditors may be of a financial benefit to creditors due to enhanced asset realisation and subsequent payment of distributions.

### 3.3 Our time charging policy and hourly rates

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

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

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

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

Specialist departments with our firm, such as Tax, VAT, Property and Pensions are also used where their expert advice and services are required. Such specialist rates do vary but the figures below provide an indication of the maximum rate per hour.

**Table 4 – Charge-out rates**

| <b>Grade</b>                 | <b>From 1 July<br/>2019<br/>£/hr</b> | <b>From 1 July<br/>2020<br/>£/hr</b> | <b>From 1 July<br/>2021<br/>£/hr</b> | <b>Specialist<br/>maximum rate per<br/>hour<br/>(£)</b> |
|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------------------------|
| <b>Partner</b>               | 690                                  | 850                                  | 875                                  | 1,230                                                   |
| <b>Director</b>              | 595                                  | 720                                  | 740                                  | 1,000                                                   |
| <b>Senior Manager</b>        | 515                                  | 585                                  | 625                                  | 890                                                     |
| <b>Manager</b>               | 405                                  | 475                                  | 525                                  | 675                                                     |
| <b>Senior Associate</b>      | 310                                  | 390                                  | 425                                  | 530                                                     |
| <b>Associate</b>             | 210                                  | 245                                  | 280                                  | 320                                                     |
| <b>Offshore Professional</b> | n/a                                  | 245                                  | 280                                  | N/A                                                     |
| <b>Support staff</b>         | 120                                  | 125                                  | 130                                  | 145                                                     |

In common with all professional firms, hourly rates increase from time to time over the period of the administration (for example to cover annual inflationary cost increases). Any material amendments to these rates will be advised to the fee approving body when seeking fee approval, and to creditors in our next statutory report.

## 3.4 Roles and grades of staff

The following descriptions of each grade of standard staff are a general guide only. From time to time there may be persons working on this assignment who, because of their skills and experience, are employed in positions where they may not necessarily meet all of these qualifications.

| <b>Title</b>                  | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Partner</b>                | A licensed insolvency practitioner with extensive experience of insolvencies. A partner in PwC and senior member of management with ultimate responsibility (along with joint appointees) for the conduct of the insolvency and decisions on a case. If not an office-holder in relation to the appointment (usually only on large and complex appointments), may be qualified to accept appointments in their own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills.                                 |
| <b>Director</b>               | Individuals highly experienced in insolvency matters at a senior level, including managing complex insolvencies and supervising teams. Usually a licensed insolvency practitioner and an office-holder in relation to the appointment with similar decision-making responsibilities. If not an office-holder in relation to the appointment (usually only on large and complex appointments), may be qualified to accept appointments in their own right. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills. |
| <b>Senior Manager</b>         | Experienced in insolvency matters with strong technical knowledge and commercial skills. Capable of supervising teams, often with a project management role on larger cases and/or responsibility for complex aspects of larger matters. Alternatively, may have specialist business or industry skills, and management experience at a senior level, or a combination of skills. Grades of Senior Manager and below have delegated authority to make decisions on behalf of the appointed office-holders in certain aspects of a case.                                                            |
| <b>Manager</b>                | Experienced in insolvency matters with well-developed technical and commercial skills. Capable of supervising smaller teams, and can take day-to-day responsibility for smaller to medium matters, or aspects of more complex matters. Alternatively, may have management, business, or industry skills, or a combination of skills.                                                                                                                                                                                                                                                               |
| <b>Senior Associate</b>       | Generally has an insolvency qualification or accounting qualification. Assists with planning and control of various aspects of the insolvency, but is primarily responsible for completing fieldwork and/or compliance related matters under the supervision of more senior staff.                                                                                                                                                                                                                                                                                                                 |
| <b>Associate</b>              | Has appropriate skills to provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. Often a part-qualified accountant or works regularly on insolvency matters.                                                                                                                                                                                                                                                                                                                                          |
| <b>Offshore professionals</b> | Generally a qualified or trainee accountant, depending on the nature of the work. Assists with planning and control of various aspects of the insolvency, but is primarily responsible for completing office work under the supervision of more senior staff.                                                                                                                                                                                                                                                                                                                                      |
| <b>Support staff</b>          | Has appropriate skills to provide administrative support to the team.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## 3.5 Further approval

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

Our fees estimate is based on a number of assumptions, which are explained in Section 7. In broad terms and in our experience, the key issues likely to affect the level of costs are the:

- Availability and quality of the books and records;
- Level of co-operation received, for example: from employees, and continuity of key staff;
- Duration of ongoing trading which requires more supervision and control;
- Level of interest in the assets and speed of any sale;
- Support from external stakeholders, including landlords and suppliers; and

- Any changes to our strategy that might be necessary as a result of the above.

We do not think we will need to seek further approval. In our periodic progress reports, we will keep creditors updated on how our fees are comparing to the fees estimate. If fees are likely to exceed this fees estimate we will need further approval to draw those fees.

## 3.6 Resolutions to be put to the secured creditors

A set of resolutions will be put for decision by the secured creditors of the Company. The resolutions we intend to put and the reasons for these are set out below:

| Resolution                                                                                                                                                                                                                                                                                                                            | Reasons for resolution                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. That no committee of creditors be established.                                                                                                                                                                                                                                                                                     | <i>Insolvency law says that we must ask creditors if they would like a committee to be formed at any time a decision procedure is used in administration.</i>                                              |
| And if no committee is formed, the following resolutions:                                                                                                                                                                                                                                                                             | <i>Under Insolvency law, a committee has responsibility for dealing with the following resolutions, but if no committee is formed, then it is for the creditors to decide instead</i>                      |
| 2. That the basis of the administrators' fees be on a time costs basis.                                                                                                                                                                                                                                                               | <i>This sets the basis for the administrators' fees as explained above</i>                                                                                                                                 |
| 3. That the costs shared across the group are split as follows:                                                                                                                                                                                                                                                                       | <i>SIP 9 states that we must seek creditors approval for all expenses which have an element of shared costs.</i>                                                                                           |
| Statutory advertising - split equally between the companies within the Group (4.55% per company)                                                                                                                                                                                                                                      |                                                                                                                                                                                                            |
| 4. That the following basis for charging category 2 expenses be approved:<br>Photocopying - at up to 10 pence per side copied<br>Mileage - At a maximum of:<br>- petrol/diesel/hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)<br>- full electric - 72 pence per mile<br>- bicycle - 12 pence per mile | <i>Regulation means that we need to obtain approval for the payment of certain expenses. We set out further information on this in section 4.1</i>                                                         |
| 5. That the Administrators' pre-administration expenses of £27,995, as set out in our Proposals and in Section 6 of the remuneration report, be authorised to be paid as an expense of the administration.                                                                                                                            | <i>This authorises the payment of the administrators' pre-administration legal and agents' costs (as set out in section 6) and approves the proportions in which these are recovered from the Company.</i> |

# 4. Expenses

## 4.1 What is an expense?

Expenses are amounts properly payable by the office holder from the estate but exclude our fees and dividends to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. They fall into two categories: Category 1 and Category 2:

| Expenses          | SIP9 definition                                                                                                       |
|-------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Category 1</b> | Payments to persons providing the service to which the expense relates who are not an associate of the office holder. |
| <b>Category 2</b> | Payments to associates or which have an element of shared costs.                                                      |

We don't need approval from creditors to pay 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 have the responsibility for agreeing the policies for payment of Category 2 expenses.

The table below shows the Category 2 expenses that we think will be incurred in relation to this administration and our proposed policy for recovering these costs:

|                                   |                                                                                                                                                                                                                                                             |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Photocopying</b>               | At up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.                                                                                                                                                          |
| <b>Mileage</b>                    | Mileage - At a maximum of: <ul style="list-style-type: none"><li>- petrol/diesel/hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)</li><li>- full electric - 72 pence per mile</li><li>- bicycle - 12 pence per mile</li></ul> |
| <b>Associates or shared costs</b> | Statutory advertising: Split equally between the companies within the Group to which advertising applies.                                                                                                                                                   |

Our firm's disbursements policy allows for all properly incurred expenses to be recharged to the case.

We provide details of the disbursements incurred by our firm to date in the tables below:

| Category | Cost incurred by | Policy NB: where approved, ensure that the photocopying and mileage rates match the rates that were approved by creditors when the fee basis was fixed | Costs incurred £ |
|----------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 2        | PwC              | Photocopying/ Printing - at up to 10 pence per side copied, only charged for circulars to creditors and other bulk copying.                            | 5.38             |
| 1        | PwC              | Bordereau fees                                                                                                                                         | 225.00           |
| 1        | PwC              | Postage and courier fees                                                                                                                               | 12.02            |
| 1        | PwC              | Archiving costs                                                                                                                                        | 2,884.06         |
|          |                  | <b>Total</b>                                                                                                                                           | <b>3,126.46</b>  |



## 4.2 Our expenses estimate

The following table shows expenses incurred to date and an estimate of further expenses we consider will be (or are likely to be) incurred.

The total expenses estimate for the cases is £120,619.

The estimate excludes any potential tax liabilities that may be payable as an expense of the administrations in due course because amounts due will depend on the position at the end of the tax accounting period.

Our expenses estimate includes pre-administration costs that (if approved) would be payable as an expense of the administrations and which were explained in more detail in our Proposals dated 8 July 2020. Whilst pre-administration costs are subject to approval in the same manner as our remuneration, they do not form part of our remuneration in relation to our work as administrators following our appointment.

**Table 5 – Expenses estimate**

| <b>Nature of expense</b>           | <b>Incurred to date<br/>£</b> | <b>Paid to date<br/>£</b> | <b>Estimate of future<br/>expenses<br/>£</b> | <b>Total</b>  |
|------------------------------------|-------------------------------|---------------------------|----------------------------------------------|---------------|
| Trading expenses                   | <b>73,265</b>                 | <b>73,265</b>             | -                                            | <b>73,265</b> |
| Suppliers                          | 48,605                        | 48,605                    | -                                            | 48,605        |
| Storage costs                      | 14,240                        | 14,240                    | -                                            | 14,240        |
| Bank charges                       | 180                           | 180                       | -                                            | 180           |
| Professional fees                  | 1,440                         | 1,440                     | -                                            | 1,440         |
| Legal fees                         | 8,800                         | 8,800                     | -                                            | 8,800         |
| <b>Other expenses</b>              | <b>80,543</b>                 | <b>49,421</b>             | <b>19,876</b>                                | <b>74,306</b> |
| Insurance                          | 4,675                         | 4,675                     | 1,000                                        | 5,675         |
| Office costs, Stationery & Postage | 642                           | 642                       | -                                            | 642           |
| Finance / Bank interest & charges  | 90                            | 90                        | 500                                          | 590           |
| <b>Legal costs</b>                 |                               |                           |                                              | -             |
| Shoosmiths pre appointment costs   | 23,876                        | -                         | -                                            | 23,876        |
| Shoosmiths                         | 16,461                        | 16,461                    | 10,000                                       | 26,461        |
| BDO pre appointment costs          | 3,706                         | -                         | -                                            | 3,706         |
| <b>Agents' costs</b>               |                               |                           |                                              | -             |
| Hilco pre appointment costs        | 413                           | -                         | -                                            | 413           |
| Hilco                              | 1,440                         | 1,440                     |                                              | 1,440         |
| Capa                               | 26,113                        | 26,113                    | Uncertain                                    | Uncertain     |
| Brownlow Utilities                 | -                             | -                         | Uncertain                                    | Uncertain     |
| PHD Property Advisory Limited      | -                             | -                         | Uncertain                                    | Uncertain     |
| <b>Disbursements</b>               |                               |                           |                                              | -             |
| Photocopying and printing          | 5                             | -                         | 1,050                                        | 1,055         |
| Storage costs                      | 2,884                         | -                         | 4,326                                        | 7,210         |
| Bordereau fees                     | 225                           | -                         | -                                            | 225           |
| Postage and courier costs          | 12                            | -                         | 3,000                                        | 3,012         |

Where amounts are listed as uncertain, this is because future costs are dependent upon additional realisations and savings for the administration.

# 5. Professionals and subcontractors

**Table 6 – Professionals and subcontractors**

| Service provided                                                                                                                  | Name of firm                                                                                                              | Reason selected                                                                                                                                               | Basis of fees                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal services, including:</b><br>Appointment related matters;<br>Sale of business contracts; and<br>property related matters. | <ul style="list-style-type: none"> <li>Shoosmiths LLP</li> </ul>                                                          | <ul style="list-style-type: none"> <li>Industry expertise</li> </ul>                                                                                          | Time costs and disbursements                                                                                                                                                                   |
| <b>Property agents and others</b>                                                                                                 | <ul style="list-style-type: none"> <li>Capa Property Ltd</li> <li>Brownlow Utilities Ltd</li> </ul>                       | <ul style="list-style-type: none"> <li>Industry specialists and/or with prior knowledge of the property portfolios</li> </ul>                                 | Contingent fee based on cost savings and/or asset realisations                                                                                                                                 |
| <b>Subcontractors and others</b>                                                                                                  | <ul style="list-style-type: none"> <li>European Retail Solutions II Ltd</li> <li>PHD Property Advisory Limited</li> </ul> | <ul style="list-style-type: none"> <li>Retail trading specialists approved by the secured creditor</li> <li>Property management related to the LtO</li> </ul> | Part fixed and part contingent fee based on an administration trading surplus<br><br>Costs of £125 per property for monthly management and £400 flat fee for dealing with property completions |

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- comparison with upfront budgets;
- review of time costs analysis;
- review of disbursements claimed; and
- ongoing dialogue with regards to the work being performed

You will note from the above table we have subcontracted oversight of retail trading operations to European Retail Solutions II Ltd and the administration of property matters relating to the LtO to PHD Property Advisory Limited. In the circumstances of this case, both are able to carry out the required work in a more cost efficient manner than the Joint Administrators would be able to, resulting in lower costs to the administration estate. Details of fee arrangements are shown in the table above.

## 6. Pre-administration costs

The pre-administration expenses for which we are seeking approval are shown in the following table. Note that these amounts form part of the total figures shown in the Proposals, which are for the Group as a whole.

| <b>Firm</b>    | <b>Service provided</b>                                                                                                                                                                                                                                                                                                                                                                          | <b>Unpaid amount<br/>(£)</b> | <b>Paid amount<br/>(£)</b> |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------|
| Shoosmiths LLP | Legal services: <ul style="list-style-type: none"> <li>• Contract work on the pre-pack sale;</li> <li>• Contingency planning for administration;</li> <li>• Providing advice on applications for vehicle operators licences;</li> <li>• Preparation and advice on non-disclosure agreement for potential sale; and,</li> <li>• Advice regarding miscellaneous administration matters.</li> </ul> | 23,876                       | -                          |
| BDO            | <ul style="list-style-type: none"> <li>• Sale and marketing process</li> </ul>                                                                                                                                                                                                                                                                                                                   | 3,706                        | -                          |
| Hilco          | <ul style="list-style-type: none"> <li>• Asset valuation services as described in our SIP16 report</li> </ul>                                                                                                                                                                                                                                                                                    | 413                          | -                          |
| <b>Total</b>   |                                                                                                                                                                                                                                                                                                                                                                                                  | <b>27,995</b>                | <b>-</b>                   |

# 7. Notes and assumptions

## 7.1 Fees estimate

- We have assumed the administration will last no longer than two years (ie. no further extensions will be necessary).
- Unsecured creditor claims will need to be adjudicated and claims agreed and distributions made accordingly.
- We have assumed that our hourly charge out rates will increase by up to 5% per year, with increases likely to happen on 1 July.

## 7.2 Expenses

We have assumed the following when estimating our expenses:

- We have assumed the administration will last no longer than two years (ie. no further extensions will be necessary).
- Unsecured creditor claims will need to be adjudicated and claims agreed and distributions made accordingly.
- Associated costs of dealing with the remaining LTO properties will be incurred and further assistance may be necessary from the property agents until such time as the LTO properties have been dealt with in their entirety.
- There will be residual costs for insurance, statutory advertising, storage costs and bank charges.
- Further legal advice may be needed in relation to the administrations of the Company.
- The estimate excludes any potential tax liabilities that may be payable as an expense of the administration in due course given the tax position will be determined at the end of each tax accounting period.
- We have assumed that VAT will be fully recoverable in respect of costs and other expenses related to the administration.

## 7.3 Associates

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

All transactions are on a purely commercial basis and parties have been chosen based on their expertise in accordance with the needs of the administration.