

FAO: The Company Secretary or other Senior Officer  
Zirconia Trading Limited  
3 St. James's Square  
London  
SW1Y 4JU

**Date:** 29 April 2022

**Your ref:**

**Our ref:** AZAMAM\306975.Scunthorpe

**BY HAND**

Dear Sirs

**Buzz Group Limited ("the Company")  
Lease dated 19 December 2014 made between (1) 2005 Propco Three Limited and  
(2) Gala Leisure Limited ("the Lease")  
Premises at Madford Retail Park, Brigg Road, Scunthorpe DN15 6TZ ("the Premises")  
Creditors Voluntary Arrangement of Buzz Bingo Limited issued on 15 July 2020  
("the CVA")**

We act on behalf of Buzz Group Limited, the tenant of the Premises pursuant to the Lease.

As solicitors and agents for Buzz Group Limited, we enclose by way of service a Notice to Quit pursuant to clause 12.18 of the CVA.

This notice is served without prejudice to the validity of other notices served on behalf of Buzz Group Limited to terminate the Lease.

We also act for all group companies of Buzz Group Limited, and to the extent that this notice is required to be served by any one or more of such companies in addition to or in substitution for Buzz Group Limited you should consider this notice served for and on behalf of such company or companies.

Yours faithfully

**Eversheds Sutherland (International) LLP**

Enclosures

bir\_lit\8549464\1\azamam

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Eversheds Sutherland (International) LLP is part of a global legal practice, operating through various separate and distinct legal entities under Eversheds Sutherland. For a full description of the structure and a list of offices, please visit [www.eversheds-sutherland.com](http://www.eversheds-sutherland.com).

**SCHEDULE 26**

**Notice to Quit**

CR-2020-[ ]

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**INSOLVENCY AND COMPANIES LIST (Chd)**

**IN THE MATTER OF:**

**BUZZ GROUP LIMITED**

**(the "Company")**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986**

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**NOTICE TO QUIT**

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**TO: ZIRCONIA TRADING LIMITED**

**DATE: 29 APRIL 2022**

Notice is hereby given in accordance with Clause 12.18 (*BGL termination right*) of Part VI of the Directors' proposal for a Company Voluntary Arrangement in respect of the Company dated 15 July 2020 (the "**Proposal**") (capitalised terms used in which shall have the same meaning in this notice) that the Company elects to cease occupation of the following premises and that Clause 19 (*Compromised Leases: BGL termination*) shall apply in relation to that premises and its lease as of 3 August 2022\*.

Address of premises: Madford Retail Park, Brigg Road, Scunthorpe DN15 6TZ as more particularly described in the lease dated 19 December 2014 and made between (1) 2005 Propco Three Limited and (2) Gala Leisure Limited.

.....  
Eversheds Sutherland International LLP for and on behalf of the Supervisors

\* We calculate that the termination date of the Lease pursuant to clause 12.18 of the CVA is 3 August 2022, but this date is specified without prejudice to Buzz Group Limited's intention to terminate the Lease on the date falling 24 months after the Effective Date as defined in the CVA.

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000.**

This document does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire any shares or other transferable securities in Buzz Group Limited (“BGL”) or any other member of the Group. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000. Any reproduction of this document, in whole or in part, or any disclosure of the contents, except to the extent such information is otherwise publicly available, or the use of any information it contains for any purpose other than considering the resolution to approve the Proposal, is prohibited.

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**BUZZ GROUP LIMITED  
and  
each of its CVA CREDITORS (as defined herein)  
COMPANY VOLUNTARY ARRANGEMENT  
(under Part I of the Insolvency Act 1986)**

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This document has been prepared in accordance with the provisions of the Insolvency Act and the Insolvency Rules solely to inform CVA Creditors and the Shareholder of proposals for a company voluntary arrangement with respect to BGL. Nothing in this Proposal should be relied upon for any other purpose.

Your attention is drawn to paragraphs 1 (*Background to the Proposal*) and 2 (*Objectives of the Proposal*) of Part I (*Summary of the Proposal*) and paragraph 8 (*Recommendation to creditors and shareholders*) of Part II (*Introduction*) of this document. Such paragraphs describe the background and the desirability of the Proposal for CVA Creditors and the Shareholder and explain why the Directors consider that creditors and the Shareholder should vote in favour of the Proposal.

The action required to be taken by you is set out in Part III (*Actions to be taken by CVA Creditors and the Shareholder*). All CVA Creditors known to BGL have received a letter (the “**Nominees’ Letter**”), notifying them of the Proposal and, amongst other things, directing them to the Website.

The Website includes formal notice of the Creditors’ Meeting to approve the Proposal which, among other things, provides details of how to access the Creditors’ Meeting and a description of the arrangements for voting. The notice of the Creditors’ Meeting is also available at schedule 19 (*Notice of Creditors’ Meeting*). In light of Government measures in relation to the Covid-19 Pandemic that are currently in force, the Creditors’ Meeting will be a virtual meeting held via a livestream accessible at 11.00 am on 3 August 2020. There will be no venue to attend and access will be via the internet at <https://alixpartnersmeetings.com/bgl>.

Formal notice of the Shareholder’s Meeting is available on the Website and at schedule 18 (*Notice of Shareholder’s Meeting*). The Shareholder’s Meeting will be held as a virtual meeting at 4.00 pm on 3 August 2020. Details of how to access the Shareholder’s Meeting have been provided to the Shareholder.

**Save as set out in this Proposal, the CVA will not seek to compromise the rights or claims of any other creditors including, without limitation, employees and customers of BGL.**

**A creditor who is a Compromised Creditor may not participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*) of this Proposal or the Profit Share Fund pursuant to Clause 26 (*Profit Share Fund*) of this Proposal unless it files a Notice of Claim before the Claims Date. The Claims Date is 31 December 2020.**

**If the Proposal is not approved and implemented, BGL is very likely to enter into administration. All Unsecured Creditors (including Landlords) will receive a greater return on the amount owed to them in the CVA than they would do if BGL were to enter administration (see further schedule 13 (*Estimated Outcome Statement*)).**

**In addition, the Proposal, if approved, is binding on all CVA Creditors, including those CVA Creditors who did not vote or voted against the Proposal. Your vote on the Proposal is therefore very important. Please take the time to consider the documents that have been sent to you and take appropriate action, including the steps described in Part III (*Actions to be taken by the CVA Creditors and the Shareholder*)).**

**Capitalised terms are defined in Part 1 of schedule 1 (*Definitions and interpretation*) to this document. The rules of interpretation set out in Part 2 of schedule 1 (*Definitions and interpretation*) apply to this document.**

**Original issue date: 15 July 2020 with further amendments subsequently proposed on 29 July 2020**

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## IMPORTANT NOTICE FROM THE DIRECTORS

This document has been prepared by the Directors pursuant to the Insolvency Act solely to inform CVA Creditors and the Shareholder of the Proposal. BGL will not be in administration or in any other process under the Insolvency Act, except for a company voluntary arrangement. Nothing in this document should be relied upon for any other purpose, including in connection with any investment decision in relation to the debt, securities or any other financial interest of BGL or any other member of the Group, including, for the avoidance of doubt, any decision to buy or sell or not to buy or sell any debt, securities or other financial interest. Any parties making such investment decisions should rely on their own enquiries prior to making such decisions. For the avoidance of doubt, the Shareholder shall not have any liability whatsoever in respect of this document and its contents.

**CVA Creditors and the Shareholder should review the Proposal in detail. The contents of this document are not to be construed as legal, business or tax advice. If you are in any doubt as to the action you should take in connection with the Proposal, or the tax or other consequences of the proposed CVA for you, you should contact your legal, financial, tax or other professional advisers, as applicable.**

Section 1, Part I to Part V of this Proposal sets out a general description of the Proposal and provides a brief summary of the terms of this Proposal. The binding terms of the Proposal are set out in Section 2, Part VI (*Terms Of The Proposal*). In the event of any inconsistency between the terms set out in Section 2 (*Terms Of The Proposal*) and the other contents of this document, the terms of the CVA as set out in Section 2 (*Terms Of The Proposal*) shall prevail.

It is possible that the Proposal may not be approved by the requisite majorities of CVA Creditors. The Directors make no representation or warranty and give no undertaking that the CVA in the form described in this document will be implemented within the timescale outlined in the Proposal or at all or that the CVA will not be amended, revoked or suspended, whether in whole or in part.

Nothing in this document may be taken as an admission of any fact or matter relating to BGL or relied upon in any litigation involving BGL or as constituting any admission on the part of BGL with respect to any asset to which it may be entitled or with respect to any claim by or against BGL.

This document contains certain statements and statistics that are or may be forward-looking. The accuracy and completeness of such statements is not warranted or guaranteed. These statements typically contain words such as “intends”, “expects”, “anticipates”, “estimates” and words of similar import. Any projections, financial estimates, forecasts or other forward-looking information delivered by the Directors are illustrative only and have been based on estimates and assumptions which involve significant elements of subjective judgment and analysis, and which may or may not prove to be correct. You should be aware that such forward-looking information does not constitute a forecast or prediction or actual results and that there can be no assurance and no representation or warranty is or will be made by the Directors that the projected results will be realised or achieved. Actual results could vary materially from such forward-looking information and may depend on future events and market conditions that are not in the Directors’ control including, among others, the impact of COVID-19 and associated Government measures, and may be materially affected by unforeseen economic or other circumstances. Similarly, no representation or warranty is given that the assumptions upon which such forward-looking information may be based are reasonable. Any information in this document is provided as of the date of its delivery and is subject to change without notice. The Directors are not under any obligations, and the Directors expressly disclaim any such obligation, to update, revise or amend any such forward-looking information, whether as a result of new information, future events or otherwise. It should be noted that past performance is not a guide to future performance.

Without limiting the generality of the immediately preceding paragraph, all statements contained in this document in relation to estimated outcomes for creditors, whether as a consequence of the Proposal being approved or otherwise, are illustrative only. As they are based on assumptions that necessarily involve a subjective analysis of the matters referred to in this document, they cannot be relied upon as guidance as to the actual outcomes for creditors. Neither BGL nor its Directors accept any liability should the actual outcome for creditors differ from the estimated outcomes set out in this document.

Unless otherwise indicated, the statements contained in this document are made as at 30 May 2020, being the latest practicable time before publication, and reflect the circumstances and the information of which the Directors were aware at that time.

AlixPartners UK LLP and Gerald Eve have each given and not withdrawn its written consent to the inclusion in this document of references to the advice that it has provided to BGL and references to its names in the form and context in which it appears in this document.

The Directors have not authorised any person to make any representation or warranty concerning the Proposal which is inconsistent with the statements contained in this document, and if any such representation or warranty is made, it may not be relied upon as having been so authorised.

## **IMPORTANT NOTICE FROM THE NOMINEES**

The Nominees in relation to the CVA are Clare Laura Kennedy and Peter Mark Saville both of AlixPartners UK LLP, 6 New Street Square London, EC4A 3BF United Kingdom and Catherine Mary Williamson of AlixPartners UK LLP, Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB, each of whom is an authorised insolvency practitioner in possession of an insolvency licence issued by the Insolvency Practitioners Association.

In accordance with section 2 of the Insolvency Act, the Nominees have reviewed the Proposal and reported to the Court that, in their opinion:

- (a) the Proposal has a reasonable prospect of being approved and implemented;
- (b) meetings of the Shareholder and of the CVA Creditors should be summoned to consider the Proposal;
- (c) a virtual meeting of the CVA Creditors to consider the Proposal should be held at 11.00 am on 3 August 2020; and
- (d) a virtual meeting of the Shareholder to consider the Proposal should be held at 4.00 pm on 3 August 2020.

The Nominees are unable to represent or warrant the accuracy or completeness of any information contained within this document, or any information provided by any third party. The Nominees have not authorised any person to make any representation or warranty concerning the Proposal, and if such representation or warranty is made, it may not be relied upon as having been so authorised.

The Nominees will become Supervisors of the CVA upon its approval.

## SECTION 1

### PROPOSAL

#### PART I

#### SUMMARY OF THE PROPOSAL

*The following summary of the Proposal should be read as an introduction to this document only. Any decision as to how to vote should be based on consideration of this document as a whole and not just this summary.*

Creditors and the Shareholder have been sent a notice in relation to the proposed CVA for BGL.

#### 1 **Background to the Proposal**

- 1.1 BGL is the primary trading company of the Group, which provides for leisure activities including bingo (both retail and on-line), gaming machines and food and beverages for its customers. Whilst BGL's clubs are currently closed due to the COVID-19 Pandemic, when the clubs reopen it is intended that BGL's retail bingo business will operate out of 91 bingo clubs across the UK.
- 1.2 Caledonia Venus Acquisitions Limited, which is owned by Caledonia, acquired BGL from Gala Coral Group on 19 December 2015. That acquisition was financed with £92,000,000 of equity from Caledonia and the proceeds of drawings under the Facilities Agreement. Since the original acquisition, Caledonia has subscribed for a further £35,000,000 of equity in the Group, including the £5,000,000 equity subscription in May 2020 referred to below, for the purpose of funding capital expenditure, the re-branding of the business of the Group, the launch of the Group's on-line business and to support the Group through its recent financial difficulties.
- 1.3 A chart showing the structure of the Group and the number of sites held by relevant members of the Group is as follows:



- have helped to support the business through deferring such payments and amending contractual obligations;
- 1.6.2 the indefinite postponement of any non-essential capital expenditure, which has caused a significant reduction in the capital expenditure of the Group for the current financial year to no more than £10,900,000, compared to an original budget of £19,900,000;
  - 1.6.3 accessing the Government's Business Rates holiday which has been made available to retail, hospitality and leisure businesses as part of the financial support package offered in response to COVID-19;
  - 1.6.4 exercising contractual rights to lay off staff and/or the furloughing of employees under the Government's Coronavirus Job Retention Scheme across the Group's network of bingo clubs and head office. Of the circa 3,400 employees across the Group a core of just over 280 staff (8.3%) are continuing to work to support the ongoing Online operation and central activities still required whilst the clubs are closed;
  - 1.6.5 significantly reducing head office costs by implementing a recruitment freeze and the non-renewal of contractor, freelance and interim contracts;
  - 1.6.6 the intended suspension of payments to Landlords in respect of rent, service charges and other amounts due under its Leases since 20 March 2020; and
  - 1.6.7 drawing down on all the undrawn commitments under the revolving facility provided by Barclays Bank PLC under the Facilities Agreement, which increased liquidity by £6,500,000, and converting a £7,500,000 ancillary facility overdraft provided by Barclays Bank PLC into a further revolving facility loan of £7,500,000.
- 1.7 BGL and the other members of the Group have also obtained concessions from the lenders under the Facilities Agreement, including:
- 1.7.1 temporary waivers of events of default which would otherwise have arisen from the closure of the bingo clubs and the non-payment of rent to Landlords, which expire on 31 July 2020; and
  - 1.7.2 an agreement not to have to make a £10,129,000 principal prepayment which would otherwise have been required under the Facilities Agreement, subject to a condition that such money be placed in a bank account controlled by the security agent under the Facilities Agreement (the "**Blocked Cash**").
- 1.8 Furthermore, the Group has benefitted from the support of its ultimate owner, Caledonia, which on 6 May 2020 made an equity subscription of £5,000,000 in a holding company of BGL to help improve liquidity further.
- 1.9 Despite these steps, BGL continues to face unprecedented challenges. The customer demographic of the Group consists of a high proportion of people who are vulnerable in the current circumstances. For example, nearly 40% of the Group's admissions in 2019 were customers aged over 65 years. The likely risk-averse approach of many of those customers in relation to the COVID-19 Pandemic is likely to depress customer sales. Furthermore, even when the Group's network of bingo clubs are permitted to re-open, customer sales are likely to be depressed further as a result of social distancing requirements as a consequence of the COVID-19 Restrictions. The consequence is that some previously profitable bingo clubs will not be sustainable at current levels of rent under the relevant Lease (or even with zero rent), particularly if demand is subdued for an extended period. In addition, those bingo clubs that were close to break-even in respect of their financial performance prior to the COVID-19 Pandemic will likely become wholly unsustainable. It is for these reasons that BGL has concluded that structural change to its Leases is necessary.

- 1.10 Given the significant and adverse change in its financial position due to the COVID-19 Pandemic, BGL is now in a position where it is unable to meet its obligations as they fall due. For the reasons given above, the Lease portfolio as it currently stands represents a significant barrier to both the immediate and long-term future of BGL and the steps taken prior to the COVID-19 Pandemic, as described above, are not sufficient to address the challenges that BGL is facing, particularly given the time and effort required to rebuild the core trading business in a very different trading environment.
- 1.11 Should the Proposal be approved, BGL expects to continue to be supported by Caledonia and continue to benefit from the facilities available under the Facilities Agreement. In particular:
- 1.11.1 Caledonia has indicated its willingness, subject to certain conditions including the finalisation of appropriate documentation, to make a further £22,000,000 equity subscription to support BGL and the other members of the Group further; and
- 1.11.2 the lenders under the Facilities Agreement have indicated their willingness, subject to certain conditions including the finalisation of appropriate documentation, to amend the terms of the Facilities Agreement in order to provide further support. This includes the release of the Blocked Cash back to the Group.
- 1.12 The release of the Blocked Cash and the equity subscription by Caledonia would together provide the Group with approximately £32,000,000 of new monies. This support is needed in order to finance the settlement of costs that have accrued while the bingo clubs have been closed and the considerable investment required in order to re-open bingo clubs following the lifting of some COVID-19 Restrictions, and includes working capital and longer term operational funding across all bingo clubs as they rebuild towards generating profits in the new post COVID-19 environment.
- 1.13 Without the approval and implementation of the Proposal, any additional financing from Caledonia and the support of the lenders under the Facilities Agreement will not be available to BGL. The Directors do not consider it will be feasible to obtain alternative financing to cover the costs accrued while the bingo clubs have been closed, the re-opening costs or to provide an appropriate working capital buffer. Consequently without this additional financing from Caledonia and the support of the lenders under the Facilities Agreement it is very likely that BGL will enter into administration.
- 1.14 Similarly to BGL, BEL (which is the immediate holding company of BGL) is in similar financial difficulties and the directors of BEL have also proposed the BEL CVA. Should the Proposal not be approved in accordance with its terms, one of the conditions to the BEL CVA will not have been satisfied and the BEL CVA will fail. BEL is also very likely to enter into administration in that circumstance. However, the approval of the BEL CVA is not a condition to the Proposal.

## 2 Objectives of the Proposal

- 2.1 The objective of the Proposal is to restore the financial viability of BGL so that it can continue trading on a solvent basis for the benefit of all its stakeholders.
- 2.2 In order to achieve this, the Proposal seeks to compromise the claims that certain creditors have against BGL, principally liabilities with respect to Leases. The Proposal does not, however, seek to compromise the following CVA Claims that are considered critical to the continued trading of BGL:
- 2.2.1 Employees: while a significant number of our employees will regrettably be subject to a redundancy programme as a consequence of BGL having to close bingo clubs that are no longer economically viable, the Directors do not consider that seeking to compromise their claims (or the claims of continuing employees) would be defensible, and any attempt to do so would very likely have a negative

and destabilising effect on the business at a time when employee support is more vital than ever;

- 2.2.2 Third Party Suppliers: as they are essential to BGL’s business and have already provided working capital support to the extent that they have agreed to deferred payment plans and because any attempt to compromise their CVA Claims would likely cause them to cease trading with BGL;
  - 2.2.3 Rating authorities: as Business Rates are not relevant because BGL is currently accessing the Government’s Business Rates holiday in response to the COVID-19 Pandemic and, accordingly, no Business Rates liabilities are owed; and
  - 2.2.4 certain CVA Creditors where the amounts are considered *de minimis* such that compromising their CVA Claims is considered unnecessary in the context of the CVA and the business operated by BGL.
- 2.3 The Ordinary Unsecured Liabilities owed to Ordinary Unsecured Creditors will therefore continue to be paid in full. However, Ordinary Unsecured Creditors:
- 2.3.1 are entitled to vote, with their CVA Claim being valued as the relevant amount of unsecured debt they have as at the date of the Creditors’ Meeting; and
  - 2.3.2 if the Proposal is approved, will be prevented from taking any action against BGL as a result of any CVA Related Event.
- 2.4 Given that a CVA is unable to affect the rights of creditors in respect of Preferential Liabilities or Secured Liabilities, the Proposal does not seek to compromise any such Liabilities.
- 2.5 The CVA will also compromise certain contingent landlord claims.

### 3 The key terms of the CVA proposal for Landlords

- 3.1 The Directors have carried out an assessment of BGL’s lease portfolio of its bingo clubs and its head office and the Proposal divides BGL’s Leases into six categories, with each category of Leases being differently affected pursuant to the terms of the CVA. The categorisation of the Leases and the rationale for the differential treatment is further described in paragraph 6 (*Lease Categorisation*) of Part II (*Introduction*).
- 3.2 This main effects of the Proposal on each of the six categories of Leases (excluding Ancillary Leases) are summarised in the following table. The full details of the effect of the Proposal on each Lease are set out in Part VI (*Terms of the Company Voluntary Arrangement*). In the event of any inconsistency between the table below and Part VI (*Terms of the Company Voluntary Arrangement*) then the latter shall prevail.

CVA term	Category A	Category B	Category C	Category D	Category E	Category F
<b>Rent payment cycle</b>	Four-weekly	Four-weekly for Base Rent and service charge  Net Turnover component paid quarterly	Four-weekly for Base Rent and service charge  Net Turnover component paid quarterly	Four-weekly for Base Rent and service charge  Net Turnover component paid quarterly	Not applicable	Four-weekly
<b>Rent arrears at the Effective Date</b>	Rent arrears paid in full by 30 September 2020  Arrears of service and insurance	Rent arrears fully compromised  Arrears of service and insurance charges paid in	Rent arrears fully compromised  Arrears of service and insurance charges paid in	Rent arrears fully compromised  Arrears of service and insurance charges paid in	Rent arrears fully compromised  Arrears of service and insurance charges paid in	Rent arrears fully compromised  Arrears of service and insurance charges paid in

<b>CVA term</b>	<b>Category A</b>	<b>Category B</b>	<b>Category C</b>	<b>Category D</b>	<b>Category E</b>	<b>Category F</b>
	charges paid in full by 30 September	full by 30 September	full by 30 September	full by 30 September	full by 30 September	full by 30 September
<b>Reduced rent</b>	Not applicable	15% of Net Turnover subject to a minimum of 10% of Contractual Rent being paid as a base rent in the first year of the Rent Concession Period and 35% of Contractual Rent being paid as a base rent in the first year of the Rent Concession Period  Service and insurance charges paid in full b	15% of Net Turnover subject to a minimum of 10% of Contractual Rent being paid as a base rent in the first year of the Rent Concession Period and 30% of Contractual Rent being paid as a base rent in the first year of the Rent Concession Period  Service and insurance charges paid in full	10% of Net Turnover subject to a minimum of 10% of Contractual Rent being paid as a base rent in the first year of the Rent Concession Period and 20% of Contractual Rent being paid as a base rent in the first year of the Rent Concession Period  Service and insurance charges paid in full	All rent will be compromised	Contractual Rent paid in full  Service and insurance charges paid in full
<b>Rent reviews during Rent Concession Period</b>	Contractual rent reviews will apply	Contractual rent reviews disapplied  Landlord may request a rent review within 60 days of the Effective Date	Contractual rent reviews disapplied  Landlord may request a rent review within 60 days of the Effective Date  Rent review at the end of the Rent Concession Period	Contractual rent reviews disapplied  Landlord may request a rent review within 60 days of the Effective Date  Rent review at the end of the Rent Concession Period	Not applicable	Contractual rent reviews disapplied
<b>Rent at end of Rent Concession Period</b>	Contractual Rent as reviewed in accordance with the lease	The greater of (i) 85% of Contractual Rent or (ii) Market Rent	The greater of (i) 50% of Contractual Rent or (ii) Market Rent	The greater of (i) 50% of Contractual Rent or (ii) Market Rent	Not applicable	Not applicable
<b>Termination following Effective Date</b>	Not applicable	Not applicable	Not applicable	Not applicable	Yes, after 5 weeks following the Effective Date	Not applicable
<b>Landlord break right</b>	Not applicable	Yes, on 30 days' notice to be served within 90 days of the Effective Date	Yes, on 45 days' notice to be served within 180 days of the Effective Date	Yes, on 45 days' notice to be served within 180 days of the Effective Date  Mutual right to break on the date falling 24 months after the Effective Date	Not applicable	Yes, on 45 days' notice to be served within 180 days of the Effective Date  Mutual right to break on the dates falling 12 months and 24 months after the Effective Date
<b>BGL break right</b>	Not applicable	Yes, within 60 days of the outcome of an	Yes, within 60 days of the outcome of an	Yes, within 60 days of the outcome of an	Not applicable	Mutual right to break on the dates falling 12 months and 24

CVA term	Category A	Category B	Category C	Category D	Category E	Category F
		Initial Rent Review	Initial Rent Review	Initial Rent Review  Mutual right to break on the date falling 24 months after the Effective Date		Months after the Effective Date
<b>Dilapidations</b>	Not compromised	Not compromised unless Landlord exercises its break right in which case dilapidations are fully compromised	Not compromised unless Landlord exercises its break right in which case dilapidations are fully compromised	Dilapidations up to the Effective Date are compromised.  Dilapidations after the Effective Date will be as per the Lease with a new schedule of condition to be added	Fully compromised	Fully compromised
<b>Participation in Compromised Creditor Fund and Profit Share Fund</b>	Not applicable	Yes	Yes	Yes	Yes	Yes

3.3 The CVA will not seek to compromise the claims of any Ordinary Unsecured Creditors, including, without limitation, employees and customers.

3.4 Further details are set out in Clause 5 (*The Effect Of The CVA on Ordinary Unsecured Creditors*).

#### 4 **Compromised Creditor Fund**

4.1 A Compromised Creditor Fund will be available for Compromised Creditors in the amount of £800,000 (subject to the Proposal becoming effective). The Compromised Creditor Fund Amount reflects the amount which BGL has estimated is required for each such Compromised Creditor to receive no less than its estimated distribution from the CVA as set out in the Estimated Outcome Statement.

4.2 Further details of the Compromised Creditor Fund are set out in Clause 25 (*Compromised Creditor Fund*) of Part VI (*Terms of the Company Voluntary Arrangement*).

#### 5 **Profit Share Fund**

5.1 BGL proposes to establish the Profit Share Fund which will give each Compromised Creditor the opportunity to benefit from an additional payment in respect of its Allowed CVA Claim (but, for the avoidance of doubt, no more than its Allowed CVA Claim). The Profit Share Fund will be shared with the BEL Compromised Creditors and will comprise an amount equal to 10% of the amount (if any) by which the combined EBITDA of the Group for the 2021 and 2022 financial years exceeds the Threshold EBITDA for those financial years combined, being £89,542,000. The Profit Share Fund will be subject to an aggregate *de minimis* threshold of £50,000 below which amounts will not be paid to Compromised Creditors from the Profit Share Fund.

5.2 Provided that the BEL CVA is approved in accordance with its terms and no application has been made to the Court under sections 4A(3) or 6(1) of the Insolvency Act or under Rule 15.35 of the Insolvency Rules which has not been dismissed, the Allowed CVA Claims and the BEL Allowed CVA Claims shall abate in equal portions between themselves and rank pari

passu for payment from the Profit Share Fund. However, BGL shall have no liability to any BEL Compromised Creditor (in that capacity) in respect of the Profit Share Fund and no Compromised Creditor (in that capacity) shall be entitled to participate in the profit share fund established pursuant to the terms of the BEL CVA.

- 5.3 The Profit Share Fund is contingent on the performance of the Group and there is no guarantee that any Compromised Creditor will receive any such payment.
- 5.4 Distributions from the Profit Share Fund (if any) will be paid by BGL within two months from the date on which its audited financial statements for the 2022 financial year are filed with the Registrar of Companies for England and Wales.
- 5.5 Further details of the Profit Share Fund are set out in Clause 26 (*Profit Share Fund*) of Part VI (*Terms of the Company Voluntary Arrangement*).

## 6 Customer balances

- 6.1 BGL holds certain cash balances on behalf of its customers, being:
  - 6.1.1 “Smartcard” balances, which relate to customer funds accruing from retail activities; and
  - 6.1.2 “Customer Wallet” balances, which relate to customer funds accruing from online business.
- 6.2 These balances are held on trust by BGL for its customers. The customers are not therefore CVA Creditors but are instead beneficiaries of the trust over the balances.

## 7 Further points

- 7.1 Throughout the CVA process, BGL shall continue trading under the control of the Directors, operating as a going concern. BGL is not in, and will not be in, administration as a result of commencing the CVA process.
- 7.2 To become effective, the Proposal must be voted in favour of by 75% (seventy-five per cent) or more (in value) of those creditors voting. However, the Proposal will not be approved if more than 50% (fifty per cent) of the total value of BGL’s unconnected creditors vote against it.
- 7.3 A company voluntary arrangement also requires the approval of more than 50% (fifty per cent) in value of the company’s shareholders present in person or by proxy and voting at a meeting on the resolution to approve the company voluntary arrangement. However, in accordance with section 4A(2) of the Insolvency Act, if the outcome of the meeting of shareholders differs from the decision taken by the company’s creditors, the decision of the creditors will prevail, subject to the right of any shareholder to apply to the Court to challenge the approval of the company voluntary arrangement.
- 7.4 The claim of a CVA Creditor who does not respond to the Proposal will not be taken into account for the purposes of calculating the requisite majorities for the Proposal to be approved as set out above and at paragraph 4 (*What is a CVA?*) of Part II – Introduction.

**YOUR VOTE ON THE PROPOSAL IS VERY IMPORTANT. PLEASE TAKE THE TIME TO CONSIDER THE DOCUMENTS THAT HAVE BEEN SENT TO YOU AND TAKE APPROPRIATE ACTION, INCLUDING (AS APPLICABLE) THE STEPS DESCRIBED IN PART III (ACTIONS TO BE TAKEN BY THE CVA CREDITORS AND THE SHAREHOLDER).**

The CVA, if approved at the Creditors' Meeting and the Shareholder's Meeting, will become immediately effective.

If the CVA is not approved, or is otherwise not implemented, it is likely that BGL will no longer be able to trade as a going concern, which would result in the appointment of administrators.

Your attention is drawn to the Estimated Outcome Statement at schedule 13 (*Estimated Outcome Statement*) to the CVA, at page 112. In particular, the table below summarises the estimated average return for each category of Compromised Creditor under the terms of the CVA in comparison to an administration scenario:

Estimated outcomes	Administration	CVA
Category A Landlords	0.24%	10.05%
Category B Landlords	0.24%	1.10%
Category C Landlords	0.24%	0.97%
Category D Landlords	0.24%	0.89%
Category E Landlords	0.24%	1.25%
Category F Landlord	0.24%	6.25%
Ancillary Landlords	0.24%	7.06%
Previous Lease Creditors / Guarantee Creditors	0.24%	0.81%

As such, the CVA represents a materially better outcome for BGL's unsecured creditors (including Landlords), than the alternative outcome should BGL go into administration.

The claim of a CVA Creditor who does not respond will not be taken into account for the purposes of calculating the requisite majorities for the Proposal to be approved (as set out in paragraphs 7.2 (*Further points, page xi*) and 4.1 (What is a CVA?)). In addition, the Proposal, if approved, is binding on all CVA Creditors, including any CVA Creditors who did not vote or who voted against the Proposal.

## DOCUMENTS RECEIVED

All CVA Creditors known to BGL have received a letter notifying them of the Proposal and, among other things, directing them to the Website (the “**Nominees’ Letter**”). The Website includes formal notice of the Creditors’ Meeting to approve the Proposal which, among other things, provides details of how to access the Creditors’ Meeting and a description of the voting arrangements. In light of COVID-19 Restrictions that are currently in force, the Creditors’ Meeting will be a virtual meeting.

The following documents have been made available to you via the Website:

- this document, including, as a schedule, the Summary Statement of Affairs;
- the Nominees’ comments on the Proposal;
- a creditors’ guide to fees;
- a schedule of AlixPartners UK LLP’s hourly charge out rates;
- the notice of the Creditors’ Meeting;
- a Notice of Claim; and
- a Proxy Form.

The Shareholder will have received a letter from the Nominees containing a link to the Website which contains the following documentation:

- the notice of the Shareholder’s Meeting; and
- a Proxy Form.

The Shareholder’s letter also contains the link to the Website containing a copy of this document.

## NEXT STEPS

### CVA Creditors

If you are a CVA Creditor and wish to attend the Creditors' Meeting, please attend using the details provided in the formal notice of meeting which is available on the Website.

The actions to be taken by you are set out in Part III (*Actions to be taken by the CVA Creditors and the Shareholder*). The Website includes formal notice of the Creditors' Meeting to approve the Proposal which, among other things, provides details of how to access the Creditors' Meeting and a description of the voting arrangements. The notice of the Creditors' Meeting is also available at schedule 19 (*Notice of Creditors' Meeting*)

In light of Government measures that are currently in force, the Creditors' Meeting will be a virtual meeting held via a livestream at **11.00 am on 3 August 2020**. There will be no venue to attend and access will be via the internet at <https://alixpartnersmeetings.com/bgl>.

If you disagree with the calculation of your CVA Claim as notified to you in the Nominees' Letter, you are entitled to submit a Notice of Claim as soon as possible (and the Nominees request that CVA Creditors make any submission no later than 5.30pm on 30 July 2020) in order for the Nominees to review your CVA Claim prior to the Creditors' Meeting.

You will be able to appoint a person to be your proxy by submitting a Proxy Form or via the E-Ballot voting platform (<https://eballot4.votenet.com/buzz>), details of which have been provided to you in the Nominees' Letter. This is relevant to any CVA Creditor which is a corporation or other legally constituted person or a partnership (as an individual will need to be appointed to vote on their behalf at the Creditors' Meeting) or any CVA Creditor who is an individual but is unable or does not wish to attend the Creditors' Meeting but nevertheless wishes to cast their vote.

If you disagree with the calculation of your CVA Claim and wish to submit a Notice of Claim, or if you wish to appoint a proxy to vote on your behalf at the Creditors' Meeting, you are requested to make the relevant submission as soon as possible and in any event by **5.30pm on 30 July 2020**.

Given the restrictions that are in place due to the COVID-19 Pandemic and the disruption to business as usual arrangements, and in order to protect the health and safety of those concerned, it is requested that all submissions are made by email. The Nominees have provided you with a dedicated email address for this purpose in the Nominees' Letter.

### Shareholder

The Shareholder's Meeting will be held as a virtual meeting due to Government restrictions and ongoing health and safety concerns. If you are the Shareholder and wish to attend the Shareholder's Meeting, please do so remotely at 4.00 pm on 3 August 2020 using the details that have been provided to you.

If you are the Shareholder, you are requested to please submit your Proxy Form using the contact details separately notified to you as soon as practicable, and in any event by **5.30 pm on 30 July 2020**.

## WHERE TO FIND HELP

Details of how to vote are contained in Part III (*Actions to be taken by CVA Creditors and Shareholders*) and Part VI (*Terms of the Company Voluntary Arrangement*) of this Proposal. If you require assistance in connection with participation in the Creditors' Meeting or the Shareholder's Meeting please contact AlixPartners UK LLP on +44 (0)207 098 7400 or by using the relevant email address below:

For Landlords: [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com)

For Employees: [BGLEmployees@alixpartners.com](mailto:BGLEmployees@alixpartners.com)

For CVA Creditors other than Landlords or Employees: [BGLSuppliers@alixpartners.com](mailto:BGLSuppliers@alixpartners.com)

As a result of the COVID-19 Restrictions and current advice issued by the UK Government, a physical meeting will not be possible.

### Key Dates and Expected Timetable of Key Events

EVENT	DATE
Issue Date	15 July 2020
Dispatch of Proposal documents, notice of the Creditors' Meeting to CVA Creditors and notice of the Shareholder's Meeting to the Shareholder	15 July 2020
For CVA Creditors, the date and time by which all Notices of Claims and Proxy Forms are requested to have been submitted	5.30pm on 30 July 2020
The date and time by which the Shareholder is requested to have submitted its Proxy Form	5.30pm on 30 July 2020
Date and time of the Creditors' Meeting	11.00am on 3 August 2020
Date and time of the Shareholder's Meeting	4.00pm on 3 August 2020
Anticipated Effective Date	3 August 2020
Anticipated date for the Chair of the Creditors' Meeting and the Chair of the Shareholder's Meeting to file a report with the Court under sections 4(6) and 4(6A) of the Insolvency Act.	By 6 August 2020
Anticipated end of the Challenge Period	4 September 2020
Anticipated Claims Date	31 December 2020
Anticipated payment from Compromised Creditor Fund	By 28 February 2021
Anticipated Completion Date	3 August 2022

All references in this document are to London times unless otherwise stated.

The dates given are based on current expectations and may be subject to change. If any of the expected dates change, BGL will give adequate notice of the change to the CVA Creditors.

## **PART II Introduction**

### **1 Directors' Proposal**

- 1.1 The Directors propose that BGL enters into a company voluntary arrangement pursuant to Part I of the Insolvency Act.
- 1.2 In the light of the challenges that BGL is facing as a result of the COVID-19 Pandemic and its inability to meet its obligations as they fall due, BGL now needs to undertake a fundamental restructuring of its Lease portfolio in order to make its business financially viable, continue trading on a solvent basis and retain the support of its key stakeholders.
- 1.3 In order to achieve this, the Proposal seeks to compromise the claims that certain creditors have against BGL, principally Liabilities with respect to Leases. The Proposal does not, however, seek to compromise those CVA Claims that are considered critical to the continued trading of BGL, including those owed to Employees and Third Party Suppliers.
- 1.4 The Directors have considered all potential options and have concluded that the compromises to be effected by the CVA:
- 1.4.1 are the best and most viable way to ensure that BGL continues to trade on a solvent basis for the benefit of its stakeholders; and
  - 1.4.2 provide a better return for Unsecured Creditors than if the Proposal is not approved and implemented.
- 1.5 If the CVA is not approved or is otherwise not implemented, then BGL is very likely to enter into administration or liquidation in which case the returns for creditors will be substantially reduced.
- 1.6 The main objectives of the proposed CVA are set out in the section headed "Summary of the Proposal".
- 1.7 The Nominees in relation to the CVA are Clare Laura Kennedy and Peter Mark Saville both of AlixPartners UK LLP, 6 New Street Square London, EC4A 3BF United Kingdom and Catherine Mary Williamson of AlixPartners UK LLP, Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB.
- 1.8 The purpose of this document is to provide you with information about the background to and reasons for BGL's proposed entry into a company voluntary arrangement pursuant to Part I of the Insolvency Act, including information about the terms of the arrangement, and to explain why the Directors consider the arrangement to be desirable for creditors and in the best interests of BGL and the Shareholder.

### **2 Definitions and Interpretation**

- 2.1 Expressions defined in part 1 of schedule 1 (*Definitions*) which are used in the terms of the CVA shall have the meanings specified in part 1 of schedule 1 (*Definitions*) unless the context otherwise requires and the provisions of part 2 of schedule 1 (*Interpretation*) shall apply as if set out in full in this paragraph 2.1.
- 2.2 Section 1 (Part I to Part V) of this Proposal sets out a general description of the Proposal and provides a brief summary of the binding terms of this Proposal.
- 2.3 The binding terms of this Proposal are set out in Part VI (*Terms of the Company Voluntary Arrangement*).

- 2.4 Unless otherwise stated, references to:
- 2.4.1 Paragraphs are references to paragraphs in Part I (*Summary of the Proposal*) to Part V (*Tax Information and Tax Disclosure*) and to paragraphs in each of the schedules; and
- 2.4.2 Clause numbers are to Clauses in Part VI (*Terms of the Company Voluntary Arrangement*).

### 3 **Background to and reasons for the Proposal**

#### *Description of BGL and the Group*

- 3.1 BGL is the primary trading company of the Group, which provides for leisure activities including bingo (both retail and on-line), gaming machines and food and beverages for its customers. Whilst BGL's clubs are currently closed due to the COVID-19 Pandemic, when the clubs reopen it is intended that BGL's retail bingo business will operate out of 91 bingo clubs across the UK.
- 3.2 Caledonia Venus Acquisitions Limited, which is owned by Caledonia, acquired BGL from Gala Coral Group on 19 December 2015. That acquisition was financed with £92,000,000 of equity from Caledonia and the proceeds of drawings under the Facilities Agreement. Since the original acquisition, Caledonia has subscribed for a further £35,000,000 of equity in the Group, including the £5,000,000 equity subscription in May 2020 referred to below, for the purpose of funding capital expenditure, the re-branding of the business of the Group, the launch of the Group's on-line business and to support the Group through its recent financial difficulties.
- 3.3 In connection with a group reorganisation, BGL and BEL paid dividends of £91,736,694 and £111,736,694 in March 2017. These dividends were paid intra-group. In the same year, CVHL (the ultimate parent company of the Group) paid a dividend of £3,306,000 to Caledonia. No dividends have subsequently been paid to Caledonia by CVHL.

#### *Debt finance arrangements of the Group:*

- 3.4 Caledonia Venus Acquisitions Limited (as borrower and guarantor) and Caledonia Venus Group Limited (as guarantor) entered into a term and revolving facilities agreement (the "**Facilities Agreement**") with (among others) funds and partnerships ultimately owned and/or managed and/or advised by Intermediate Capital Group plc (as unitranche lenders) and Barclays Bank plc (as revolving lender) originally dated 24 October 2015 (as amended and restated on 11 December 2015 and 18 May 2018) pursuant to which a £155,000,000 term unitranche facility and a £15,000,000 revolving facility was made available to Caledonia Venus Acquisitions Limited. In connection with the Facilities Agreement, an intercreditor agreement (the "**Intercreditor Agreement**") between (among others) Caledonia Venus Group Limited (as parent), ICG Alternative Investments Limited (as arranger) and Intermediate Capital Group plc (as agent and security agent) was entered into on 24 October 2015.
- 3.5 On 24 October 2015, Caledonia Venus Group Limited and Caledonia Venus Acquisitions Limited provided security pursuant to a debenture. On 19 December 2015, Buzz Holdings Limited (formerly Gala Bingo Holdings Limited), BEL (formerly Gala Bingo Limited), BGL (formerly Gala Leisure Limited) and Buzz County Clubs Limited (formerly Gala County Clubs Limited) acceded to the Facilities Agreement as guarantors, acceded to the Intercreditor Agreement as debtors and provided security pursuant to a debenture (and, in the case of Buzz County Clubs Limited, pursuant to a Scots law floating charge and share pledge).
- 3.6 Further details of the above arrangements are set out in schedule 4 (*Statutory and Financial Information*) and schedule 17 (*List of Security*)

#### *Pre-COVID-19 performance and steps taken*

- 3.7 Prior to the COVID-19 Pandemic, BGL and the other members of the Group were operating in a challenging retail environment. Whilst reported results are difficult to compare due to

changes in the financial year, on a full year basis the Group has suffered an underlying decline in profitability of approximately 30% from the financial year ended in September 2015 and the most recent financial year ended 11 January 2020. This has been principally driven by an approximately 38% decline in customer admissions (although that has been partially offset by an increase in spend per customer), a small reduction in the number of bingo clubs operated by the Group and the compounding effect of annual cost inflation (including significant increases in payroll costs as a result of National Living Wage, mandatory pension contributions and apprenticeship levy). Although there are trading pressures on the business, prior to the impact of COVID-19, actions taken by BGL's management (rebrand, colleague empowerment, new game structures) over the past 18 months had stabilised the retail business and the results to January 2020 were in line with BGL's budget and provided a solid base for future development.

*Effect of the COVID-19 Pandemic and actions taken:*

- 3.8 Due to the COVID-19 Restrictions, BGL's network of bingo clubs have been closed since Saturday 21 March 2020. Consequently, the only potential profit contribution could come from online channels. However these are at an early stage in their development and are only just starting to move from a loss making position into profit. Despite the positive steps taken to stabilise the retail business, the lack of any retail income since 21 March 2020 and an online operation that was loss making over the first five four-weekly reporting periods of this financial year have had a deep and far-reaching impact on BGL's business and financial position.
- 3.9 In an effort to address the effects of the COVID-19 Pandemic and the COVID-19 Restrictions, swift and decisive action has been taken by BGL and other members of the Group, including the following measures:
- 3.9.1 conversations with over 200 suppliers to agree deferments of existing liabilities and future payments until the clubs reopened. A number of suppliers have helped to support the business through deferring such payments and amending contractual obligations;
  - 3.9.2 the indefinite postponement of any non-essential capital expenditure, which has caused a significant reduction in the capital expenditure of the Group for the current financial year to no more than £10,900,000, compared to an original budget of £19,900,000;
  - 3.9.3 accessing the Government's Business Rates holiday which has been made available to retail, hospitality and leisure businesses as part of the financial support package offered in response to COVID-19;
  - 3.9.4 exercising contractual rights to lay off staff and/or the furloughing of employees under the Government's Coronavirus Job Retention Scheme across the Group's network of bingo clubs and head office. Of the circa 3,400 employees across the Group, a core of just over 280 staff (8.3%) are continuing to work to support the ongoing online operation and central activities still required whilst the clubs are closed;
  - 3.9.5 significantly reducing head office costs by implementing a recruitment freeze and the non-renewal of contractor, freelance and interim contracts;
  - 3.9.6 the intended suspension of payments to Landlords in respect of rent, service charges and other amounts due under its Leases since 20 March 2020; and
  - 3.9.7 drawing down on all the undrawn commitments under the revolving facility provided by Barclays Bank PLC under the Facilities Agreement, which increased liquidity by £6,500,000, and converting a £7,500,000 ancillary facility overdraft provided by Barclays Bank PLC into a further revolving facility loan of £7,500,000.

*Other support measures:*

- 3.10 BGL and the other members of the Group have also obtained concessions from the lenders under the Facilities Agreement, including:
- 3.10.1 temporary waivers of events of default which would otherwise have arisen from the closure of the bingo clubs and the non-payment of rent to Landlords, which expire on 31 July 2020; and
  - 3.10.2 an agreement not to have to make a £10,129,000 principal prepayment which would otherwise have been required under the Facilities Agreement, subject to a condition that such money be placed in a bank account controlled by the security agent under the Facilities Agreement.
- 3.11 Furthermore, the Group has benefitted from the support of its ultimate owner, Caledonia, which on 6 May 2020 made an equity subscription of £5,000,000 in a holding company of BGL to help improve liquidity further.

*Need for a fundamental restructuring:*

- 3.12 Despite these steps, BGL continues to face unprecedented challenges. The customer demographic of the Group consists of a high proportion of people who are vulnerable in the current circumstances. For example, nearly 40% of the Group's admissions in 2019 were customers aged over 65 years. The likely risk-averse approach of many of those customers in relation to the COVID-19 Pandemic is likely to depress customer sales. Furthermore, even when the Group's network of bingo clubs are permitted to re-open, customer sales are likely to be depressed further as a result of social distancing requirements as a consequence of the COVID-19 Restrictions. The consequence is that some previously profitable bingo clubs will not be sustainable at current levels of rent under the relevant Lease (or even with zero rent), particularly if demand is subdued for an extended period. In addition, those bingo clubs that were close to break-even in respect of their financial performance prior to the COVID-19 Pandemic will likely become wholly unsustainable. It is for these reasons that BGL has concluded that structural change to its Leases is necessary.
- 3.13 Given the significant and adverse change in its financial position due to the COVID-19 Pandemic, BGL is now in a position where it is unable to meet its obligations as they fall due. For the reasons given above, the Lease portfolio as it currently stands represents a significant barrier to both the immediate and long-term future of BGL and the steps taken prior to the COVID-19 Pandemic, as described above, are not sufficient to address the challenges that BGL is facing particularly given the time and effort required to rebuild the core trading business in a very different trading environment.

*Continued support from Caledonia and the lenders under the Facilities Agreement is conditional on the CVA*

- 3.14 Should the Proposal be approved, BGL expects to continue to be supported by Caledonia and continue to benefit from the facilities available under the Facilities Agreement. In particular:
- 3.14.1 Caledonia has indicated its willingness, subject to certain conditions including the finalisation of appropriate documentation, to make a further £22,000,000 equity subscription in a holding company of BGL to support BGL and the other members of the Group further; and
  - 3.14.2 the lenders under the Facilities Agreement have indicated their willingness, subject to certain conditions including the finalisation of appropriate documentation, to amend the terms of the Facilities Agreement in order to provide further support. This includes the release of the Blocked Cash back to the Group.

- 3.15 The release of the Blocked Cash and the equity subscription by Caledonia would together provide the Group with approximately £32,000,000 of new monies. This support is needed in order to finance the settlement of costs that have accrued while the bingo clubs have been closed and the considerable investment required in order to re-open bingo clubs following the lifting of some COVID-19 Restrictions, and includes working capital and longer term operational funding across all bingo clubs as they rebuild towards generating profits in the new post COVID-19 environment.
- 3.16 Without the approval and implementation of the Proposal, any additional financing from Caledonia and the support of the lenders under the Facilities Agreement will not be available to BGL. The Directors do not consider it will be feasible to obtain alternative financing to cover the costs accrued while the bingo clubs have been closed, the re-opening costs or to provide an appropriate working capital buffer. Consequently without this additional financing from Caledonia and the support of the lenders under the Facilities Agreement it is very likely that BGL will enter into administration.

#### 4 **What is a CVA?**

- 4.1 A company voluntary arrangement is a procedure under Part I of the Insolvency Act, which allows a company to come to an arrangement with its creditors over the payment of its debts. To become effective, the Proposal must be voted in favour of by 75% (seventy-five per cent) or more (in value) of those creditors responding. However, the Proposal will not be approved if more than 50% (fifty per cent) of the total value of the unconnected creditors vote against it.
- 4.2 The procedure by which creditors make their decision on a company voluntary arrangement is prescribed by section 246ZE of the Insolvency Act and Rule 15.3 of the Insolvency Rules (a “**Qualifying Decision Procedure**”). In this case the Qualifying Decision Procedure will be the Creditors’ Meeting, being a virtual meeting of the CVA Creditors.
- 4.3 If a company voluntary arrangement is validly approved, it binds all of the company’s creditors who were entitled to vote in the Qualifying Decision Procedure by which the creditors’ decision to approve the company voluntary arrangement was made (whether or not they so voted) or would have been so entitled had they received notice of it.
- 4.4 A company voluntary arrangement also requires the approval of more than 50% (fifty per cent) in value of the company’s shareholders present in person, by telephone or by proxy and voting on the resolution to approve the company voluntary arrangement. However, in accordance with section 4A(2) of the Insolvency Act, if the outcome of the meeting of shareholders differs from the decision taken by the company’s creditors, the decision of the creditors will prevail, subject to the right of any shareholder to apply to the Court to challenge the approval of the company voluntary arrangement.
- 4.5 Creditors who are based in the European Union should note that by virtue of Article 67(3)(c) of the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community and the EU Regulation on Insolvency Proceedings, the courts of the Member States (other than Denmark) are obliged to recognise a company voluntary arrangement which:
- 4.5.1 commences before the end of the transition period for the withdrawal of the UK from the European Union (being as at the date of this Proposal, 31 December 2020); and
- 4.5.2 is for a company which is determined to have its centre of main interests in the UK.
- 4.6 Any person entitled to vote at either the meeting of the company’s shareholders or the Qualifying Decision Procedure in which the company’s creditors decide whether to approve the voluntary arrangement (in this case being the virtual Creditors’ Meeting) may apply to the Court on one or both of the following grounds:

- 4.6.1 that a company voluntary arrangement unfairly prejudices the interests of a creditor, shareholder or contributory; or
  - 4.6.2 that there has been some material irregularity at or in relation to the meeting of the company or the Qualifying Decision Procedure in which the company's creditors decide whether to approve the voluntary arrangement.
- 4.7 Any such application must be made by a creditor within 28 days of the person who sought the creditors' decision reporting the result of the vote to Court, or, if the creditor was not given notice of the relevant Qualifying Decision Procedure, such application must be made within 28 days of the creditor becoming aware that the relevant Qualifying Decision Procedure had taken place.

## 5 **Proposed Duration of the CVA**

- 5.1 The appointment of the Supervisors will come to an end once they are satisfied that the terms of the CVA have been fully implemented in accordance with Clause 43 (*Completion or termination of the CVA*). The CVA will be implemented as soon as reasonably practicable, but it is anticipated that the Completion Date will not be earlier than 3 August 2022. At such time, the Supervisors will send a Notice of Completion to Compromised Creditors. The issuance of the Notice of Completion will not affect the compromises, releases and discharges effected by the CVA.
- 5.2 Other than in the case of Category E Leases, the compromises under the CVA will continue until the second anniversary of the Effective Date, subject to any earlier expiry or determination in accordance with the terms of the CVA.
- 5.3 From the second anniversary of the Effective Date:
- 5.3.1 In the case of Category B Leases, the annual rent payable will rebase to the greater of (i) 85% of Contractual Rent and (ii) Market Rent as determined in accordance with Clauses 10.15 and 20; and
  - 5.3.2 in the case of Category C Leases and Category D Leases, the annual rent payable will rebase to the greater of (i) 50% of Contractual Rent and (ii) Market Rent as determined in accordance with Clauses 11.16, 12.16 and 20;
  - 5.3.3 in the case of Category B Leases, Category C Leases and Category D Leases the contractual rent review provisions will be reinstated except that any future index linked rent reviews will be based on the rent as rebased at the end of the Rent Concession Period; and
  - 5.3.4 in the case of Category D Leases, BGL shall not be obliged to put or maintain the relevant Category D Premises including any obligation to yield up the same, in any better state and condition than as evidenced by the relevant Category D Lease Schedule of Condition.
- 5.4 As set out in Clauses 43.4 and 43.5 (*Completion or termination of the CVA*) of Part VI (*Terms of the Company Voluntary Arrangement*), the CVA may be terminated early by the Supervisors in certain circumstances. If this is to occur, the rights of all Compromised Creditors will revert to the position which BGL and its respective CVA Creditors were in prior to the CVA being approved.

## 6 **Lease Categorisation**

- 6.1 The Directors identified the Leases as falling into one of seven categories:
- 6.1.1 Category A Leases;
  - 6.1.2 Category B Leases;

- 6.1.3 Category C Leases;
- 6.1.4 Category D Leases;
- 6.1.5 Category E Leases;
- 6.1.6 Category F Lease; and
- 6.1.7 Ancillary Leases.

#### *Category A Leases*

- 6.2 The Category A Premises are bingo clubs that are expected to perform strongly (assuming that the effect of the COVID-19 Pandemic and the COVID-19 Restrictions reduces in line with BGL's expectations) or sites that are otherwise of strategic importance to BGL. The Category A Premises also include the London office and one of the Nottingham offices of BGL.
- 6.3 The Directors do not consider that any rent reductions are necessary in respect of Category A Leases. However, to assist with cash flow the rent due under the Category A Leases during the Rent Concession Period will be paid on a four-weekly basis and the Contractual Rent Arrears and Service Charge Arrears will be paid in full by no later than 30 September 2020.

#### *Category B Leases*

- 6.4 The Category B Premises are bingo clubs which the Directors would ordinarily expect to perform strongly but which may struggle to do so during the next 24 months due to the impact of the COVID-19 Pandemic and the COVID-19 Restrictions. To mitigate this impact, the Proposal seeks to change the fixed rents currently payable under the Category B Leases to a rent based on Net Turnover. This will provide the Category B Landlords with a share in the upside should the relevant Category B Premises perform well while guaranteeing a minimum base rent regardless of Net Turnover.
- 6.5 To assist with cash flow the minimum base rent and service charges will be paid on a four-weekly basis. The Net Turnover based component of the rent will be paid quarterly.
- 6.6 The Directors consider the Category B Leases to be over-rented so the Category B Lease Rent will be rebased at the end of the Rent Concession Period to the greater of (i) 85% of Contractual Rent and (ii) Market Rent.

#### *Category C Leases*

- 6.7 As with the Category B Premises the Category C Premises may struggle to perform well during the next 24 months due to the impact of the COVID-19 Pandemic and the COVID-19 Restrictions. For the same reasons as with the Category B Leases the Proposal seeks to change the fixed rents currently payable under the Category B Leases to a rent based on Net Turnover
- 6.8 The Category C Premises are bingo clubs which the Directors consider will perform more weakly than the Category B Leases in the long term. The Directors also consider the Category C Premises to be over-rented. Accordingly, the Proposal seeks to rebase the Category C Lease Rent to the greater of (i) 50% of Contractual Rent and (ii) Market Rent at the end of the Rent Concession Period.

#### *Category D Leases*

- 6.9 The Category D Premises are bingo clubs that are in a similar situation to the Category C Leases except that a larger rent reduction will be needed to return the Category D Premises to a commercially acceptable level of profitability. In return, for the larger rent concession the Proposal seeks to create additional mutual rights to break the Category D Leases on the date falling 24 months after the Effective Date.

- 6.10 As with the Category C Premises, the Directors consider the Category D Premises to be over-rented and so the Proposal seeks to rebase the Category D Lease Rent to the greater of (i) 50 of Contractual Rent and (ii) Market Rent at the end of the Rent Concession Period.

#### *Category E Leases*

- 6.11 The Category E Premises are bingo clubs which are vacant or which the Directors consider will not be commercially viable even with a rent reduction. BGL will seek to exit the Category E Premises within five weeks of the Effective Date.

#### *Category F Lease*

- 6.12 The Category F Lease is the lease of BGL's head office in Nottingham. Additional break rights which may take effect on the dates falling 12 months or 24 months after the Effective Date will be created to allow for an orderly exit of the premises.

#### *Ancillary Leases*

- 6.13 Certain bingo clubs have a separate lease for an ancillary facility, for example smoking shelters or car parking spaces. The Ancillary Leases are the leases for these ancillary facilities that are associated with Category B Premises, Category C Premises and Category D Premises. The Proposal seeks to allow for the termination of the Ancillary Leases at the same time as the associated Category B Lease, Category C Lease or Category D Lease is terminated.

## **7 Treatment of customer balances**

- 7.1 BGL holds certain cash balances on behalf of its customers, being:
- 7.1.1 "Smartcard" balances, which relate to customer funds accruing from retail activities; and
  - 7.1.2 "Customer Wallet" balances, which relate to customer funds accruing from online business.
- 7.2 These balances are held on trust by BGL for its customers. The customers are not therefore CVA Creditors but are instead beneficiaries of the trust over the balances.

## **8 Recommendation to creditors and Shareholder**

- 8.1 The Directors are of the opinion that the Proposal would be of benefit to the creditors of BGL because it is anticipated that, under the terms of the Proposal, the Unsecured Creditors will receive a greater return on the amount owed to them than they would do if BGL were to be subject to any other form of insolvency proceeding. See further schedule 13 (*Estimated Outcome Statement*) to the CVA.
- 8.2 Accordingly, the Directors believe that the Proposal is in the best interests of both the Shareholder and CVA Creditors and that both the CVA Creditors and the Shareholder should vote in favour of the Proposal. However, in accordance with section 4A(2) of the Insolvency Act, if the outcome of the Shareholder's Meeting differs from the outcome of the Creditors' Meeting, the decision of the CVA Creditors will prevail, subject to the right of the Shareholder to apply to Court to challenge the approval of the company voluntary arrangement.
- 8.3 Schedule 13 (*Estimated Outcome Statement*) sets out an analysis of the anticipated outcomes of the Proposal as opposed to the outcomes of an administration of BGL, and details of why the Proposal results in a more advantageous outcome for both CVA Creditors and the Shareholder. See further schedule 13 (*Estimated Outcome Statement*) to the CVA.
- 8.4 The Directors consider the Proposal is in the best interests of its creditors. The Directors unanimously recommend that creditors vote in favour of the Proposal.

8.5 The Directors consider the Proposal is in the best interests of BGL and the Shareholder. On an administration of BGL, its creditors would not be paid in full and consequently the Shareholder (whose claims rank behind creditors in a winding-up) would not receive any distribution. The Directors unanimously recommend that the Shareholder votes in favour of the Proposal.

**PART III**  
**Actions to be taken by CVA Creditors and the Shareholder**

**1 Arrangements for voting – CVA Creditors**

- 1.1 In accordance with section 246ZE(2) of the Insolvency Act, the decision of BGL's creditors with respect to a company voluntary arrangement may be made by any Qualifying Decision Procedure that the nominees think fit, but may not be made by a physical creditors' meeting unless section 246ZE(3) of the Insolvency Act applies. Section 246ZE(3) of the Insolvency Act provides that, if at least the minimum number of creditors (as defined in section 246ZE(7) of the Insolvency Act, comprising (i) 10% (ten per cent) in value of the company's creditors, (ii) 10% (ten per cent) in number of the company's creditors or (iii) 10 (ten) creditors) make a written request to the Nominees that the decision be made by a creditor's meeting, the Nominees must summon a creditors' meeting. Rule 15.6(1) of the Insolvency Rules provide that a request for a physical meeting be made before or after the notice of the Qualifying Decision Procedure has been delivered. The Nominees have considered the COVID-19 Restrictions currently in place and the potential public health implications of holding a physical meeting and concluded that it is not reasonably practicable or lawful to hold a physical meeting for as long as the current restrictions remain in place. Creditors are unlikely to be able to attend such a meeting in person, and it is unlikely to be possible for the Nominees to hold a meeting safely or without breaching legal requirements
- 1.2 In light of Government measures and health risks relating to the COVID-19 Pandemic, the Creditors' Meeting will be held as a virtual meeting. The health of those attending the meetings is of upmost importance to BGL and the Nominees, and it is considered that the holding of a virtual meeting will be the best way to protect those concerned. The Nominees are of the view that, as far as reasonably practicable, a virtual meeting will provide the CVA Creditors with similar capabilities as they would have had at a physical meeting.
- 1.3 All CVA Creditors known to BGL have received the Nominees' Letter which, among other things, directs them to the Website. The Website includes formal notice of the Creditors' Meeting (also available at schedule 19 (*Notice of Creditors' Meeting*)) which, among other things, provides details of how to access the Creditors' Meeting and a description of the arrangements for voting. The Creditors' Meeting will be held via a livestream accessible at <https://alixpartnersmeetings.com/bgl> and there will be no venue to attend.
- 1.4 CVA Creditors will vote on the resolution to approve the Proposal at the Creditors' Meeting. The form of the resolution is set out in the formal notice of meeting.
- 1.5 Voting is by value alone and is based on the value of a CVA Creditor's unsecured debt as at the date of the Creditors' Meeting as ascertained by the Chair in accordance with this Part III. Voting will be conducted using the E-Ballot voting platform which is available at <https://eballot4.votenet.com/buzz>. Individual log-in details for each CVA Creditor have been provided in the Nominees' Letter.
- 1.6 One of the Nominees will act as the Chair of the Creditors' Meeting. The Chair will have the power, under Rule 15.33 of the Insolvency Rules, to ascertain the entitlement of persons wishing to vote and to admit or reject their claims accordingly. The Chair will base their decision on the books and records of BGL and such other evidence that the Chair considers appropriate. The figure accepted for voting purposes at the Creditors' Meeting will not necessarily be the same as the figure which is ultimately accepted for any other purpose. Rule 15.31(3) of the Insolvency Rules provides that, for the purposes of voting, a debt of an unliquidated amount or whose value is not ascertained is to be valued at £1 unless the Chair agrees to place a higher value on it.
- 1.7 In the Nominees' Letter the Nominees have notified all CVA Creditors known to BGL of their CVA Claim as calculated based on BGL's records (referred to in the Nominees' Letter and this document as the "**Calculated Amount**"). However, if you are a CVA Creditor and disagree with the calculation of your CVA Claim, you are entitled to submit a Notice of Claim

for review by the Nominees. CVA Creditors who agree with the calculation of their CVA Claim do not need to submit a Notice of Claim.

- 1.8 If a CVA Creditor is a corporation or other legally constituted person or a partnership, a Proxy Form will need to be submitted in order to appoint an individual to vote on its behalf at the Creditors' Meeting. The Proxy Form should enclose a copy of the resolution (or appropriate extract) authorising such person to be its proxy. The copy should be under the seal of the corporation or equivalent entity or be certified by a director or secretary as a true copy. The Nominees may (but shall not be obliged to) request further information in order to verify any Proxy Form.
- 1.9 CVA Creditors to whom paragraph 1.8 above does not apply may still appoint a proxy to vote on their behalf if they are unable or do not wish to attend the Creditors' Meeting. Unless otherwise instructed by the Nominees, this should be done via the E-Ballot voting platform (<https://eballot4.votenet.com/buzz>) rather than submission of a Proxy Form. Details of how to access the E-Ballot Voting Platform have been provided to CVA Creditors in the Nominees' Letter and on the Website.
- 1.10 If a CVA Creditor wishes to appoint the Chair of the Creditors' Meeting to be their proxy, the Proxy Form (or submission via the E-Ballot voting platform) must be completed accordingly and must direct the Chair to vote either for or against the resolution to approve the Proposal. Failure to give a specific direction to the Chair will mean that the vote of the relevant CVA Creditor will not be cast at the Creditors' Meeting.
- 1.11 You are permitted under the Insolvency Rules to submit a Notice of Claim and Proxy Form during the Creditors' Meeting. However, in order to ensure your vote is taken into account and to ensure the efficient running of the virtual meeting, you are requested to please make all submissions as soon as possible prior to the Creditors' Meeting and in any event by **5.30 p.m. on 30 July 2020**.
- 1.12 Given the restrictions that are in place due to the COVID-19 Pandemic and the disruption to business as usual arrangements, and in order to protect the health and safety of those concerned, it is requested that **all submissions are made by email**. The Nominees have provided you with a dedicated email address for this purpose in the Nominees' Letter.
- 1.13 If you no longer have a copy of the Nominees' Letter, you may contact the Nominees using the details set out below:
- 1.13.1 by email to [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com) if you are a Landlord;
- 1.13.2 by email to [BGLEmployees@alixpartners.com](mailto:BGLEmployees@alixpartners.com) if you are an Employee; or
- 1.13.3 by email to [BGLSuppliers@alixpartners.com](mailto:BGLSuppliers@alixpartners.com) if you are a CVA Creditor other than a Landlord or an Employee.

## 2 **Votes in relation to Landlords**

- 2.1 In relation to the procedure for admission of creditors' claims for voting purposes the Landlords are not distinguished from other CVA Creditors and accordingly, Rule 15.33 of the Insolvency Rules applies to ascertain the entitlement of the Landlords wishing to vote and the Chair has the power to admit or reject the Landlords' claims accordingly.
- 2.2 Claims for future rent, service charge, insurance, Dilapidations and other sums which may become due in respect of the Premises are unliquidated or unascertained. Accordingly, Rule 15.31(3) of the Insolvency Rules applies and the Chair shall value the claim of the Landlords (for voting purposes) at £1, unless he or she agrees to put a higher value on it.
- 2.3 The Chair will not speculate on, and is not obliged to investigate, the Landlords' claims. However, it is intended that for voting purposes, although the element of the claim for future rent and service charge is unliquidated and unascertained and therefore is prima facie to be valued at £1 in accordance with Rule 15.31(3) of the Insolvency Rules, an uplift will be applied

to admit the claim for 75% of the estimated gross amount of the potential claim for future rent estimated in accordance with schedule 2 (*Calculation of Landlords' Claims*). Elements of the Landlords' claims which are liquidated and ascertained, such as for accrued rent arrears and dilapidations, will be admitted in full.

2.4 The Insolvency Rules on this point are also supported by case law handed down by the Court, which clearly identifies claims for future rent as unliquidated and unascertained. This contrasts with certain liquidated claims in relation to arrears which are due and owing as at the Effective Date, which are admitted in full for voting purposes subject to evidence of such claim being provided by the relevant Landlord.

2.5 If, however, any Landlord disagrees with the methodology which BGL intends to apply when arriving at the value of its claim for voting purposes as outlined in paragraph 2.3 above, such Landlord is invited to propose to BGL and the Nominees an alternative method for calculating its claim. However, if a Landlord elects to make such an alternative proposal to BGL and the Nominees, such Landlord must produce appropriate professional advice and appropriate evidence to support its proposal.

2.6 In the event that a Landlord proposes an alternative methodology for valuing its claim for voting purposes in the CVA, the decision as to the methodology to be used in valuing the claim of that Landlord for voting purposes shall be that of the Chair.

### **3 Votes in relation to CVA Creditors other than Landlords**

3.1 For the purposes of this paragraph 3 of Part III (*Actions to be taken by CVA Creditors and The Shareholder*) the term "CVA Creditors" shall exclude Landlords whose admission for voting purposes is set out in paragraph 2 (*Votes in relation to Landlords*) above.

3.2 Rules 15.31 and 15.33 of the Insolvency Rules apply to the ascertainment of the entitlement of CVA Creditors wishing to vote and the Chair has the power to admit or reject their claims accordingly.

4 Rule 15.33(3) of the Insolvency Rules applies to any claims for any future sum or other sums due to CVA Creditors which are unliquidated or unascertained and the Chair shall value the claim of each such CVA Creditor (for voting purposes) at £1, unless he or she agrees to put a higher value on it.

### **5 Arrangements for voting at Shareholder's Meeting**

5.1 At the Shareholder's Meeting, the Shareholder will vote on a resolution to approve the Proposal. The form of the resolution is set out in the Notice of Meeting. Voting by the Shareholder is in accordance with the rights attaching to the Shareholder's shares. The Shareholder is nevertheless entitled to vote either for or against the Proposal, or any modification to it.

5.2 The Shareholder's Meeting will be held as a virtual meeting at 4.00pm on 3 August 2020. The Shareholder should return its Proxy Form as soon as practicable, and in any event the Nominees request that it is returned by **5.30pm on 30 July 2020**.

### **6 Creditors and shareholder with queries**

6.1 It is strongly advised to raise any queries you have ahead of the Creditors' Meeting or the Shareholder's Meeting so as to ensure a considered response.

6.2 CVA Creditors may raise queries:

by e-mail:

if they are a Landlord to [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com)

If they are an Employee to [BGLEmployees@alixpartners.com](mailto:BGLEmployees@alixpartners.com)

if they are a CVA Creditor other than a Landlord or an Employee to BGLSuppliers@alixpartners.com; or

by telephone by calling +44 (0)207 098 7400

prior to the date of the Creditors' Meeting.

- 6.3 Due to the impact of the COVID-19 Pandemic the Nominees request that the CVA Creditors use email rather than post where possible.
- 6.4 The Shareholder may raise queries by using the contact details separately notified to the Shareholder prior to the date of the Shareholder's Meeting.

**The claim of a CVA Creditor who does not respond will not be taken into account for the purposes of calculating the requisite majorities for the Proposal to be approved (as set out in paragraphs 7.2 (*Further Points*) of Part I (*Summary of the Proposal*) and 4.1 (*What is a CVA?*) of Part II (*Introduction*)). In addition, the Proposal, if approved, is binding on all CVA Creditors, including those CVA Creditors who did not vote or voted against the Proposal. Your vote on the Proposal is therefore very important. Please take the time to consider the documents that have been sent to you and take appropriate action.**

**PART IV**  
**Corporate, Statutory and Financial Information**

**1 Corporate Information**

The corporate information in respect of BGL can be found in schedule 3 (*Corporate Information*).

**2 Statutory and Financial Information**

The statutory and financial information in respect of BGL can be found at schedule 4 (*Statutory and Financial Information*).

**PART V**  
**Tax Information and Tax Disclaimer**

**1 Tax Information and Tax Disclosure**

- 1.1 When considering the Proposal, CVA Creditors should consult their own tax advisers concerning the tax consequences of the Proposal to determine their own tax position as a result of the CVA being implemented and becoming unconditional in accordance with its terms in the light of their particular circumstances.
- 1.2 No representation or warranty is made by any person with respect to the tax consequences for any particular holder of CVA Claims.

## SECTION 2

### TERMS OF THE PROPOSAL

#### PART VI

#### Terms of the Company Voluntary Arrangement

##### 1 Definitions and Interpretation

- 1.1 Expressions defined in part 1 of schedule 1 (*Definitions*) which are used in the terms of the CVA shall have the meanings specified in part 1 of schedule 1 (*Definitions*).
- 1.2 The provisions of part 2 of schedule 1 (*Interpretation*) shall apply to the interpretation of the CVA.
- 1.3 The terms set out in this Part VI (*Terms of the Company Voluntary Arrangement*) shall take precedence over all other parts of this Proposal.

##### 2 Effectiveness of the CVA

- 2.1 The provisions of this Part VI (*Terms of the Company Voluntary Arrangement*) shall have full force and effect between BGL and its CVA Creditors immediately following the approval of the CVA at the Creditors' Meeting and at the Shareholder's Meeting.
- 2.2 By countersigning this Proposal, BGL hereby acknowledges and agrees the terms of the CVA.
- 2.3 The Supervisors will promptly notify the CVA Creditors of the occurrence of the Effective Date in respect of the CVA on the Website, the details of which have been notified to CVA Creditors by Clare Kennedy, Peter Saville and Catherine Mary Williamson all of AlixPartners UK LLP in the Nominees' Letter.

##### 3 Operation of BGL

- 3.1 During the CVA, the affairs, business, Assets and properties of BGL will be managed by the Directors in the ordinary course of business.
- 3.2 Save in respect of BGL's obligations in respect of the Compromised Creditor Fund contained in Clause 25 (*Compromised Creditor Fund*) and any of the Supervisors' costs arising in connection with the CVA, the Directors will have no obligation to put the Supervisors into possession of any of the Assets of BGL.
- 3.3 BGL acting through the Directors shall remain solely liable for the conduct of the future trading of the business of BGL.
- 3.4 The Supervisors shall not have any involvement in or personal liability in respect of any ongoing trading activities or any debts incurred in respect of such trading.

##### 4 Moratorium

- 4.1 Save as provided in Clause 4.3 and Clause 4.4, with effect from the Effective Date, no Landlord or Compromised Creditor shall be entitled as a result of or in connection with a CVA Related Event or any event referred to in Clause 8.1.1 to take or continue any legal process against any Group Company, BGL or its Assets (whether by way of demand, legal proceedings, alternative determination process (including an expert determination process), the levying of distress, execution of judgment or otherwise) in any jurisdiction whatsoever for the purpose of:
  - 4.1.1 obtaining payment of any Liability relating directly or indirectly to a Lease or Previous Lease or taking any action in relation to the enforcement of any covenant or obligation of BGL or any Group Company under a Lease or Previous

Lease, licence, AGA or other document ancillary, collateral or supplemental to a Lease or Previous Lease; or

- 4.1.2 placing BGL and/or any Group Company into liquidation, administration or any analogous proceedings in any jurisdiction.
- 4.2 Save as provided in Clause 4.3 or 4.4, if a Landlord or Previous Landlord has commenced or completed any legal process or action or self-help remedy against BGL and / or any Group Company that has arisen as a result of any CVA Related Event or any event referred to in Clause 8.1.1, such Landlord or Previous Landlord agrees and acknowledges that it will discontinue any such process or action or self-help remedy and consent to any application by BGL and / or any Group Company for relief against forfeiture, or to contest irritancy (as applicable), or from such process or action.
- 4.3 Nothing in this Clause 4 (*Moratorium*) shall prejudice the enforcement by a Landlord or Compromised Creditor of its rights under the CVA (including, for the avoidance of doubt, under the terms of Leases or guarantees as modified or varied by the CVA including terms of such Leases which terms have not been modified, varied or waived, released or discharged or which revert to their normal terms in accordance with the CVA) and nothing shall prevent any action being taken as a consequence of non-payment of any amount when due under the CVA (including under any such Lease).
- 4.4 Nothing in this Proposal shall prevent a Landlord from forfeiting or irritating the Lease on grounds that an insolvency event has occurred in relation to BGL or on analogous grounds, or exercising any other proprietary rights under the relevant Lease.

## 5 **The Effect Of The CVA on Ordinary Unsecured Creditors**

- 5.1 Subject to Clauses 5.2 and 5.3 below, the CVA shall not affect the rights of the Ordinary Unsecured Creditors in respect of Ordinary Unsecured Liabilities.
- 5.2 The Ordinary Unsecured Creditors and BGL shall continue to perform their obligations in accordance with the terms of their respective Ordinary Unsecured Arrangements.
- 5.3 With effect from the Effective Date:
- 5.3.1 each Ordinary Unsecured Creditor waives and releases BGL from any breaches or defaults under any Ordinary Unsecured Arrangement that may have arisen or may arise as a result of any CVA Related Event;
- 5.3.2 the Ordinary Unsecured Creditors shall not be entitled as a result of any CVA Related Event:
- 5.3.2.1 to terminate any Ordinary Unsecured Arrangement; or
- 5.3.2.2 to cause BGL to lose or otherwise forfeit any deposit or advance payment made by BGL or to require it to provide any such deposit or advance payment in each case in respect of Ordinary Unsecured Arrangements; or
- 5.3.2.3 to impose more onerous terms or conditions (including but not limited to higher interest payments, charges and/or changes to payment terms); or
- 5.3.2.4 to enforce any other contractual or other right that they may have in their capacity as Ordinary Unsecured Creditors; and
- 5.3.3 any attempt by any Ordinary Unsecured Creditor to change or vary the terms of any Ordinary Unsecured Arrangement (including as described above) as a result of any CVA Related Event without the consent of BGL shall be unenforceable.

5.4 Save as otherwise provided above, all accrued rights of the Ordinary Unsecured Creditors in respect of Ordinary Unsecured Liabilities and their rights in respect of any other breaches of any Ordinary Unsecured Arrangement will remain and nothing in this Clause 5 shall prevent any action being taken as a consequence of non-payment of any amount when due or any person's rights in respect of a liability that is not a CVA Liability.

5.5 Other unsecured creditors including employees are unaffected.

## 6 **The Effect of the CVA on Employees**

The CVA shall not affect the rights of any Employee, either in respect of any Employee Preferential Claim or any other Liability owed to the Employee in their capacity as an Employee.

## 7 **The Effect of the CVA on Secured Creditors and Preferential Creditors**

7.1 The CVA does not affect:

7.1.1 the rights of any Secured Creditor in respect of any Secured Liabilities; or

7.1.2 the rights of any Preferential Creditors in respect of Preferential Liabilities.

7.2 All Secured Liabilities and Preferential Liabilities shall continue to be paid in accordance with their terms.

## 8 **The Effect of the CVA on all Landlords**

8.1 Subject to Clause 4.4, with effect from the Effective Date:

8.1.1 each Landlord irrevocably and unconditionally, fully, finally and absolutely, waives, releases and discharges BGL in respect of:

8.1.1.1 any breaches or potential or actual defaults of any terms of a Lease that may have arisen or may arise as a result of any CVA Related Event or the compromises under, or any other provision of, the Proposal; or

8.1.1.2 BGL not paying any amount due under any Lease before the Effective Date; and

8.1.2 no Landlord shall be entitled as a result of any the events referred to in Clause 8.1.1 above to:

8.1.2.1 cause BGL to lose or otherwise forfeit any deposit (including any rent deposit) or advance payment made by it or to require it to provide or increase any such deposit or advance payment in each case in respect of a Lease or pursuant to the terms of any associated rent deposit deed;

8.1.2.2 impose more onerous terms or conditions (including higher interest payments, charges or changes to payment terms);

8.1.2.3 require any security (including guarantees) from BGL or any other member of the Group (including the Shareholder) or any of the Directors or any other party whatsoever;

8.1.2.4 enforce any other contractual right that they may have in their capacity as a Landlord in respect of the Leases; or

8.1.2.5 terminate, waive, release or in any way limit or vary or allow any Landlord to terminate, suspend or in any way limit or vary the

performance by any such Landlord of all or any part of any covenant, undertaking or obligation (howsoever categorised or described) in, under or pursuant to any Lease (or any deed, document, contract or agreement ancillary, supplemental to or otherwise relating thereto), including any covenant, undertaking or obligation to make any capital contributions by way of rent free period, cash payment or payment of or contribution towards fit-out works or any other similar or equivalent arrangement; and

8.1.3 any attempt by a Landlord to change or vary the terms of any Lease (including as described above) as a result of any event referred to in Clause 8.1.1 without the prior written consent of BGL shall be void and unenforceable.

8.2 References to any right of any Landlord in Clause 8.1 includes any such right which would otherwise be exercisable but for any condition, notice period, grace period, cure period or other requirement whatsoever that has not been fully met, complied with or expired by the Effective Date.

8.3 Subject to Clause 8.4, nothing in this Clause 8 or the compromise effected by this Part VI shall, except so far as is necessary for the purpose of releasing BGL from Liability pursuant to the terms of the CVA, affect, nor is intended to affect, any right or Liability of any person other than BGL or the rights of any person other than in respect of their rights against BGL (including any Liability of any Contingent Property Creditor to any person, including any Landlord).

8.4 No demand for payment or other attempt at enforcement shall be made in respect of a guarantee or indemnity given by any member of the Group in favour of a Landlord and in respect of Liabilities of BGL under a Lease. The relevant member of the Group may enforce the benefit of this Clause 8.4 under the Contracts (Rights of Third Parties) Act 1999.

## 9 **The Effect of the CVA on Category A Landlords**

### *Four-weekly rent*

9.1 Subject to Clause 9.4, all contracted amounts payable in respect of Category A Lease Rent (except for insurance charges payable under the Category A Leases) shall be paid at four-weekly intervals (in advance) for the duration of the Rent Concession Period. Each such payment shall be made on the first day of each Rent Payment Period (or, if such day is not a Business Day, the next Business Day following such day), with each payment being one thirteenth of the annual sum due, save in respect of any period shorter than a Rent Payment Period which shall be calculated on a daily basis. An amount equal to all Category A Lease Rent due in respect of the period commencing on the Effective Date and ending on the day before the First Amended Payment Date in accordance with this Clause 9.1 (calculated on a daily basis) shall be paid in arrear on the First Amended Payment Date.

9.2 BGL will not be liable to pay any interest charges or administrative or other fees to any Category A Landlord in consequence of the payment of Category A Lease Rent and any other contractual sums on a four-weekly basis to the Category A Landlords under the terms of this Proposal.

9.3 Insurance charges payable under a Category A Lease shall be payable in accordance with the terms of the relevant Category A Lease.

### *Category A Lease Rent, arrears, service charge and insurance*

9.4 The Contractual Rent Arrears and Service Charge Arrears in respect of the Category A Leases shall be paid by BGL to the relevant Category A Landlord by no later than 30 September 2020. BGL shall not be liable to pay any interest charges or administrative or other fees to any Category A Landlord as a result of this deferral.

*Rent review*

- 9.5 For the avoidance of doubt, to the extent that any Category A Lease contains rent review provisions, such rent review provisions will continue to apply and will remain unaffected by the CVA.

**10 The Effect of the CVA on Category B Landlords**

*Four-weekly rent*

- 10.1 Subject to Clauses 10.4 and 10.5, all contracted amounts payable in respect of Category B Lease Base Rent and service charges shall be paid at four weekly intervals (in advance) for the duration of the Rent Concession Period. Each such payment shall be made the first day of each Rent Payment Period (or, if such day is not a Business Day, the next Business Day following such day), with each payment being one thirteenth of the annual sum due, save in respect of any period shorter than a Rent Payment Period which shall be calculated on a daily basis. An amount equal to all Category B Lease Base Rent and service charge due in respect of the period commencing on the Effective Date and ending on the day before the First Amended Payment Date in accordance with this Clause 10.1 (calculated on a daily basis) shall be paid in arrear on the First Amended Payment Date.
- 10.2 BGL will not be liable to pay any interest charges or administrative or other fees to any Category B Landlord in consequence of the payment of Category B Lease Base Rent, service charge and any other contractual sums on a four-weekly basis to the Category B Landlords under the terms of this Proposal.
- 10.3 Insurance charges payable under a Category B Lease shall be payable in accordance with the terms of the relevant Category B Lease.

*Category B Lease Rent, arrears, service charge and insurance*

- 10.4 With effect from the Effective Date, the Contractual Rent Arrears payable to each Category B Landlord shall be irrevocably and unconditionally, fully, finally and absolutely, compromised, released and discharged. In exchange for such compromise, and the compromise of future rent as set out in this Clause 10, each Category B Landlord shall have the right to participate in the Compromised Creditor Fund as set out in Clause 25 (*Compromised Creditor Fund*) (and such right, together with BGL's obligation to make the payments referred to in this Clause 10, shall be accepted in full and final settlement of all Liabilities owed to it in respect of the Contractual Rent Arrears and any amount that would otherwise be payable under the relevant Category B Lease but for this Clause 10).
- 10.5 The Service Charge Arrears payable in respect of the Category B Leases shall be paid by BGL to the relevant Category B Landlord by 30 September 2020. The obligations under this Clause 10.5 shall be in full and final settlement of all Liabilities to each Category B Landlord in respect of the Service Charge Arrears which are owed to it (and accordingly each Category B Landlord irrevocably and unconditionally, fully, finally and absolutely, compromises, releases and discharges BGL in respect of any such Liability other than as set out in this Clause 10.5) upon such payment being made.
- 10.6 Unless the relevant Category B Landlord has delivered to BGL a Notice to Vacate pursuant to Clause 10.10 (in which case, Clause 10.12 shall apply instead) and subject to Clauses 10.13 and 20 (*Compromised Leases: Rent Review*), during the Rent Concession Period the Category B Lease Rent payable to each Category B Landlord under each Category B Lease shall be the sum of:
- 10.6.1 the Category B Lease Base Rent;
  - 10.6.2 the Category B Lease Net Turnover Rent (if any); and
  - 10.6.3 any contractual amount payable in respect of insurance and service charge for the period of occupation.

- 10.7 For the avoidance of doubt, Head Lease Payment Obligations (if any) will continue to be paid in accordance with the terms of the relevant Category B Lease save to the extent such terms are waived or modified in accordance with the CVA.
- 10.8 The Category B Lease Net Turnover Rent (if any) shall be paid in accordance with Clause 17 (*Net Turnover Rent*)
- 10.9 BGL's obligation to make the payments referred to in this Clause 10 and each Category B Landlord's right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*) will be accepted in full and final satisfaction of any Liability to a Category B Landlord under or arising out of or in relation to the relevant Category B Lease during the Rent Concession Period, and whether in respect of the Contractual Rent, service charge, insurance, dilapidations, termination amount or otherwise.

*Category B Landlord termination right*

- 10.10 If a Category B Landlord requires BGL to vacate a Category B Premises, it shall be entitled to deliver to BGL a Notice to Vacate (together with any additional notice(s) as may be required by law to constitute a valid surrender, forfeiture or irritancy as the case may be) within 90 days of the Effective Date giving not less than 30 days' notice to that effect.
- 10.11 Once given, a Notice to Vacate may not be withdrawn, save by agreement with BGL. For the avoidance of doubt, such a Notice to Vacate may be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.
- 10.12 If a Category B Landlord serves a Notice to Vacate pursuant to Clause 10.10 then:
- 10.12.1 the provisions of Clause 18 (*Compromised Leases: Landlord Termination*) shall apply; and
- 10.12.2 the Category B Lease Rent payable to the relevant Category B Landlord by BGL shall be:
- 10.12.2.1 a fixed Market Rent as determined by Gerald Eve and specified in schedule 6 (*List of Category B Leases*); plus
- 10.12.2.2 any contractual amount payable in respect of insurance and service charge for the period of occupation,
- apportioned on a daily basis in respect of the period from and including the Effective Date and ending at the end of the 30 day notice period referred to in Clause 10.10.

*Rent Review*

- 10.13 To the extent that any Category B Lease contains any rent review provisions that have either not yet been exercised or completed or would otherwise become effective prior to the expiry of the Rent Concession Period, such rent review provisions shall be deemed to be waived and disapplied and shall not be relied upon.
- 10.14 A Category B Landlord may by giving notice to BGL within 60 days of the Effective Date request an Initial Rent Review which shall be conducted in accordance with Clause 20 (*Compromised Leases: Rent Review*).
- 10.15 BGL and each Category B Landlord shall carry out an End of Rent Concession Rent Review in accordance with Clause 20 (*Compromised Leases: Rent Review*)

*BGL termination right*

- 10.16 If following an Initial Rent Review BGL wishes to cease occupation of the relevant Category B Premises, it may deliver to the relevant Category B Landlord a Notice to Quit within 60 days of the determination of Market Rent under the Initial Rent Review and Clause 19 (*Compromised Leases: BGL termination*) shall apply with effect from the date the Notice to Quit is delivered.
- 10.17 Once given, a Notice to Quit may not be withdrawn, save by agreement with the relevant Landlord. For the avoidance of doubt, such a Notice to Quit may be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.

*Treatment of dilapidations*

- 10.18 Dilapidations claims in respect of a Category B Lease will not be compromised by this Proposal unless the relevant Category B Landlord delivers a Notice to Vacate pursuant to Clause 10.10 or exercises a break right under the relevant Category B Lease or exercises a right to forfeit or irritate the Lease. If such a Notice to Vacate is delivered or a right to break the Lease, forfeit or irritate is exercised by a Category B Landlord, all dilapidations claims in relation to the relevant Category B Lease will be compromised in full and subject to a full and final release against BGL in accordance with Clause 18.2 (*Compromised Leases: Landlord Termination*) immediately upon such Notice to Vacate being delivered or break right being exercised or right to forfeit or irritate being exercised.

**11 The Effect of the CVA on Category C Landlords**

*Four-weekly rent*

- 11.1 Subject to Clauses 11.4 and 11.5, all contracted amounts payable in respect of Category C Lease Base Rent and service charges shall be paid at four-weekly intervals (in advance) for the duration of the Rent Concession Period. Each such payment shall be made on the first day of each Rent Payment Period (or, if such day is not a Business Day, the next Business Day following such day), with each payment being one thirteenth of the annual sum due, save in respect of any period shorter than a Rent Payment Period which shall be calculated on a daily basis. An amount equal to all Category C Lease Base Rent and service charge due in respect of the period commencing on the Effective Date and ending on the day before the First Amended Payment Date in accordance with this Clause 11.1 (calculated on a daily basis) shall be paid in arrear on the First Amended Payment Date.
- 11.2 BGL will not be liable to pay any interest charges or administrative or other fees to any Category C Landlord in consequence of the payment of Category C Lease Base Rent, service charge and any other contractual sums on a four-weekly basis to the Category C Landlords under the terms of this Proposal.
- 11.3 Insurance charges payable under a Category C Lease shall be payable in accordance with the terms of the relevant Category C Lease.

*Category C Lease Rent, arrears, service charge and insurance*

- 11.4 With effect from the Effective Date, the Contractual Rent Arrears payable to each Category C Landlord shall be irrevocably and unconditionally, fully, finally and absolutely, compromised, released and discharged. In exchange for such compromise, and the compromise of future rent as set out in this Clause 11, each Category C Landlord shall have the right to participate in the Compromised Creditor Fund as set out in Clause 25 (*Compromised Creditor Fund*) (and such right, together with BGL's obligation to make the payments referred to in this Clause 11, shall be accepted in full and final settlement of all Liabilities owed to it in respect of the Contractual Rent Arrears and any amount that would otherwise be payable under the relevant Category C Lease but for this Clause 11).

- 11.5 The Service Charge Arrears payable in respect of the Category C Leases shall be paid by BGL to the relevant Category C Landlord by 30 September 2020. The obligations under this Clause 11.5 shall be in full and final settlement of all Liabilities to each Category C Landlord in respect of the Service Charge Arrears which are owed to it (and accordingly each Category C Landlord irrevocably and unconditionally, fully, finally and absolutely, compromises, releases and discharges BGL in respect of any such Liability other than as set out in this Clause 11.5) upon such payment being made.
- 11.6 Unless the relevant Category C Landlord has delivered to BGL a Notice to Vacate pursuant to Clause 11.10 (in which case, Clause 11.13 shall apply instead) and subject to Clauses 11.14 and 20 (*Compromised Leases: Rent Review*), during the Rent Concession Period the Category C Lease Rent payable to each Category C Landlord under each Category C Lease shall be the sum of:
- 11.6.1 the Category C Lease Base Rent;
  - 11.6.2 the Category C Lease Net Turnover Rent (if any); and
  - 11.6.3 any contractual amount payable in respect of insurance and service charge for the period of occupation.
- 11.7 For the avoidance of doubt, Head Lease Payment Obligations (if any) will continue to be paid in accordance with the terms of the relevant Category C Lease save to the extent such terms are waived or modified in accordance with the CVA.
- 11.8 The Category C Lease Net Turnover Rent (if any) shall be paid in accordance with Clause 17 (*Net Turnover Rent*)
- 11.9 BGL's obligation to make the payments referred to in this Clause 11 and each Category C Landlord's right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*) will be accepted in full and final satisfaction of any Liability to a Category C Landlord under or arising out of or in relation to the relevant Category C Lease during the Rent Concession Period, and whether in respect of the Contractual Rent, service charge, insurance, dilapidations, termination amount or otherwise.
- Category C Landlord termination right*
- 11.10 If a Category C Landlord requires BGL to vacate a Category C Premises, it shall be entitled to deliver to BGL a Notice to Vacate (together with any additional notice(s) as may be required by law to constitute a valid surrender, forfeiture or irritancy as the case may be) within 180 days of the Effective Date giving not less than 45 days' notice to that effect.
- 11.11 Once given, a Notice to Vacate may not be withdrawn, save by agreement with BGL. For the avoidance of doubt, such a Notice to Vacate may be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.
- 11.12 If a Category C Landlord serves a Notice to Vacate pursuant to Clause 11.10 then the provisions of Clause 18 (*Compromised Leases: Landlord Termination*) shall apply.
- 11.13 If a Category C Landlord serves a Notice to Vacate pursuant to Clause 11.10 the Category C Lease Rent payable to the relevant Category C Landlord by BGL shall be:
- 11.13.1 a fixed Market Rent as determined by Gerald Eve and specified in schedule 7 (*List of Category C Leases*); plus
  - 11.13.2 any contractual amount payable in respect of insurance and service charge for the period of occupation,
- apportioned on a daily basis in respect of the period from and including the Effective Date and ending at the end of the 45 day notice period.

### *Rent Review*

- 11.14 To the extent that any Category C Lease contains any rent review provisions that have either not yet been exercised or completed or would otherwise become effective prior to the expiry of the Rent Concession Period, such rent review provisions shall be deemed to be waived and disappplied and shall not be relied upon.
- 11.15 A Category C Landlord may by giving notice to BGL within 60 days of the Effective Date request an Initial Rent Review which shall be conducted in accordance with Clause 20 (*Compromised Leases: Rent Review*).
- 11.16 BGL and each Category C Landlord shall carry out an End of Rent Concession Rent Review in accordance with Clause 20 (*Compromised Leases: Rent Review*).

### *BGL termination right*

- 11.17 If following an Initial Rent Review BGL wishes to cease occupation of the relevant Category C Premises, it may deliver to the relevant Category C Landlord a Notice to Quit within 60 days of the determination of Market Rent under the Initial Rent Review and Clause 19 (*Compromised Leases: BGL termination*) shall apply with effect from the date the Notice to Quit is delivered.
- 11.18 Once given, a Notice to Quit may not be withdrawn, save by agreement with the relevant Landlord. For the avoidance of doubt, such a Notice to Quit may be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.

### *Treatment of dilapidations*

- 11.19 Dilapidations claims in respect of a Category C Lease will not be compromised by this Proposal unless the relevant Category C Landlord delivers a Notice to Vacate pursuant to Clause 11.10 or exercises a break right under the relevant Category C Lease or exercises a right to forfeit or irritate the Lease. If such a Notice to Vacate is delivered or a right to break the Lease, forfeit or irritate is exercised by a Category C Landlord, all dilapidations claims in relation to the relevant Category C Lease will be compromised in full and subject to a full and final release against BGL in accordance with Clause 18.2 (*Compromised Leases: Landlord Termination*) immediately upon such Notice to Vacate being delivered or break right being exercised or right to forfeit or irritate being exercised.

## **12 The Effect of the CVA on Category D Landlords**

### *Four-weekly rent*

- 12.1 Subject to Clauses 12.4 and 12.5, all contracted amounts payable in respect of Category D Lease Base Rent and service charge shall be paid at four-weekly intervals (in advance) for the duration of the Rent Concession Period. Each such payment shall be made on the first day of each Rent Payment Period (or, if such day is not a Business Day, the next Business Day following such day), with each payment being one thirteenth of the annual sum due, save in respect of any period shorter than a Rent Payment Period which shall be calculated on a daily basis. An amount equal to all Category D Lease Base Rent and service charge due in respect of the period commencing on the Effective Date and ending on the day before the First Amended Payment Date in accordance with this Clause 12.1 (calculated on a daily basis) shall be paid in arrear on the First Amended Payment Date.
- 12.2 BGL will not be liable to pay any interest charges or administrative or other fees to any Category D Landlord in consequence of the payment of Category D Lease Base Rent, service charge and any other contractual sums on a four-weekly basis to the Category D Landlords under the terms of this Proposal.
- 12.3 Insurance charges payable under a Category D Lease shall be payable in accordance with the terms of the relevant Category D Lease.

*Category D Lease Rent, arrears, service charge and insurance*

- 12.4 With effect from the Effective Date, the Contractual Rent Arrears payable to each Category D Landlord shall be irrevocably and unconditionally, fully, finally and absolutely, compromised, released and discharged. In exchange for such compromise, and the compromise of future rent as set out in this Clause 12, each Category D Landlord shall have the right to participate in the Compromised Creditor Fund as set out in Clause 25 (*Compromised Creditor Fund*) (and such right, together with BGL's obligation to make the payments referred to in this Clause 12, shall be accepted in full and final settlement of all Liabilities owed to it in respect of the Contractual Rent Arrears and any amount that would otherwise be payable under the relevant Category D Lease but for this Clause 12).
- 12.5 The Service Charge Arrears payable in respect of the Category D Leases shall be paid by BGL to the relevant Category D Landlord by 30 September 2020. The obligations under this Clause 12.5 shall be in full and final settlement of all Liabilities to each Category D Landlord in respect of the Service Charge Arrears which are owed to it (and accordingly each Category D Landlord irrevocably and unconditionally, fully, finally and absolutely, compromises, releases and discharges BGL in respect of any such Liability other than as set out in this Clause 12.5 upon such payment being made).
- 12.6 Unless the relevant Category D Landlord has delivered to BGL a Notice to Vacate pursuant to Clause 12.10 (in which case, Clause 12.13 shall apply instead) and subject to Clauses 12.14 and 20 (*Compromised Leases: Rent Review*), during the Rent Concession Period the Category D Lease Rent payable to each Category D Landlord under each Category D Lease shall be the sum of:
- 12.6.1 the Category D Lease Base Rent;
  - 12.6.2 the Category D Lease Net Turnover Rent (if any); and
  - 12.6.3 any contractual amount payable in respect of insurance and service charge for the period of occupation.
- 12.7 For the avoidance of doubt, Head Lease Payment Obligations (if any) will continue to be paid in accordance with the terms of the relevant Category D Lease save to the extent such terms are waived or modified in accordance with the CVA.
- 12.8 The Category D Lease Net Turnover Rent (if any) shall be paid in accordance with Clause 17 (*Net Turnover Rent*)
- 12.9 BGL's obligation to make the payments referred to in this Clause 12 and each Category D Landlord's right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*) will be accepted in full and final satisfaction of any Liability to a Category D Landlord under or arising out of or in relation to the relevant Category D Lease during the Rent Concession Period, and whether in respect of the Contractual Rent, service charge, insurance, dilapidations, termination amount or otherwise.

*Category D Landlord termination right*

- 12.10 If a Category D Landlord requires BGL to vacate a Category D Premises, it shall be entitled to deliver to BGL a Notice to Vacate (together with any additional notice(s) as may be required by law to constitute a valid surrender, forfeiture or irritancy as the case may be):
- 12.10.1 within 180 days of the Effective Date giving not less than 45 days' notice to that effect; or
  - 12.10.2 giving not less than 90 days' notice to that effect and specifying that the notice ends on the date falling 24 months after the Effective Date.
- 12.11 Once given, a Notice to Vacate may not be withdrawn, save by agreement with BGL. For the avoidance of doubt, such a Notice to Vacate may be given irrespective of whether the

conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.

12.12 If a Category D Landlord serves a Notice to Vacate pursuant to Clause 12.10 then the provisions of Clause 18 (*Compromised Leases: Landlord Termination*) shall apply.

12.13 If a Category D Landlord serves a Notice to Vacate pursuant to Clause 12.10.1 the Category D Lease Rent payable to the relevant Category D Landlord by BGL shall be:

12.13.1 a fixed Market Rent as determined by Gerald Eve and specified in schedule 8 (*List of Schedule D Leases*); plus

12.13.2 any contractual amount payable in respect of insurance and service charge for the period of occupation,

apportioned on a daily basis in respect of the period from and including the Effective Date and ending at the end of the 45 day notice period.

#### *Rent Review*

12.14 To the extent that any Category D Lease contains any rent review provisions that have either not yet been exercised or completed or would otherwise become effective prior to the expiry of the Rent Concession Period, such rent review provisions shall be deemed to be waived and disappplied and shall not be relied upon.

12.15 A Category D Landlord may by giving notice to BGL within 60 days of the Effective Date request an Initial Rent Review which shall be conducted in accordance with Clause 20 (*Compromised Leases: Rent Review*).

12.16 BGL and each Category D Landlord shall carry out an End of Rent Concession Rent Review in accordance with Clause 20 (*Compromised Leases: Rent Review*).

#### *BGL termination right*

12.17 If following an Initial Rent Review BGL wishes to cease occupation of the relevant Category D Premises, it may deliver to the relevant Category D Landlord a Notice to Quit within 60 days of the determination of Market Rent under the Initial Rent Review and Clause 19 (*Compromised Leases: BGL termination*) shall apply with effect from the date the Notice to Quit is delivered.

12.18 BGL may deliver to the relevant Category D Landlord a Notice to Quit giving not less than 90 days' notice and specifying that the notice period expires on the date falling 24 months after the Effective Date. Clause 19 (*Compromised Leases: BGL termination*) shall apply with effect from the expiry of the notice period.

12.19 Once given, a Notice to Quit may not be withdrawn, save by agreement with the relevant Landlord. For the avoidance of doubt, such a Notice to Quit may be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.

#### *Repair and schedule of condition*

12.20 As soon as reasonably practicable following the Effective Date and in any case within 55 Business Days of the Effective Date, BGL shall prepare or procure the preparation of a Category D Schedule of Condition for the Category D Premises and shall provide such Category D Schedule of Condition to the relevant Category D Landlord.

12.21 If any Category D Landlord reasonably considers that the Category D Schedule of Condition provided pursuant to Clause 12.20 does not sufficiently evidence the state of repair and condition of the relevant Category D Premises then it may notify BGL within 10 Business Days (and if the Category D Landlord does not any give such notice it shall be deemed to have

- agreed the Category D Schedule of Condition). Within 10 Business Days of receiving such notice BGL shall procure such additional photographs as may be reasonably required to ensure that the Category D Schedule of Condition is a full and complete record of the state of repair and condition of the relevant Category D Premises and deliver these to the relevant Category D Landlord. If the Category D Landlord reasonably considers that the Category D Schedule of Condition including these additional photographs still does not sufficiently evidence the state of repair and condition of the relevant Category D Premises then it may notify BGL within 10 Business Days (and if the Category D Landlord does not give any such notice it shall be deemed to have agreed the Category D Schedule of Condition).
- 12.22 Where BGL and the relevant Category D Landlord agree (including where such agreement is deemed in accordance with Clause 12.21) that a Category D Schedule of Condition is a full and complete record of the state of repair and condition of the relevant Category D Premises then they shall each sign and date the relevant Category D Schedule of Condition to indicate such agreement.
- 12.23 When the Category D Schedule of Condition has been agreed (including where such agreement is deemed in accordance with Clause 12.21), BGL and the relevant Category D Landlord shall each execute and date a memorandum in the form appended at schedule 28 (*Form of Category D Schedule of Condition Memorandum*) and append the same to the relevant Category D Schedule of Condition to indicate such agreement. The relevant Category D Landlord and BGL will each bear their own costs in relation to that memorandum.
- 12.24 In the event that there is any dispute relating to any Category D Schedule of Condition or any draft Category D Schedule of Condition has not been agreed between BGL and the relevant Category D Landlord within 75 Business Days of the Effective Date, then either BGL or the relevant Category D Landlord may refer the matter to be determined by a Dispute Surveyor in accordance with the following procedure:
- 12.24.1 The Dispute Surveyor shall be a chartered surveyor nominated jointly by BGL and the relevant Category D Landlord or, in default of any agreed nomination within seven days from the date of the relevant notice or referral, as applicable, the Dispute Surveyor shall be a chartered surveyor nominated by the President for the time being of the Royal Institute of Chartered Surveyors.
- 12.24.2 The Dispute Surveyor shall act as expert and not as arbitrator. The Dispute Surveyor shall, in his or her sole discretion, consider such matters as he or she thinks fit (including the representations of the parties) in making his or her determination and, in particular, may rely on evidence supplied by one party in the absence of evidence to the contrary from any other party.
- 12.24.3 The decision of the Dispute Surveyor shall be given in writing as soon as reasonably possible following his appointment.
- 12.24.4 The decision of the Dispute Surveyor shall be final and binding on the parties in so far as the law allows.
- 12.24.5 The costs of the Dispute Surveyor shall be borne equally by BGL and the relevant Category D Landlord unless the Dispute Surveyor determines, in the light of the conduct of the parties, that either party should bear a greater proportion of such costs.
- 12.25 With effect from the Effective Date, any obligation on the part of BGL in any Category D Lease as to the repair, state and condition of the relevant Category D Premises (including without limitation any obligation to yield up such premises in any particular state of repair and condition on the expiry or sooner determination of such lease) shall be limited to keeping (or, as the case may be, yielding up) such premises in no worse state of repair and condition than evidenced by the relevant Category D Schedule of Condition as agreed or determined.
- 12.26 Any and all Category D Dilapidations Liability shall be irrevocably and unconditionally, fully, finally and absolutely, compromised, released and discharged on the Effective Date. In

exchange for such compromise and release, each Category D Landlord shall have the right to participate in the Compromised Creditor Fund as set out in Clause 25 (*Compromised Creditor Fund*) (and such right shall be accepted in full and final settlement of all Category D Dilapidations Liability).

### **13 The Effect of the CVA on Category E Landlords**

13.1 Subject to Clauses 13.2 and 13.4, any and all Liabilities owed by BGL to each Category E Landlord under or in connection with each Category E Lease will be terminated from the Effective Date, from which BGL is irrevocably and unconditionally discharged and released from any claims and demands with respect to such Category E Leases, including any claims and Liabilities for dilapidations, alienation or similar.

13.2 The Service Charge Arrears payable in respect of the Category E Leases shall be paid by BGL to the relevant Category E Landlord by 30 September 2020. The obligations under this Clause 13.2 shall be in full and final settlement of all Liabilities to each Category E Landlord in respect of the Service Charge Arrears which are owed to it (and accordingly each Category E Landlord irrevocably and unconditionally, fully, finally and absolutely, compromises, releases and discharges BGL in respect of any such Liability other than as set out in this Clause 13.2) upon such payment being made.

13.3 BGL shall be deemed have delivered to each Category E Landlord a Notice to Quit with a notice period expiring on the date falling five weeks after the Effective Date and Clause 19 (Compromised Leases: BGL termination) shall apply accordingly. For the avoidance of doubt, such a Notice to Quit shall be deemed to be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.

13.4 The Category E Lease Rent payable to the relevant Category E Landlord by BGL shall be:

13.4.1 the Contractual Rent; plus

13.4.2 any contractual amount payable in respect of insurance and service charge for the period of occupation,

apportioned on a daily basis in respect of the period from and including the Effective Date and ending at the end of the five week notice period referred to in Clause 13.3. The Category E Lease Rent payable under this Clause 13.4 shall be paid by BGL to the relevant Category E Landlord by 30 September 2020.

13.5 Each Category E Landlord's right to participate in the Compromised Creditor Fund pursuant to Clause 25 (Compromised Creditor Fund) will be accepted in full and final satisfaction of any Liability to a Category E Landlord under or arising out of or in relation to the relevant Category E Lease, and whether in respect of the Contractual Rent, service charge, insurance, dilapidations, termination amount or otherwise.

### **14 The Effect of the CVA on the Category F Landlord**

#### *Four-weekly rent*

14.1 Subject to Clauses 14.4 and 14.5, all contracted amounts payable in respect of Category F Lease Rent (except for insurance charges) shall be paid at four-weekly intervals (in advance) for the duration of the Rent Concession Period. Each such payment shall be made on the first day of each Rent Payment Period (or, if such day is not a Business Day, the next Business Day following such day), with each payment being one thirteenth of the annual sum due, save in respect of any period shorter than a Rent Payment Period which shall be calculated on a daily basis. An amount equal to all Category F Lease Rent (except for insurance charges) due in respect of the period commencing on the Effective Date and ending on the day before the First Amended Payment Date in accordance with this Clause 12.1 (calculated on a daily basis) shall be paid in arrear on the First Amended Payment Date.

14.2 BGL will not be liable to pay any interest charges or administrative or other fees to the Category F Landlord in consequence of the payment of Category F Lease Rent and any other contractual sums on a four-weekly basis to the Category F Landlords under the terms of this Proposal.

14.3 Insurance charges payable under the Category F Lease shall be payable in accordance with the terms of the Category F Lease.

*Category F Lease Rent, arrears, service charge and insurance*

14.4 With effect from the Effective Date, the Contractual Rent Arrears payable to the Category F Landlord shall be irrevocably and unconditionally, fully, finally and absolutely, compromised, released and discharged. In exchange for such compromise, and the compromise of future rent as set out in this Clause 13.1, the Category F Landlord shall have the right to participate in the Compromised Creditor Fund as set out in Clause 25 (*Compromised Creditor Fund*) (and such right shall be accepted in full and final settlement of all Liabilities owed to it in respect of the Contractual Rent Arrears and any amount that would otherwise be payable under the Category F Lease but for this Clause 13.1).

14.5 The Service Charge Arrears payable in respect of the Category F Lease shall be paid by BGL to the Category F Landlord by 30 September 2020. The obligations under this Clause 14.5 shall be in full and final settlement of all Liabilities to the Category F Landlord in respect of the Service Charge Arrears (and accordingly the Category F Landlord irrevocably and unconditionally, fully, finally and absolutely, compromises, releases and discharges BGL in respect of any such Liability other than as set out in this Clause 14.5)

14.6 During the Rent Concession Period the Category F Lease Rent payable to the Category F Landlord under the Category F Lease shall be:

14.6.1 the Contractual Rent; plus

14.6.2 any contractual amount payable in respect of insurance and service charge for the period of occupation.

14.7 BGL's obligation to make the payments referred to in this Clause 13.1 and the Category F Landlord's right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*) will be accepted in full and final satisfaction of any Liability to the Category F Landlord under or arising out of or in relation to the Category F Lease during the Rent Concession Period, and whether in respect of the Contractual Rent, service charge, insurance, dilapidations, termination amount or otherwise.

*Rent review*

14.8 To the extent that the Category F Lease contains any rent review provisions that have either not yet been exercised or completed or would otherwise become effective prior to the expiry of the Rent Concession Period, such rent review provisions shall be deemed to be waived and disappplied and shall not be relied upon.

*Category F Landlord termination right*

14.9 If the Category F Landlord requires BGL to vacate the Category F Premises, it shall be entitled to deliver to BGL a Notice to Vacate (together with any additional notice(s) as may be required by law to constitute a valid surrender, forfeiture or irritancy as the case may be):

14.9.1 within 180 days of the Effective Date giving not less than 45 days' notice to that effect; or

14.9.2 giving not less than 90 days' notice to that effect and specifying that the notice ends on the date falling 12 months after the Effective Date; or

- 14.9.3 giving not less than 90 days' notice to that effect and specifying that the notice ends on the date falling 24 months after the Effective Date.
- 14.10 Once given, a Notice to Vacate may not be withdrawn, save by agreement with BGL. For the avoidance of doubt, such a Notice to Vacate may be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.
- 14.11 If the Category F Landlord serves a Notice to Vacate pursuant to Clause 14.9 then the provisions of Clause 18 (*Compromised Leases: Landlord Termination*) shall apply.

*BGL termination right*

- 14.12 BGL may deliver to the Category F Landlord a Notice to Quit giving not less than 90 days' notice and with the notice period expiring either on the date falling 12 months or on the date falling 24 months after the Effective Date. Clause 19 (*Compromised Leases: BGL termination*) shall apply with effect from the expiry of the notice period.
- 14.13 Once given, a Notice to Quit may not be withdrawn, save by agreement with the relevant Landlord. For the avoidance of doubt, such a Notice to Quit may be given irrespective of whether the conditions for surrender, forfeiture or irritancy required under the terms of the relevant lease are established.

*Treatment of dilapidations*

- 14.14 All dilapidations claims in relation to the Category F Lease will be compromised in full and subject to a full and final release against BGL in consideration for BGL's obligation to make the payments referred to in this Clause 13.1 and the Category F Landlord's right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*).

## 15 **The Effect of the CVA On Ancillary Landlords**

*Four-weekly rent*

- 15.1 Subject to Clause 15.4, all contracted amounts payable in respect of Ancillary Lease Rent (except for insurance charges payable under the Ancillary Leases) shall be paid at four-weekly intervals (in advance) for the duration of the Rent Concession Period. Each such payment shall be made on the first day of each Rent Payment Period (or, if such day is not a Business Day, the next Business Day following such day), with each payment being one thirteenth of the annual sum due, save in respect of any period shorter than a Rent Payment Period which shall be calculated on a daily basis. An amount equal to all Ancillary Lease Rent due in respect of the period commencing on the Effective Date and ending on the day before the First Amended Payment Date in accordance with this Clause 15.1 (calculated on a daily basis) shall be paid in arrear on the First Amended Payment Date.
- 15.2 BGL will not be liable to pay any interest charges or administrative or other fees to any Ancillary Landlord in consequence of the payment of Ancillary Lease Rent and any other contractual sums on a four-weekly basis to the Ancillary Landlords under the terms of this Proposal.
- 15.3 Insurance charges payable under an Ancillary Lease shall be payable in accordance with the terms of the relevant Ancillary Lease.

*Ancillary Lease Rent, arrears, service charge and insurance*

- 15.4 The Contractual Rent Arrears and Service Charge Arrears in respect of the Ancillary Leases shall be paid by BGL to the relevant Ancillary Landlord by no later than 30 September 2020. BGL shall not be liable to pay any interest charges or administrative or other fees to any Ancillary Landlord as a result of this deferral.

### *Rent review*

- 15.5 For the avoidance of doubt, to the extent that any Ancillary Lease contains rent review provisions, such rent review provisions will continue to apply and will remain unaffected by the CVA.

### *Termination of Ancillary Leases*

- 15.6 BGL shall be entitled to serve a Notice to Quit on the relevant Ancillary Landlord if the Associated Club Lease associated with that Ancillary Lease:

15.6.1 is terminated by the relevant Landlord of the Associated Club Lease giving BGL a Notice to Vacate under the terms of this CVA;

15.6.2 is terminated by the relevant Landlord exercising a break right under the terms of the relevant Associated Club Lease or a right to forfeit or irritate that Associated Club Lease; and

15.6.3 has Clause 19 (*Compromised Leases: BGL termination*) applied to it following the service of a Notice to Quit by BGL on the relevant Landlord of the Associated Club Lease,

and Clause 19 (*Compromised Leases: BGL termination*) shall apply to the relevant Ancillary Lease accordingly.

- 15.7 Any Notice to Quit served pursuant to Clause 15.6 shall take effect at the same time:

15.7.1 as the notice period for the Notice to Vacate or the Notice to Quit for the Associated Club Lease with which that Ancillary Lease is associated expires; or

15.7.2 as the Associated Club Lease with which that Ancillary Lease is associated is terminated pursuant to the exercise of any right to break pursuant to the Associated Club Lease, forfeit or irritate the Associated Club Lease by the Landlord of the relevant Associated Club Lease.

- 15.8 For the purposes of Clauses 15.6 and 15.7 an Ancillary Lease and an Associated Club Lease are associated if the Associated Club Lease is the Lease of the Premises identified as an Ancillary Lease's associated club in schedule 11 (*List of Ancillary Leases*).

- 15.9 In exchange for the compromises effected under this Clause 15, each Ancillary Landlord shall have the right to participate in the Compromised Creditor Fund as set out in Clause 25 (*Compromised Creditor Fund*).

## **16 BCCL Leases**

- 16.1 Following the service of a Notice to Vacate or a Notice to Quit in relation to a BCCL Head Lease, BGL shall procure that the corresponding BCCL Sub-Lease is amended to allow for a surrender of that BCCL Sub-Lease upon the expiry of the notice period for such Notice to Vacate or Notice to Quit.

- 16.2 The BCCL Head Landlords hereby consent to any amendment to the BCCL Sub-Leases made pursuant to Clause 16.1.

## **17 Net Turnover Rent**

- 17.1 For the purposes of this Clause 17, the following terms shall have the following meanings:

**Closure:** each full day (excluding Christmas Day) on which BGL does not keep the relevant Premises open for business during its normal trading hours in the locality within which the relevant Premises is situated but shall exclude any such closure in the following circumstances:

- a) where BGL is prevented from being open for business by reason of any destruction to or damage of the relevant Premises or a significant part thereof or some other cause reasonably beyond the control of BGL so that the relevant Premises or a significant part thereof is unfit for occupation and use or inaccessible;
- b) where being open for business would be contrary to any regulation or requirement of or guidance issued by any competent authority, statutory or local (including any COVID-19 Restriction and including a period of three months following any such regulation or requirement being lifted);
- c) where closure is required for staff training;
- d) where closure is necessary to carry out alterations or site fitting works;
- e) if the relevant Premises is located in a retail park or shopping centre, where that retail park or shopping centre is generally closed to the public; or
- f) where site closure occurs on days BGL is not permitted to keep the relevant Premises open for business pursuant to the relevant Lease or otherwise, including days where other businesses in the locality within which the relevant Premises is situated are also closed;

**CVA Turnover Rent:** the Effective Turnover Rent Percentages of Net Turnover in a Turnover Period;

**Effective Turnover Rent Percentages:** the percentage to be applied for the purposes of calculating the relevant CVA Turnover Rent, being 15% for a Category B Premise or a Category C Premise and 10% for a Category D Premise;

**Net Turnover:** in each case in relation to each Premises, the aggregate of A + B + C + D + E + F where:

- A is the aggregate of all Participation Fees received from 'main stage' bingo games (excluding any bingo games referred in B and C below) less (without double counting):
  - a) the Participation Fees taken in the Premises relating to participation by the customers at those Premises in any national or linked prize game available to be won by customers of BGL in relation to such bingo games (equally the associated prize costs of such games will be excluded from the Net Turnover of those Premises);
  - b) any contribution made by a member of the Group to any prize fund available to be won by customers of BGL in relation to such bingo games;
  - c) the cost to the Group of bingo cards and bingo tickets purchased by a member of the Group in relation to such bingo games;
  - d) the cost to the Group of handheld bingo devices in relation to such bingo games (including the cost of repairs and maintenance);
  - e) the cost to the Group of electronic bingo 'wizard' devices in relation to such bingo games (including the cost of repairs and maintenance); and
  - f) gaming duty, VAT, purchase tax and similar sales taxes, duties and excise taxes imposed directly on BGL in relation to such bingo games;
- B is the aggregate of all Participation Fees received from any other 'variant' bingo games (excluding any bingo games referred in A above and C below) less (without double counting):

- a) any contribution made by a member of the Group or another third party to any prize fund available to be won by customers of BGL in relation to such bingo games;
  - b) the cost to the Group of handheld bingo devices in relation to such bingo games (including the cost of repairs and maintenance);
  - c) the cost to the Group of electronic bingo 'wizard' devices in relation to such bingo games (including the cost of repairs and maintenance);
  - d) the amount of any revenue in relation to such bingo games which is required to be shared with BGL's customers or third parties; and
  - e) gaming duty, VAT, purchase tax and similar sales taxes, duties and excise taxes imposed directly on BGL in respect of bingo games;
- C is the aggregate of all Participation Fees received from 'party xtra' bingo games (excluding any bingo games referred in A and B above) less (without double counting):
- a) the Participation Fees taken in the Premises relating to participation by the customers at those Premises in any national or linked prize game available to be won by customers of BGL in relation to such bingo games (equally the associated prize costs of such games will be excluded from the Net Turnover of those Premises);
  - b) any contribution made by a member of the Group to any prize fund available to be won by customers of BGL in relation to such bingo games;
  - c) the cost to the Group of prizes available to be won by customers of BGL in relation to games held during the intervals between such bingo games;
  - d) the cost to the Group of handheld bingo devices in relation to such bingo games (including the cost of repairs and maintenance);
  - e) the cost to the Group of electronic bingo 'wizard' devices in relation to such bingo games (including the cost of repairs and maintenance); and
  - f) gaming duty, VAT, purchase tax and similar sales taxes, duties and excise taxes imposed directly on BGL in respect of bingo games;
- D is the aggregate of all sums of money received from customers in relation to slot machines less (without double counting):
- a) rental costs associated with such machines (including revenue shares with the supplier of such machines or the supplier of content on such machines and the cost of repairs and maintenance);
  - b) licence fees payable in relation to such machines;
  - c) the cost to the Group of electronic 'wizard' devices in relation to such machines (including the cost of repairs and maintenance);
  - d) the cost to the Group of any incentive or food and drink provided to customers playing such slot machines for free; and
  - e) gaming duty, VAT, purchase tax and similar sales taxes, duties and excise taxes imposed directly on BGL in respect of such slot machines;
- E is the aggregate of all sums of money or other consideration received for all food and drink sold at, in front of or upon the relevant Premises by BGL including:
- a) service charges included in the price of sales of such food and drink; and

- b) tips and gratuities given by customers in relation to the sale of such food and drink that are not paid directly or via a tronc to BGL's employees or contractors,

provided that the following will not be included in the calculation of sums received for food and drink (or if included will (without double counting) be deducted):

- c) discounts customarily allowed to customers or employees of BGL in respect of food and drink;
- d) VAT, purchase tax and similar sales or excise tax imposed directly on BGL in respect of the supply of food and drink;
- e) tips and gratuities paid by customers that are passed on directly or via a tronc to BGL's employees or contractors;
- f) allowances given in respect of lost, unsatisfactory or damaged orders of food and drink so long as such allowances do not exceed the sale price of that food and drink;
- g) the amount of any cash refund or credit given to a customer in respect of food and drink so long as the cash refund or credit does not exceed the sale price of that food and drink;
- h) the sale price of food and drink returned or rejected by customers for exchange so long as the sale price of that food and drink given in exchange is included;
- i) the value of food and drink transferred whether by way of exchange or otherwise from the relevant Premises to other premises of BGL so long as that transfer:
  - i. is not made for the purpose of consummating a sale that has been made at in or from the relevant Premises; and
  - ii. does not deprive the relevant Landlord of the benefit of a sale that would otherwise have been made at in or from the relevant Premises; and
- j) the value of gift vouchers and/or gift cards redeemed at the relevant Premises in respect of food and drink,

less (without double counting):

- k) the cost of such drink;
- l) the cost of such food; and
- m) the cost of consumable items available to customers in connection with such food and drink;

F is the aggregate of all other revenue and income received by the Group in relation to goods sold and services performed from those Premises which is not included in A to E (inclusive) above less the direct costs of supplying those goods or services,

but excluding for the purpose of the calculation of Net Turnover:

- a) any revenue attributable to the 'Buzz Events' product (being the provision of events and entertainment under the 'Buzz Events' brand or associated brands) which may be launched by the Group in the future; and
- b) any revenue attributable to the online business of the Group;

**Participation Fees:** has the meaning given to such term in s. 344 Gambling Act 2005;

**Quarter Day:** 20 September 2020, 17 January 2021, 11 April 2021, 4 July 2021, 26 September 2021, 16 January 2022, 10 April 2022, 3 July 2022 and 25 September 2022;

**Turnover Certificate:** a certificate signed by a Director certifying (i) the amount of Net Turnover during the Turnover Period in question and (ii) the number of days of Closure in the Turnover Period; and

**Turnover Period:** a period falling within the Rent Concession Period which:

- a) in the case of the first Turnover Period, is the period commencing on the Effective Date and ending on the day before the next Quarter Date thereafter;
- b) in the case of each subsequent Turnover Period other than the final Turnover Period, the period beginning on each Quarter Date and ending on the day before the next Quarter Date; and
- c) in the case of the final Turnover Period, the period commencing on last Quarter Date immediately before the end of the Rent Concession Period and ending on the last day of the Rent Concession Period.

17.2 For the purposes of this Clause 17, the Base Rent payable in respect of any relevant period (including a Turnover Period) shall be calculated by apportioning the Base Rent at a daily rate on an annual basis.

17.3 Within 25 Business Days after each Turnover Period, BGL shall deliver to the relevant Landlord a Turnover Certificate. Each Turnover Certificate must state accurately the amount of Net Turnover for the relevant Turnover Period, the number of days of Closures and the CVA Turnover Rent for the relevant Quarter.

17.4 On receipt of a Turnover Certificate, the relevant Landlord shall, if CVA Turnover Rent exceeds the amount of relevant Base Rent payable in respect of the same period, issue a written demand (in the form of a valid VAT invoice addressed to BGL) for the amount of such excess no later than the date falling 10 Business Days after delivery of the relevant Turnover Certificate.

17.5 BGL shall pay any amounts due under Clause 17.4 in arrear within 10 Business Days of receipt by BGL of the written demand issued by the relevant Landlord.

17.6 For each day in any Turnover Period during which there is a Closure, the Turnover for that day will be deemed to be a sum equivalent to the amount of Turnover actually generated from the relevant Premises during such Turnover Period divided by the number of days when there was not a Closure at the relevant Premises in such Turnover Period.

17.7 BGL shall maintain appropriate records during the Rent Concession Period and for a period of not less than 12 months thereafter. BGL must make such records available for inspection (or provide copies of such records) by the relevant Landlord (in respect of the relevant Premises to which such records relate) at reasonable times and on reasonable request by the relevant Landlord. The relevant Landlord shall not disclose the relevant Net Turnover or any other information obtained from such records except:

- 17.7.1 to its advisors who are bound by professional obligations of confidentiality;
- 17.7.2 to the extent necessary in order to comply with applicable law or the lawful requirements of any regulatory authority or in connection with the resolution of a Turnover Rent Dispute; or
- 17.7.3 with BGL's prior written consent.

17.8 Any Turnover Rent Dispute that arises between BGL and a relevant Landlord shall be determined in accordance with the procedure set out in Clause 28 (*Dispute Resolution*).

17.9 The provisions of this Clause 17 shall continue to apply notwithstanding that the Rent Concession Period has come to an end but only in respect of the period up until the expiry of the Rent Concession Period.

17.10 BGL shall pay to the relevant Landlord such amounts of VAT at the rate for the time being in force as shall be legally payable in respect of the CVA Turnover Rent (if any), provided that BGL shall not be obliged to pay any VAT on such amounts until receipt from that Landlord of a valid VAT invoice addressed to BGL in the manner prescribed by law.

## 18 **Compromised Leases: Landlord Termination**

18.1 This Clause 18 applies to all cases, where any Compromised Landlord has served a Notice to Vacate under the terms of the Proposal.

18.2 The relevant Compromised Landlord shall specify in the Notice to Vacate one of the following means by which it wishes to determine or assign the relevant Compromised Lease:

18.2.1 if the relevant Compromised Landlord specifies that it wishes to forfeit or irritate (as the case may be) the relevant Compromised Lease, BGL irrevocably undertakes for the benefit of such Compromised Landlord that it shall not prevent or seek relief against the forfeiture or contest the irritancy of that Compromised Lease, as the case may be. Upon such forfeiture or irritancy the relevant Compromised Lease shall come to an end and all of BGL's rights, obligations and liabilities of whatever nature and however arising (whether past, present or future and whether or not known) under the relevant Compromised Lease or in any way relating to or arising out of or connected with the relevant Compromised Lease and/or the occupation of the Compromised Premise shall come to an immediate end and shall be forever discharged and released;

18.2.2 if the relevant Compromised Landlord so requests, BGL irrevocably undertakes that it will surrender the relevant Compromised Lease using the relevant form of TR1 Surrender or renunciation in schedule 27 (*Forms of Surrender*) (amended as necessary to reflect the relevant Compromised Lease) and on the terms of this Proposal and such other terms that are reasonably acceptable to BGL which provide:

18.2.2.1 for a full release of BGL from all covenants, obligations and liabilities (whether past, present or future and whether or not known) in respect of the relevant Compromised Lease or arising out of or in connection with the occupation of the relevant Compromised Premises (including the grant of any sub-lease of all or part thereof) and from all actions, proceedings, costs, claims, demands and expenses arising from such covenants, obligations and liabilities;

18.2.2.2 that the relevant Compromised Landlord shall:

(i) with the object of affording BGL a full and sufficient indemnity (but not further or otherwise), comply with the landlord's covenants in any sub-lease subordinate to the relevant Compromised Lease,

(ii) procure the consent of any third party (including but not limited to any consent or release required from any lender) to the surrender; and

(iii) if reasonably required by BGL, enter into any deeds of covenant or deeds or other transfer arrangements which are required by virtue of the title or obligations in the Compromised Lease or in connection with the occupation of the relevant Compromised Premises and which it

would be usual for a transferor to require a transferee to enter into on the disposal of the relevant Compromised Premises,

and each of the relevant Compromised Landlords and BGL shall bear its own costs in connection with any such surrender; and

18.2.3 if the relevant Compromised Landlord so requests, BGL irrevocably undertakes that it will assign the relevant Compromised Lease to a new tenant or to the relevant Compromised Landlord using the form of TR1 Assignment in part 3 of schedule 27 (*Forms of Surrender*) or, in relation to Compromised Premises situated in Scotland, using the form of assignation in part 4 of schedule 27 (*Forms of Surrender*) (amended as necessary in each case to reflect the relevant Compromised Lease), for no consideration payable and otherwise on the terms of this Proposal and such other terms as are reasonably acceptable to BGL and which provide:

18.2.3.1 for a full release of BGL from all covenants, obligations and liabilities (whether past, present or future and whether or not known) in respect of the relevant Compromised Lease or arising out of or in connection with the occupation of the relevant Compromised Premises (including the grant of any sublease of all or part thereof) and from all actions, proceedings, costs, claims, demands and expenses arising from such covenants, obligations and liabilities;

18.2.3.2 that the new tenant or the relevant Compromised Landlord shall, with the object of affording BGL a full and sufficient indemnity (but not further or otherwise), comply with the landlord's covenants in any sub-lease subordinate to the relevant Compromised Lease and any requirement that BGL enter into an AGA in connection with such assignment or assignation or provide any other security whatsoever in connection with such assignment or assignation shall be waived; and

18.2.3.3 that the new tenant or the relevant Compromised Landlords shall if reasonably required by BGL enter into any deeds of covenant or deeds or other transfer arrangements which are required by virtue of the title or obligations in the Compromised Lease or in connection with the occupation of the relevant Compromised Premises and which it would be usual for a transferor to require a transferee to enter into on the disposal of the relevant Compromised Premises,

and each of the relevant new tenants, Compromised Landlords and BGL shall bear its own costs in connection with any such assignment, assignation or waiver.

18.3 If a Compromised Lease is determined or assigned under this Clause 18:

18.3.1 BGL shall immediately cease to enjoy any rights to occupy or in any way benefit from the Compromised Premises and shall leave the Compromised Premises brushed tidy;

18.3.2 BGL shall no longer be deemed or otherwise considered to be in occupation of the Compromised Premises;

18.3.3 BGL shall as soon as reasonably practicable deliver to the Compromised Landlord all keys and (where relevant) security or alarm codes for the Compromised Premises;

- 18.3.4 the responsibility for the insurance of the Compromised Premises shall fall to the Landlord;
- 18.3.5 BGL shall be permitted (but not required) as soon as reasonably practicable, to retrieve and remove from the relevant Compromised Premises:
  - 18.3.5.1 all signage and items on which the Brand is displayed;
  - 18.3.5.2 all computer equipment located at the relevant Compromised Premises and used to facilitate the operations of the relevant Compromised Premises; and
  - 18.3.5.3 any other property, assets, equipment, inventory or other items that BGL has title or the right to possession of; and
- 18.3.6 Third Party Suppliers shall, as soon as reasonably practicable, be permitted access to the relevant Compromised Premises to retrieve and remove any of their Third Party Property; and
- 18.3.7 any items referred to in Clauses 18.3.5 and 18.3.6 shall not be interfered with or disposed of by the Compromised Landlord until BGL or the relevant Third Party Supplier has had a reasonable opportunity to collect such items or the Compromised Landlord has been served with a notice of abandonment in respect of the items.

## 19 **Compromised Leases: BGL termination**

- 19.1 This Clause 19 applies to all cases, where BGL has served a Notice to Quit under the terms of the Proposal.
- 19.2 On and from the expiry of the notice period relevant to the Notice to Quit or, if the Notice to Quit has no notice period, on and from the date the Notice to Quit is delivered to the relevant Compromised Landlord or deemed to have taken effect under the terms of this Proposal:
  - 19.2.1 BGL offers to relinquish any right of occupation and will execute any document required to effect a surrender, renunciation or termination of the relevant Compromised Lease;
  - 19.2.2 all of BGL's obligations and Liabilities (whether past, present or future including dilapidations claims) pursuant to the relevant Compromised Lease shall end and any sums payable under or in relation to the relevant Compromised Lease, other than any sums which have already accrued and are due under the terms of this Proposal, shall be reduced to nil;
  - 19.2.3 BGL shall leave the relevant Compromised Premises brushed tidy;
  - 19.2.4 BGL shall as soon as reasonably practicable deliver to the relevant Compromised Landlord all keys and (where relevant) security or alarm codes for the relevant Compromised Premises;
  - 19.2.5 BGL shall be permitted (but not required) as soon as reasonably practicable, to retrieve and remove from the relevant Compromised Premises:
    - 19.2.5.1 all signage and items on which the Brand is displayed;
    - 19.2.5.2 all computer equipment located at the relevant Compromised Premises and used to facilitate the operations of the relevant Compromised Premises; and
    - 19.2.5.3 any other property, assets, equipment, inventory or other items that BGL has title or the right to possession of; and

- 19.2.6 Third Party Suppliers shall, as soon as reasonably practicable, be permitted access to the relevant Compromised Premises to retrieve and remove any of their Third Party Property; and
- 19.2.7 any items referred to in Clauses 19.2.5 and 19.2.6 shall not be interfered with or disposed of by the Compromised Landlord until BGL or the relevant Third Party Supplier has had a reasonable opportunity to collect such items or the Compromised Landlord has been served with a notice of abandonment in respect of the items.

## 20 **Compromised Leases: Rent Review**

- 20.1 Prior to the expiry of the Rent Concession Period, BGL shall review the Contractual Rent payable pursuant to each Category B Lease with the Category B Landlord of that Category B Lease, each Category C Lease with the Category C Landlord of that Category C Lease and each Category D Lease with the Category D Landlord of that Category D Lease in accordance with the provisions of this Clause 20 (such rent review being an “**End of Rent Concession Rent Review**”).
- 20.2 Following notice to BGL from a Category B Landlord, Category C Landlord or Category D Landlord requesting a rent review pursuant to Clauses 10.13, 11.14 or 12.14, BGL and the relevant Category B Landlord, Category C Landlord or Category D Landlord shall review the Compromised Rent payable pursuant to each relevant Category B Lease, Category C Lease or Category D Lease (in each case as compromised by this Proposal) in accordance with the provision of this Clause 20 (such rent review being an “**Initial Rent Review**”).
- 20.3 From the Effective Date up to and including the end of the Rent Concession Period, any right to undertake a rent review (including any review outstanding as at the Effective Date) or in any way amend the Contractual Rent under any Compromised Lease shall, save as described in this Proposal, be deemed to be waived and any rights arising under any such rent review provision shall not be relied upon. Any rent review or process initiated to amend the Contractual Rent under any Compromised Lease which has not been agreed between the parties prior to the Effective Date shall not be applicable and any ongoing rent reviews or process initiated to amend the Contractual Rent shall cease as of the Effective Date.
- 20.4 The Market Rent shall be the open market rent as agreed between BGL and the relevant Compromised Landlord in relation to the relevant Compromised Lease or ascertained in accordance with the rent review provisions of this Clause 20 and schedule 29 (*Rent review*). For the purposes of any such rent review, the Disregards (as defined in schedule 29 (*Rent review*)) will be disregarded and the Assumptions (as defined in schedule 29 (*Rent review*)) will be assumed.
- 20.5 BGL and the relevant Compromised Landlord will seek to agree the Market Rent in respect of the relevant Compromised Lease:
- 20.5.1 in respect of an End of Rent Concession Rent Review, no later than three months prior to the expiry of the Rent Concession Period; and
- 20.5.2 in respect of an Initial Rent Review, no later than 30 days after the relevant Compromised Landlord has given notice to BGL requesting the Initial Rent Review.
- 20.6 If agreement cannot be reached by the relevant date specified in Clause 20.5 above, BGL and the relevant Compromised Landlord will jointly refer the matter to be determined by a qualified surveyor nominated by the President, for the time being, of the Royal Institution of Chartered Surveyors on the application of BGL and the relevant Compromised Landlord and BGL and the relevant Compromised Landlord shall apply for such nomination as soon as practicable following the date specified in Clause 20.5 above. The expert nominated by the Royal Institution of Chartered Surveyors shall be a chartered surveyor having not less than ten years’ experience of leasehold valuation of property being put to the same or similar use at the relevant Premises.

- 20.7 The person so appointed is to:
- 20.7.1 act as an expert, and not as an arbitrator; and
  - 20.7.2 must afford the parties the opportunity within such a reasonable time limit as he or she may stipulate (being not more than one month) to make representations to him or her (accompanied by professional rental valuations, reports or other appropriate evidence in the relevant circumstances) and permit each party to make submissions on the representations of the other.
- 20.8 Neither BGL nor any Compromised Landlord may, without the consent of the other, disclose to the expert correspondence or other evidence to which the privilege of non-production (“**without prejudice**”) properly attaches.
- 20.9 The fees and expenses of the expert, including the cost of his or her nomination, are to be borne as the expert may direct (but in the absence of such a direction, by the parties in equal shares), but (unless they otherwise agree) the parties shall bear their own costs with respect to the determination of the issue by the expert.
- 20.10 One party may pay the costs required to be borne by another party if they remain unpaid for more than 21 days after they become due and then recover these and any incidental expenses incurred from the other party on demand.
- 20.11 If the expert becomes incapable of acting or dies, BGL (or the Compromised Landlord where BGL fails to do so within one week of the expert becoming so incapable) may request the appointment of another expert in his or her stead as provided in Clause 20.6.
- 20.12 The determination of the independent expert is to be made no later than the date three months after the relevant date set out in Clause 20.5 above and, except in case of manifest error, is to be binding on BGL and the Compromised Landlord.
- 20.13 Following an End of Rent Concession Rent Review, from the end of the Rent Concession Period until the Next Review Date (or, if there is no Next Review Date, until the expiry or determination of the relevant Compromised Lease), the annual rent payable and reserved in respect of such Compromised Lease shall be:
- 20.13.1 in the case of Category B Leases, the greater of (i) 85% of Contractual Rent and (ii) Market Rent; and
  - 20.13.2 in the case of Category C Leases and Category D Leases, the greater of (i) 50% of Contractual Rent and (ii) the Market Rent.
- 20.14 If the reviewed annual rent has not been agreed or determined before the Next Review Date the annual rent payable and reserved in respect of such Compromised Lease shall accrue at the rate calculated pursuant to this Clause 20.13 and within 14 days of the date on which the reviewed annual rent is agreed or determined, BGL shall pay to the Compromised Landlord as additional annual rent equal to any shortfall between the annual rent paid and the reviewed annual rent (or, in a case where the reviewed annual rent is less than the annual rent paid, the Compromised Landlord will, at BGL’s election, either give BGL a credit against future sums payable under the Lease or pay a refund to BGL, in either case in an amount equal to any excess rent paid) for the period starting the end of the Rent Concession Period and ending on the day before the next annual rent payment date following agreement or determination together with interest on that shortfall at the base rate of Barclays Bank Plc calculated on a daily basis by reference to the annual rent payment days on which the shortfall in annual rent has accrued.
- 20.15 Following an Initial Rent Review, from and including the Effective Date until the end of the relevant Rent Concession Period the annual rent payable and reserved in respect of the relevant Compromised Lease shall be the Market Rent.

- 20.16 Where the terms of the Compromised Lease provide for the annual rent on review to be a proportion of the Market Rent, for the purpose of that Compromised Lease, the annual rent under review shall also be discounted by the same proportion.
- 20.17 Where the terms of the Compromised Lease provide for the rent review to be based on an increase of the initial rent (or any other passing rent set prior to the end of the Rent Concession Period) (the “**Baseline Rent**”) by reference to an index then for the purpose of determining the revised rent under any rent review under the Compromised Lease after the end of the Rent Concession Period:
- 20.17.1 the annual rent as determined by the End of Rent Concession Rent Review shall be used instead of the Baseline Rent; and
- 20.17.2 the figure for the relevant index which increases in the index are measured relative to will be the figure for the relevant index for the month prior to the end of the Rent Concession Period.
- 20.18 Save as provided in this Clause 20 (*Compromised Leases: Rent Review*) the Compromised Leases shall revert to their normal terms at the end of the Rent Concession Period.
- 20.19 Notwithstanding any other provision of the CVA, any other agreement to the contrary or the termination of the CVA, the provisions of this Clause 20 (*Compromised Leases: Rent Review*) shall continue to apply to the extent necessary to give full meaning and effect to its provisions.

## 21 **Rent Concession Agreement**

- 21.1 During the Rent Concession Period:
- 21.1.1 the relevant Landlord will submit duly prepared invoices in respect of each payment due under Clauses 9 to Clause 12 (inclusive), Clause 13.1 and Clause 15 (as applicable) to BGL not later than 3 Business Days prior to the date upon which such payment becomes due; and
- 21.1.2 interest shall be payable only on Compromised Lease Rent not paid on the due date as referred to in Clause 21.1.1 above at the rate of 2% (two per cent) above the base rate of Barclays Bank PLC from time to time.
- 21.2 The payment arrangements set out in Clauses 9 to Clause 12 (inclusive), Clause 13.1 and Clause 15 inclusive shall (in respect of future payments under the relevant Lease) cease immediately upon the date on which BGL assigns the relevant Lease (any such date being a “**Lease Assignment Date**”).
- 21.3 With effect from the Lease Assignment Date, any future amounts due under a Lease in respect of which the Lease Assignment Date has occurred shall, from that date, be payable as specified in the relevant Lease as if Clauses 9 to Clause 12 (inclusive), Clause 13.1, Clause 15 and this Clause 21 had never taken effect.
- 21.4 It is agreed between BGL and each Landlord that the arrangements and agreements set out in this Clause 21 (*Rent Concession Agreement*):
- 21.4.1 shall not be the subject of any application to the Land Registry for any entry on any title;
- 21.4.2 will bind and benefit both BGL's and the Landlord's successors in title and assignees of the Leases; and
- 21.4.3 shall not, from the Lease Assignment Date, be deemed to have varied the terms of the relevant Lease, but shall be deemed to have waived them only insofar as is necessary to give effect to the terms of this Clause 21 (*Rent Concession Agreement*).

21.5 No interest, administrative or other associated charges shall be charged by any Landlord in consequence of the payment of Contractual Rent and other contractual sums, as varied by this Proposal, on a four-weekly basis under the terms of this Proposal unless BGL breaches the repayment terms set out in this Proposal in which case the provisions of the relevant Lease shall apply (if any) as regards any interest for late payment.

## 22 **The Compromised Contingent Property Creditors' CVA Claims**

22.1 Each CVA Creditor which is a Compromised Contingent Property Creditor:

22.1.1 with a claim for any Contingent Property Liability; or

22.1.2 to whom BGL has a Liability in respect of a Contingent Property Liability,

will compromise and release absolutely BGL from any Contingent Property Liability which it holds in its capacity as a Compromised Contingent Property Creditor for consideration of £1 and the right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*). The amount payable under this Clause 22.1 shall be paid on the date on which a claim is made against BGL by that Compromised Contingent Property Creditor.

22.2 Nothing in this Clause 22 (*The Compromised Contingent Property Creditors' CVA Claims*) or the compromise effected by the CVA shall affect, and is not intended to affect, any rights of any Continuing Contingent Property Creditor against BGL.

## 23 **Previous Lease Creditors**

To the extent not already compromised and released pursuant to Clause 22 (*The Compromised Contingent Property Creditors' CVA Claims*), each Previous Lease Creditor will compromise and release absolutely BGL from any Previous Lease Liability which it holds for consideration of £1 and the right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*). The amount payable under this Clause 23 shall be paid on the date on which a claim is made against BGL by that Previous Lease Creditor.

## 24 **Guarantee Creditors**

To the extent not already compromised and released pursuant to Clause 22 (*The Compromised Contingent Property Creditors' CVA Claims*) and Clause 23 (*Previous Lease Creditors*), each Guarantee Creditor will compromise and release absolutely BGL from any Guarantee Liabilities which it holds for consideration of £1 and the right to participate in the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*). The amount payable under this Clause 24 shall be paid on the date on which a claim is made against BGL by that Guarantee Creditor.

## 25 **Compromised Creditor Fund**

25.1 The Compromised Creditor Fund shall comprise the amount of £800,000 (the "**Compromised Creditor Fund Amount**").

25.2 BGL shall procure that an amount which is not less than the Compromised Creditor Fund Amount shall be paid into a bank account in the name of BGL (to be used solely for the purpose of the Compromised Creditor Fund) by no later 30 September 2020.

25.3 The Allowed CVA Claims of all Compromised Landlords shall abate in equal portions between themselves and rank pari passu for payment from the account referred to in Clause 25.2. If the amount of the Compromised Creditor Fund is more than the amount of all Allowed CVA Claims, then the Allowed CVA Claims of all Compromised Creditors shall rank pari passu for payment up to the maximum amount of those Allowed CVA Claims plus interest on such Allowed CVA Claims at the rate specified in section 189 of the Insolvency Act calculated from

the Effective Date to the date of distribution, with the remaining surplus (if any) to be retained by BGL.

- 25.4 The Compromised Creditor Fund shall be paid by BGL on the instructions of the Supervisors to each Compromised Creditor who has an Allowed CVA Claim in accordance with this Clause 25 by 28 February 2021, provided that the Allowed CVA Claims have been determined by that date in accordance with Clause 27 (*Compromised Creditors: Notice and Acceptance of Claim*), failing which the Compromised Creditor Fund shall be paid out as soon as is reasonably practicable thereafter (the “**Compromised Creditor Fund Payment Date**”).

## 26 Profit Share Fund

- 26.1 Each Compromised Creditor that has an Allowed CVA Claim in accordance with Clause 27 (*Compromised Creditors: Notice and Acceptance of Claim*) shall be entitled to participate in the Profit Share Fund by reference to the amount of their Allowed CVA Claim. Participation in the Profit Share Fund shall be subject to Clauses 26.3 and 26.4.

- 26.2 The Profit Share Fund shall comprise an amount equal to 10% of the amount (if any) by which combined EBITDA for CVHL’s 2021 and 2022 financial years exceeds the Threshold EBITDA for that period, provided that if the amount of the Profit Share Fund is less than £50,000 then no Compromised Creditor shall have any entitlement to participate in the Profit Share Fund and the provisions of this Clause 26 shall not apply.

- 26.3 Subject to Clause 26.2, the Allowed CVA Claims of all Compromised Creditors and the BEL Allowed CVA Claims of all BEL Compromised Creditors (provided that the BEL CVA is approved in accordance with its terms and no application has been made to the Court under sections 4A(3) or 6(1) of the Insolvency Act or under Rule 15.35 of the Insolvency Rules which has not been dismissed) shall abate in equal portions between themselves and rank *pari passu* for payment from the Profit Share Fund, provided that the Allowed CVA Claim of each Compromised Creditor for the purpose of this Clause 26.3 shall be deemed to be reduced by the amount of the distribution from the Compromised Creditor Fund made to that Compromised Creditor in accordance with Clause 25 (*Compromised Creditor Fund*) (and if, as a result, all Allowed CVA Claims are nil, no distribution shall be made from the Profit Share Fund). If the amount of the Profit Share Fund is more than the aggregate amount of all Allowed CVA Claims and (if the BEL CVA is approved in accordance with its terms and no application has been made to the Court under sections 4A(3) or 6(1) of the Insolvency Act or under Rule 15.35 of the Insolvency Rules which has not been dismissed) the BEL Allowed CVA Claims, the Allowed CVA Claims of all Compromised Creditors and the BEL Allowed CVA Claims of all BEL Compromised Creditors shall rank *pari passu* for payment up to the maximum amount of those Allowed CVA Claims and BEL Allowed CVA Claims plus interest on such Allowed CVA Claims and BEL Allowed CVA Claims at the rate specified in section 189 of the Insolvency Act calculated from the Effective Date to the date of distribution, with BGL’s proportionate share of the remaining surplus (if any) to be retained and utilised by BGL.

- 26.4 BGL shall administer the Profit Share Fund as follows:

26.4.1 there shall be no requirement for BGL to hold the Profit Share Fund in a segregated bank account;

26.4.2 if any amount is so payable from the Profit Share Fund, it shall, as soon as reasonably practicable after the date on which CVHL’s audited consolidated financial statements for CVHL’s 2022 financial year are filed with the Registrar of Companies for England and Wales and in any event no later than the Profit Share Fund Notice Date, notify each Compromised Creditor of the amount payable to that Compromised Creditor in accordance with this Clause 26; and

26.4.3 it shall pay such amount (if any) to each relevant Compromised Creditor in accordance with Clause 29.1 by the Profit Share Fund Payment Date, and the other provisions of Clauses 29 (*Miscellaneous Payment Provisions*) and 30 (*Unclaimed payments*) shall apply accordingly, provided that if the Compromised

Creditor Fund Payment Date has not yet occurred payment shall be made as soon as reasonably practicable after its occurrence.

26.5 For the avoidance of doubt, BGL shall have no liability to any BEL Compromised Creditor (in that capacity) in respect of the Profit Share Fund and no Compromised Creditor (in that capacity) shall be entitled to participate in the profit share fund established pursuant to the terms of the BEL CVA.

**27 Compromised Creditors: Notice and Acceptance of Claim**

27.1 The Supervisors shall treat a Notice of Claim as an Allowed CVA Claim if the Supervisors determine (acting reasonably) that the relevant CVA Claim has been calculated in accordance with (and does not exceed the amount provided for) schedule 2 (*Calculation of Landlords' Claims*).

27.2 Subject to Clause 27.4, a Compromised Creditor shall only be treated as having an Allowed CVA Claim (and shall only be entitled to participate in the Compromised Creditor Fund and Profit Share Fund) if a Notice of Claim is submitted to the Supervisors on or before the Claims Date. For the avoidance of doubt, a Notice of Claim must be submitted in accordance with this Clause 27.2 even if the Compromised Creditor did not submit a Notice of Claim for voting purposes.

27.3 Each Compromised Creditor shall be entitled to submit a revised Notice of Claim to the Supervisors on or before the Claims Date, in which case that revised Notice of Claim shall be treated as superseding the previously submitted Notice of Claim in all respects.

27.4 Subject to Clause 27.5, if a Notice of Claim is submitted after the Claims Date, a CVA Claim of a Compromised Creditor will not rank in the payment of the Compromised Creditor Fund or the Profit Share Fund unless the Supervisors or the Court determines either that the failure to lodge a Notice of Claim earlier did not result from a wilful default or a lack of reasonable diligence on the part of the Compromised Creditor, or that the Compromised Creditor:

27.4.1 did not have notice of the Creditors' Meeting; and

27.4.2 within 28 days of becoming aware that the Creditors' Meeting had taken place it lodged its Notice of Claim with the Supervisor.

27.5 In any event, a Notice of Claim shall not be capable of being lodged by a Compromised Creditor after 31 January 2021.

27.6 A Compromised Creditor shall be responsible for:

27.6.1 the cost of submitting its Notice of Claim and, if applicable, of providing such documentary evidence or other evidence as the Supervisors may require for the purpose of enabling the Supervisor to admit or reject that CVA Claim; and

27.6.2 any costs it may incur in relation to any court proceedings referred to in Clause 27.4.

27.7 A Notice of Claim may be admitted by the Supervisors either for the whole of the amount claimed by the Compromised Creditor or for part of that amount. If the Supervisors reject a CVA Claim (in whole or in part), they shall prepare a written statement of their reasons for doing so and send it as soon as reasonably practicable to the Compromised Creditor.

27.8 The Supervisors may, at their discretion, request further information or documents from the relevant Compromised Creditor or BGL in order to determine a CVA Claim. If the Supervisors do so reject, whether in whole or in part, they shall prepare a written statement of their reasons for doing so and send it as soon as reasonably practicable after the Claims Date to the relevant Compromised Creditor. Any CVA Claim (or part of any CVA Claim) which is not an Allowed CVA Claim will be treated as a Disputed Claim (subject to Clause 28.3)

27.9 Disputes in relation to CVA Claims or purported CVA Claims shall be determined in accordance with Clause 28 (*Dispute Resolution*).

27.10 The amount of any Disputed Claim which is agreed pursuant to Clause 28 (*Dispute Resolutions*) will become an Allowed CVA Claim.

## 28 **Dispute Resolution**

28.1 A Disputed Claim of a Compromised Creditor or a Turnover Rent Dispute shall be resolved in accordance with the following procedure.

28.2 In the case of a Disputed Claim, the relevant Compromised Creditor shall deliver a notice (a "**Disputed Claim Notice**") to the Supervisors within 21 days of the Compromised Creditor receiving confirmation from the Supervisor that either its CVA Claim has been:

28.2.1 allowed for a lower amount than that specified in the Notice of Claim; or

28.2.2 rejected.

28.3 If a Disputed Claim Notice is not delivered within 21 days, the:

28.3.1 amount for which the claim has been admitted by the Supervisors; or

28.3.2 rejection of the CVA Claim (as the case may be) will be treated as being accepted by the relevant Compromised Creditor.

28.4 Each Disputed Claim Notice shall:

28.4.1 give reasons why the Compromised Creditor believes that the information used by the Supervisors in calculating its claim is incorrect;

28.4.2 include such information which the Compromised Creditor considers to be correct together with supporting evidence; and

28.4.3 give details of the amount of the CVA Claim which the Compromised Creditor considers should be admitted as an Allowed CVA Claim (the "**Disputed Claim Amount**").

28.5 The Supervisors will consider the reasons, information or particular circumstances and supporting evidence supplied or other apparent evidence (as applicable). If the Supervisors do not agree with the Disputed Claim Amount then they may, on giving not less than seven days' notice to the Compromised Creditor, refer the determination of the Disputed Claim Amount to the Dispute Accountant.

28.6 If a Turnover Rent Dispute arises between BGL and a relevant Landlord then either BGL or that Landlord may refer the Turnover Rent Dispute in question for determination by the Dispute Accountant, in which case the Dispute Accountant will be instructed to determine the appropriate amount of Net Turnover and/or CVA Turnover Rent (as applicable).

28.7 The Dispute Accountant shall be a chartered accountant nominated jointly by:

28.7.1 in the case of a Disputed Claim, the Supervisors and the relevant Compromised Creditor; and

28.7.2 in the case of a Turnover Rent Dispute, BGL and the relevant Landlord,

or, in default of any agreed nomination within seven days from the date of the relevant notice or referral, as applicable, the Dispute Accountant shall be a chartered accountant nominated by the President for the time being of the Institute of Chartered Accountants of England and Wales.

- 28.8 The Dispute Accountant shall act as expert and not as arbitrator. The Dispute Accountant shall, in his sole discretion, consider such matters as he or she thinks fit (including the representations of the parties) in making his determination and, in particular, may rely on evidence supplied by one party in the absence of evidence to the contrary from any other party.
- 28.9 The decision of the Dispute Accountant shall be given in writing within 45 days of his appointment.
- 28.10 The decision of the Dispute Accountant shall be final and binding on the parties in so far as the law allows and:
- 28.10.1 in the case of a Dispute Claim, the amount determined by the Dispute Accountant shall be the Allowed CVA Claim of the relevant Compromised Creditor; and
- 28.10.2 in the case of a Turnover Rent Dispute, the amount determined by the Dispute Accountant to be the appropriate amount of Net Turnover and/or CVA Turnover Rent (as applicable) shall be binding on BGL and the relevant Landlord (and any payment due as a result shall be payable by no later than 10 Business Days from the date of such determination).
- 28.11 The costs of the Dispute Accountant shall:
- 28.11.1 in the case of a Disputed Claim, be borne equally by BGL and the Compromised Creditor with the Disputed Claim; and
- 28.11.2 in the case of a Turnover Rent Dispute, be borne equally by BGL and the relevant Landlord which is party to that dispute,
- unless (in either case) the Dispute Accountant determines, in the light of the conduct of the parties, that either party should bear a greater proportion of such costs.

## 29 **Miscellaneous Payment Provisions**

- 29.1 All sums payable to a Compromised Creditor pursuant to the CVA may be paid:
- 29.1.1 by cheque in favour of the relevant Compromised Creditor or as it may direct and may be sent by post to the relevant Compromised Creditor's last known address; or
- 29.1.2 by bank transfer to such bank account as the Compromised Creditor may from time to time notify to the Supervisors.
- 29.2 The encashment of a cheque or the receipt of the amount of a telegraphic transfer into the relevant account shall be a good discharge of the Supervisors and BGL. Neither shall be liable to the CVA Creditor concerned for any loss in transmission of a cheque drawn and sent or a telegraphic transfer made in accordance with this Clause 29 (*Miscellaneous Payment Provisions*).
- 29.3 In making any payment BGL may first deduct any tax payable on, or in respect of amounts comprising such payment and any bank charges levied in respect of such payments.
- 29.4 If any CVA Creditor does not receive payment in respect of an Allowed CVA Claim on its due date as a result of any administrative or technical error or delay in the banking system, no interest shall be payable to that CVA Creditor.
- 29.5 Each Compromised Creditor who has elected to waive the VAT exemption (opted to tax) in respect of a Premises should, in accordance with HMRC guidance, raise a receipted VAT inclusive invoice in respect of receipts from the Compromised Creditor Fund and Profit Share Fund. Upon receipt of the relevant receipted VAT invoice, BGL will recover the VAT element

of the payments made to that Compromised Creditor at the earliest opportunity and will, promptly following recovery of such VAT element, repay the amount of such VAT element to that Compromised Creditor.

### 30 **Unclaimed payments**

If BGL is unable to make any payment at the expiration of three months from the applicable Fund Payment Date, whether because:

- 30.1 cheques have been returned as undeliverable without a proper forwarding address;
- 30.2 funds for cheques have not been cleared;
- 30.3 cheques were not mailed or delivered because of an incorrect address; or
- 30.4 otherwise howsoever,

the Compromised Creditor entitled to such payment shall, from that time, be deemed to have waived its rights thereto and any obligations of BGL with respect thereto shall thereafter cease.

### 31 **Assets**

31.1 Nothing in this document involves the realisation of Assets or the acquisition of further Assets.

31.2 Save as set out in this document, there will be no further payments in respect of:

- 31.2.1 assets acquired by BGL;
- 31.2.2 any windfall gains received by BGL; and
- 31.2.3 profit and income of BGL,

in each case acquired or received by BGL after the date of this document.

31.3 Save for the facilities provided by the Secured Creditors, a finance lease provided by Playtech Services (Cyprus) Limited and equity funding provided by Caledonia no third party funding is being provided to BGL.

### 32 **Full And Final Settlement**

32.1 Subject to Clauses 5 (*The effect of the CVA on Ordinary Unsecured Creditors*), 6 (*The Effect of the CVA on Employees*), 7 (*The Effect of the CVA on Secured Creditors and Preferential Creditors*), 39 (*Variation*) and 43 (*Completion or termination of the CVA*):

32.1.1 with effect from the Effective Date, the provisions of this Part VI shall constitute a compromise of all Compromised Creditors' CVA Claims and BGL's obligation to make payments pursuant to the CVA (including pursuant to the Leases as modified or varied) to the Compromised Creditors shall be in full and final settlement of all Compromised Creditors' CVA Claims; and

32.1.2 accordingly, upon the CVA coming into effect in accordance with Clause 2 (*Effectiveness of the CVA*), each Compromised Creditor accepts the compromise of the Compromised Creditors' CVA Claims as set out in this Part VI in full and final settlement of all Compromised Creditors' CVA Claims.

32.2 For the avoidance of doubt, Clause 4 (*Moratorium*) provides that Landlords may enforce their rights under the CVA, including under any Lease as modified or varied by the CVA and in connection with any non-payment of any amount when due under the CVA

### 33 **Currency of Payment**

- 33.1 Each CVA Liability which is not denominated in pounds sterling will be converted into pounds sterling based on the mid-rate of exchange on the London foreign exchange market at the close of business on the Business Day before the Creditors' Meeting, as published for that date in the Financial Times (London Edition). Accordingly, all payments to be made by BGL in cash under the CVA in respect of such CVA Liability shall be made in pounds sterling.
- 33.2 Any payments to be made by BGL in cash under the CVA shall be made in pounds sterling.

### 34 **Powers and Intentions of the Supervisors**

- 34.1 The initial Supervisors of BGL shall be the persons specified in part 1 of schedule 14 (*Supervisors' and Legal Advisors' Details and Addresses for Notices*) being qualified insolvency practitioners within the meaning of section 390(2) of the Insolvency Act, and any replacement therefore in accordance with these terms of the CVA and all powers conferred on them shall be exercisable severally.
- 34.2 The office of Supervisor shall be vacated by a Supervisor if that Supervisor:
- 34.2.1 dies, becomes bankrupt or mentally disordered;
  - 34.2.2 is convicted of an indictable offence (other than a road traffic offence);
  - 34.2.3 resigns his office by twenty-eight (28) days' notice in writing to the Directors; or
  - 34.2.4 ceases to be a qualified insolvency practitioner.
- 34.3 Each Supervisor shall act as a joint supervisor of BGL and any act required to be done by the Supervisors may be done by all or any one or more of them.
- 34.4 The Supervisors shall have, in addition to any powers conferred on them under the Insolvency Act or the Insolvency Rules or otherwise as a matter of law, such powers as are necessary or expedient to enable them to carry out their functions under the CVA in accordance with its terms. Without limitation to the generality of the foregoing, the Supervisors may carry out all acts and exercise all discretions, authorities, powers and duties required to be carried out in order to facilitate the CVA's implementation.
- 34.5 The Supervisors shall not assume any fiduciary or other special responsibilities or duties to the CVA Creditors.
- 34.6 It will not be the duty of the Supervisors to oversee the business and affairs of BGL and the Supervisors shall have no responsibilities in relation to the conduct of the affairs of BGL or in relation to any matters other than those expressly set out in this Proposal.
- 34.7 No Supervisor shall incur any personal liability in connection with the preparation, adoption, agreement or implementation of the CVA or in connection with any ancillary arrangement.
- 34.8 BGL shall:
- 34.8.1 provide the Supervisors, upon request, with a power of attorney to enable them to administer the CVA;
  - 34.8.2 provide the Supervisors with sole signing rights and authority to operate bank accounts for the purposes of administering and facilitating payments from the Compromised Creditor Fund pursuant to Clause 25 (*Compromised Creditor Fund*);
  - 34.8.3 give the Supervisors upon demand reasonable access to such accounts, books, records and information as the Supervisors consider in their sole discretion to be necessary to carry out their functions;

- 34.8.4 use reasonable endeavours (in prior consultation with the Supervisors) to:
  - 34.8.4.1 maintain the validity of any available insurance; and
  - 34.8.4.2 ensure maximum payment by any applicable insurer,
    - in respect of any claim which, but for such insurance cover would be a CVA Claim; and
- 34.8.5 do all such other things as the Supervisors shall reasonably require for the purpose of the implementation of the CVA.
- 34.9 The Supervisors may perform their duties through agents and employees and shall be entitled to rely on any communication, instrument, document or information (whether provided in writing or orally) considered by them to be genuine and correct and shall be entitled to rely upon the advice of, or information obtained from, any professional adviser or other person instructed by him considered by them in good faith to be competent.
- 34.10 For the purpose of any acknowledgements or agreements as to, or provisions of, exclusions of liability or indemnity in favour of the Supervisors in this Proposal, the CVA or any collateral arrangements or agreement relating to the same, references to the Supervisors where the context so permits shall mean and include their present and future firm or firms, members, partners and employees, and any legal entity or partnership using its names, the firm AlixPartners UK LLP, any successor or merged firm and the members, partners, shareholders, officers and employees of such entity or partnership.
- 34.11 BGL shall not hold out the Supervisors or their firm as agents of BGL or their business save that, in exercising their powers under the CVA, the Supervisors shall act as BGL's agent.
- 34.12 Without prejudice to the generality of the foregoing, the Supervisors shall be entitled to an indemnity on demand from BGL against:
  - 34.12.1 (in the absence of fraud, gross negligence or wilful default) all actions, claims, proceedings and demands brought or made against them or any of them in respect of the conduct of the CVA and in respect of all remuneration, expenses and liabilities and obligations incurred by them in carrying out their functions; and
  - 34.12.2 any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or they are acquitted.
- 34.13 BGL shall indemnify the Supervisors on demand for any Liability incurred by them in defending the relevant CVA or any challenge to the relevant CVA, without prejudice to the Court's power to order any person to pay the costs of and occasioned by such proceedings.
- 34.14 The Supervisors may apply to the Court for the purpose of obtaining directions in accordance with the Insolvency Act without reference to CVA Creditors. If directions are given by the Court then, to the extent required, the CVA shall be modified accordingly.
- 34.15 The Supervisors shall have the power to do all things ancillary to the matters referred to in this Clause 34 or which are otherwise required to be done by the Supervisors in accordance with the CVA.
- 34.16 BGL shall indemnify the Supervisors on demand against all Liabilities incurred by them in defending the relevant CVA or any challenge to the relevant CVA, without prejudice to the Court's power to order any person to pay the costs of and occasioned by such proceedings.
- 35 **The Supervisors' Remuneration**
- 35.1 The Supervisors shall be remunerated in respect of their work in preparing, implementing and operating the Proposal and the CVA and all acts reasonably incidental thereto.

- 35.2 The basis of the Supervisors' remuneration will be fixed by reference to the time properly given by them and their staff in attending to matters arising in connection with the Proposal and the CVA. Such time costs shall be charged at the Supervisors' standard rates from time to time for insolvency related work set out in schedule 16 (*AlixPartners UK LLP Charge-out Rates*).
- 35.3 The Supervisors' fees will be invoiced monthly (or at such other frequency as the Supervisors determine appropriate) to BGL and shall be paid by BGL promptly.
- 35.4 Costs and expenses (including any legal costs and expenses) incurred by the Supervisors shall be invoiced to the Supervisors who will in turn invoice BGL and shall be paid by BGL promptly.
- 35.5 VAT on any costs or expenses incurred by the Supervisors will be invoiced gross to BGL.
- 35.6 An estimate of fees to be paid to the Supervisors is set out at schedule 4 (*Statutory and Financial Information*).

### 36 **No Creditors' Committee**

There shall be no creditors' committee for the CVA.

### 37 **No Warranties or Representation**

Neither the Directors, nor the Nominee, nor the Supervisors, give any warranties and they make no representations in relation to the information contained in this Proposal and its annexes.

### 38 **Vacancy In Office of Supervisors**

If there is a vacancy in the office of Supervisor, the remaining Supervisors shall forthwith appoint as a replacement Supervisor a qualified insolvency practitioner.

### 39 **Variation**

- 39.1 Subject to Clause 39.2, BGL will have the power at any time after the Effective Date, if it considers it expedient to do so, to modify the provisions of the CVA provided:
- 39.1.1 such modifications do not materially alter the effect or economic substance of the CVA; and
- 39.1.2 the Supervisors have confirmed that, in their opinion (acting reasonably), the modifications do not materially alter the effect or economic substances of the CVA.
- 39.2 The Directors or the Supervisors shall inform the CVA Creditors and BGL of any such modifications and such modifications shall be binding on the CVA Creditors and the Supervisors and the CVA shall be modified accordingly.
- 39.3 No modification to or variation of the CVA shall be permitted if the effect of the modification would require the Ordinary Unsecured Creditors to accept payment of less than 100 pence in the pound in respect of Ordinary Unsecured Liabilities. For the avoidance of doubt, this Clause 39.3 does not apply to a material variation pursuant to Clause 40.
- 39.4 BGL shall have the power to agree any surrender or modification to any Lease with the consent of the relevant Landlord and for the avoidance of doubt, any such surrender(s) or modification(s) shall not be deemed to materially alter the effect of the CVA and shall not require notice to be given nor the consent of the CVA Creditors.

## 40 **Material Variation of the CVA**

- 40.1 Subject to Clause 40.2, in respect of any modification which does materially alter the effect of the CVA, the Supervisors or BGL must seek the consent of the CVA Creditors to such modification, in accordance with this Clause 40. No such modification can be made without the consent of BGL.
- 40.2 The Supervisors or the Directors may at any time after the Effective Date seek a decision of BGL's creditors (through the use of a Qualifying Decision Procedure) for the purpose of varying the CVA. The notice of the relevant Qualifying Decision Procedure shall set out the proposed variation(s) and will be accompanied by the Supervisors' (or Directors') report giving the reasons for the variation or variations.
- 40.3 A variation to the CVA shall require the same approvals of BGL's creditors as are required for the approval of the original CVA, but shall not require approval of the Shareholder.
- 40.4 So far as is possible, the Qualifying Decision Procedure referred to in Clause 40.2 above shall be conducted in accordance with section 4 of the Insolvency Act and Rules 2 and 15 of the Insolvency Rules except that:
- 40.4.1 reference to the proposal shall be taken as references to the proposed variation;
  - 40.4.2 references to the nominee shall be taken as references to the Supervisors; and
  - 40.4.3 all CVA Claims (including the Preferential Liabilities) shall be calculated as at the date of the Creditors' Meeting in respect of this CVA.
- 40.5 Section 6 of the Insolvency Act shall apply to the relevant Qualifying Decision Procedure as it does to a Qualifying Decision Procedure under section 3 of the Insolvency Act, except that an application to Court may be brought at any time within the twenty-eight (28) days following the Decision Date in respect of the variation but may not be brought after such period.
- 40.6 Without prejudice to the rights of any person to make an application to the Court under section 7(3) of the Insolvency Act, it shall be for the Supervisors to determine whether any proposed modification materially alters the effect of the CVA.

## 41 **Set-off**

The equivalent rules of set-off as they would be applied in a liquidation of BGL shall apply in respect of any payments made in accordance with the terms of the CVA.

## 42 **Assignments**

- 42.1 The rights of Compromised Creditors to receive amounts in respect of the Compromised Creditor Fund and Profit Share Fund are assignable, provided that neither BGL nor the Supervisors shall be bound by any such assignment unless and until notice is given in writing to BGL and the Supervisors.
- 42.2 If a Landlord gives notice in writing to BGL that it wishes any payment due to it pursuant to Clause 25 (*Compromised Creditor Fund*) or Clause 26 (*Profit Share Fund*) to be paid to another person, or that it has assigned its entitlement to such payment another person, BGL shall pay (if payment has not already been made pursuant to Clause 29 (*Miscellaneous Payment Provisions*)) such payment to that other person. Any such notice must specify the name and address of the person to whom payment is to be made and BGL may request any such further information as it shall reasonably require in order to enable such payment to be made (and BGL shall not be in default of its obligations under the CVA as a consequence of acting on the instructions provided in such notice or otherwise provided by the relevant Compromised Creditor or in circumstances where it has not received any further information which it reasonably requires in a timely manner).

- 43 **Completion or termination of the CVA**
- 43.1 Within 28 days of the Supervisors having satisfied themselves insofar as is reasonably practicable that the arrangements contained in the CVA have been fully implemented (but not for the avoidance of doubt, the distribution of the Profit Share Fund (if any)), they shall inform BGL in writing that the CVA has been fully implemented by sending a Notice of Completion to the Landlords and BGL. The Ordinary Unsecured Creditors, Preferential Creditors and members of BGL waive the right to receive either a Notice of Completion or the Supervisor's report which would otherwise be required to be delivered in accordance with Rule 2.44 of the Insolvency Rules.
- 43.2 The CVA Creditors, other than Landlords, and members of BGL waive the right to receive the Supervisors' annual report and abstract of receipts and payments required to be delivered pursuant to Rule 2.41 of the Insolvency Rules.
- 43.3 For these purposes, the Supervisors shall be entitled in their absolute discretion to treat the CVA as having been fully implemented if:
- 43.3.1 no Challenge Application has been made (or remains outstanding) within 28 days of the filing at Court of the reports of the Chair of the Creditors' Meeting and Chair of the Shareholder's Meeting, or such a Challenge Application has been made but has been resolved to the Supervisors' satisfaction; and
- 43.3.2 they are satisfied that the CVA Creditors have been paid the amounts that are due to be paid to them under the Proposal.
- 43.4 The Supervisors shall be entitled to terminate the CVA:
- 43.4.1 if a Challenge Application is served prior to the expiry of the Challenge Period, and it has not been dismissed;
- 43.4.2 if a Challenge Application is threatened in writing prior to the expiry of the Challenge Period, unless such application has been served prior to the expiry of the Challenge Period and has been dismissed, or the time period allowed under the Insolvency Act for making such an application has expired or the Supervisors are satisfied, in their sole discretion, that there is no merit in such threatened application; or
- 43.4.3 if BGL fails to comply with its obligations under the CVA.
- 43.5 The CVA shall terminate if BGL goes into administration or liquidation.
- 43.6 If the Supervisors terminate the CVA pursuant to Clause 43.4, or if the CVA terminates automatically pursuant to Clause 43.5, the Supervisors shall inform BGL in writing that they are terminating the CVA by sending a Notice of Termination to the Landlords and BGL. The Ordinary Unsecured Creditors, Preferential Creditors and members of BGL waive the right to receive either a Notice of Termination or the Supervisor's report which would otherwise be required to be delivered in accordance with Rule 2.44 of the Insolvency Rules.
- 43.7 Upon the issuance of a Notice of Termination under Clause 43.6, the compromises and releases effected under the terms of the CVA (including, for the avoidance of doubt, any agreed variations and modifications to the terms of the Leases, including any compromise of Contractual Rent) shall revert to the position BGL and its respective CVA Creditors were in prior to the Proposal being approved, such that the claims of all Compromised Creditors against BGL shall be calculated on the basis of their relevant pre-CVA contractual terms as if the Proposal had never been approved, less any payments received from BGL during the course of the CVA.
- 43.8 Subject to Clause 43.9, save for the provisions of Clause 34 (*Powers And Intentions of the Supervisors*), Clause 44 (*Notices*), Clause 45 (*No Personal Liability*) and Clause 48 (*Governing Law and Jurisdiction*), and any other provisions relating to the compromise of the

CVA Claims of CVA Property Creditors, all of which shall survive termination, the obligations under the CVA shall terminate on the date on which the Supervisors send a Notice of Termination in accordance with Clause 43.6 or on which the CVA is terminated in accordance with Clause 43.5.

43.9 As consideration for Compromised Creditors consenting to the terms of the CVA, the Compromised Creditors will be entitled to participate in the Compromised Creditor Fund as set out in Clause 25 (*Compromised Creditor Fund*). In the event that the CVA is terminated pursuant to this Clause 43 and any payment from the Compromised Creditor Fund to which a Compromised Creditor is entitled has not been paid to that Compromised Creditor, the compromises and releases effected under the terms of this CVA in respect of that Compromised Creditor shall be deemed never to have happened, such that the relevant Compromised Creditor shall have the claims against BGL that it would have had if the CVA had never been approved (less any payments made during the course of the CVA).

43.10 It is expected that the CVA will complete on or before the second anniversary of the Effective Date.

#### 44 **Notices**

44.1 A notice to be given to the Supervisors or BGL:

44.1.1 must be given in writing;

44.1.2 may be sent by post or may be delivered as aforesaid but shall only be deemed delivered upon actual receipt, provided that if such receipt occurs on a day that is not a Business Day, or after 5:30 p.m. on any Business Day, such notice shall be deemed to have been received at 9:30 a.m. on the next Business Day; and

44.1.3 must be addressed to the Supervisors at the address set out in part 1 of schedule 14 (*Supervisors' and Legal Advisors' Details and Addresses for Notices*).

44.2 A notice shall be expressed in the English language unless such notice is given by a CVA Creditor who has his habitual residence, domicile or registered office in a Member State, in which case it may be given in the official language or one of the official languages of that Member State.

44.3 Any notice given under the CVA by a Supervisor or BGL to any person shall be sufficiently delivered by posting the same by first class or airmail post or leaving the same at the address of such person last known to BGL or if an electronic address is provided in a Notice of Claim (or otherwise) by e-mail or fax. If such notice is posted, it shall be deemed to have been received by the addressee 48 hours after the same shall have been posted. If such notice is sent by e-mail or fax, it shall be deemed to have been delivered to the recipient no later than 9.00 a.m. on the next Business Day after it was sent.

44.4 A notice which is signed by a person authorised by an individual CVA Creditor on his behalf may be rejected by the Supervisors if it is not accompanied by a power of attorney duly executed by the CVA Creditor in favour of such person whereby such person is authorised to execute the notice concerned, or by a copy of such power of attorney certified as a true copy thereof by a solicitor or notary or a person authorised to administer oaths in any relevant jurisdiction, together with a statutory declaration made by the donee of the power stating that such power had not been revoked prior to his signature of such notice. In the case of a notice which is signed on behalf of a CVA Creditor which is a corporation or other legally constituted person or a partnership, the Supervisors shall not be required to make enquiry as to the authority of the signatory to sign such notice on behalf of such CVA Creditor.

#### 45 **No Personal Liability**

45.1 None of the Directors, the Nominees, the Supervisors, their firm, their partners, their staff, their advisers or any agents employed by them shall incur any personal Liability whatsoever arising howsoever, whether directly or indirectly, in connection with the preparation,

implementation or conduct of the Proposal or the CVA in general or in connection with any associated agreement or arrangement.

45.2 Clause 45.1 shall also apply to and be enforceable by any additional or substitute Nominee or Supervisor in addition to or in replacement of the Nominees or the Supervisors (as applicable). References to the Nominees or the Supervisors in the Proposal or the CVA shall include any such subsequent appointees.

46 **Severance**

If any provision or part-provision of this Part VI is or becomes invalid, illegal or unenforceable, this shall not affect the validity, legality and enforceability of the other terms of the CVA. The invalid, illegal and/or unenforceable provision(s) shall be severed from the remainder of the CVA and, to the extent necessary, the remaining provisions of the CVA shall be modified to reflect the severance and the remainder of the CVA shall continue in full force and effect.

47 **Further assurance**

BGL and each Compromised Creditor shall promptly execute and deliver all such notices, agreements, declarations, deeds or any other document and perform all such acts as may be reasonably required by BGL or any such Compromised Creditor for the purpose of giving full effect to any term of the Proposal and/or the transactions, arrangements or agreements contemplated by the Proposal.

48 **Governing Law and Jurisdiction**

48.1 The CVA and any non-contractual obligations arising out of or connected with the CVA are governed by and shall be construed in accordance with English law.

48.2 The Court shall have exclusive jurisdiction in respect of the CVA.

49 **EU Regulation on Insolvency Proceedings**

49.1 The EU Regulation on Insolvency Proceedings applies and these proceedings are main proceedings as defined by Article 3 of that regulation.

49.2 The Premises do not include any premises situated outside of the UK.

49.3 CVA Creditors who are located outside of the UK shall be entitled to the same rights to make CVA Claims and to receive a share of the Compromised Creditor Fund and the Profit Share Fund as CVA Creditors located in the UK.

Issue Date: 15 July 2020

Further amendments subsequently proposed on 29 July 2020

.....  
Director  
For and on behalf of  
Buzz Group Limited

## SCHEDULE 1

### Definitions and Interpretation

#### PART 1

#### Definitions

Except where a contrary intention appears, the following terms have the following meanings when used in this document (including in the schedules):

**AGA:** an authorised guarantee agreement as defined in section 16 of the Landlord and Tenant (Covenants) Act 1995;

**Allowed CVA Claim:** in relation to a CVA Claim, the CVA Claim or that part of the CVA Claim that is admitted by the Supervisors or has been determined in a final and binding manner in accordance with Clause 27 (*Compromised Creditors: Notice and Acceptance of Claim*);

**AlixPartners UK LLP:** AlixPartners UK LLP of 6 New Street Square, London, EC4A 3BF;

**Ancillary Landlord:** a person entitled to the reversion immediately expectant upon the termination of an Ancillary Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**Ancillary Lease:** those real estate leases or agreements for lease or licences the details of which are listed in schedule 11 (*List of Ancillary Leases*) and all other documents supplemental or collateral to them and **Ancillary Lease** shall mean any of them;

**Ancillary Lease Premises:** any premises demised in the Ancillary Leases and as the context admits any one of such Ancillary Leases;

**Ancillary Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the relevant Ancillary Lease and any additional periodic amount payable on a quarterly basis under the terms of the relevant Ancillary Lease;

**Assets:** all of the assets of BGL in any part of the world, whether tangible or intangible (including cash) and whether present or future, actual or contingent;

**Associated Club Lease:** in respect of each Ancillary Lease, the lease of the Premises identified as its 'Associated Club' in schedule 11 (*List of Ancillary Leases*);

**BCCL Sub-Lease:** those real estate leases or agreements for lease under which the premises demised by the BCCL Head Leases are sub-let or agreed to be sub-let by BGL to Buzz County Clubs Limited (or its successors and assigns) and all other documents supplemental or collateral to them and **BCCL Sub-Lease** shall mean any of them;

**BCCL Head Landlord:** a person entitled to the reversion immediately expectant upon the termination of BCCL Head Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**BCCL Head Lease:** those real estate leases or agreements for lease the details of which are listed in schedule 12 (*List of BCCL Head Leases*) and all other documents supplemental or collateral to them and **BCCL Head Lease** shall mean any of them;

**BEL:** Buzz Entertainment Limited, a company incorporated under the laws of England and Wales with registered number 801616;

**BEL Allowed CVA Claim:** has the meaning given to 'Allowed CVA Claim' in the BEL CVA;

**BEL Compromised Creditor:** has the meaning given to 'Compromised Creditor' in the BEL CVA;

**BEL CVA:** the company voluntary arrangement between BEL and its creditors under Part I of the Insolvency Act on the terms set out in a proposal document issued by BEL on or around the date of this document;

**BGL:** Buzz Group Limited, the details of which are set out in the table in schedule 3 (*Corporate Information*);

**Blocked Cash:** has the meaning given to the term in paragraph 1.7.2 of Part I (*Summary of the Proposal*);

**Brand:** all trademarks, logos or other Buzz Bingo branding;

**Business Day:** a day other than a Saturday or Sunday or public holiday in England, Wales, and Scotland;

**Business Rates:** has the meaning given to it under the Relevant Rating Legislation;

**Caledonia:** Caledonia Investments PLC, a company incorporated under the laws of England and Wales with registered number 235481;

**Calculated Amount:** has the meaning given to it in the Nominees' Letter;

**Category A Landlord:** a person entitled to the reversion immediately expectant upon the termination of a Category A Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**Category A Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the relevant Category A Lease and any additional periodic amount payable under the terms of the relevant Category A Lease;

**Category A Leases:** those real estate leases or agreements for lease the details of which are listed in schedule 5 (*List of Category A Leases*) and all other documents supplemental or collateral to them and **Category A Lease** shall mean any of them;

**Category A Premises:** any premises demised in the Category A Leases and as the context admits any one of such Category A Leases;

**Category B Landlord:** a person entitled to the reversion immediately expectant upon the termination of a Category B Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**Category B Lease Base Rent:** in relation to a Category B Lease:

- (a) for the period from and including the Effective Date until (but excluding) the first anniversary of the Effective Date, 10% of the Contractual Rent payable under that Category B Lease; and
- (b) for the period from and including the first anniversary of the Effective Date until the end of the Rent Concession Period, 35% of the Contractual Rent payable under that Category B Lease;

**Category B Lease Net Turnover Rent:** the amount by which (i) the Effective Turnover Rent Percentages of Net Turnover at a Category B Premises in each Turnover Period as calculated in accordance with Clause 17 (*Net Turnover Rent*) exceeds (ii) the Category B Base Rent;

**Category B Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the relevant Category B Lease and any additional periodic amount payable under the terms of the relevant Category B Lease but excluding any Head Lease Payment Obligations;

**Category B Leases:** those real estate leases or agreements for lease the details of which are listed in schedule 6 (*List of Category B Leases*) and all other documents supplemental or collateral to them and **Category B Lease** shall mean any of them;

**Category B Premises:** any premises demised in the Category B Leases and as the context admits any one of such Category B Leases;

**Category C Landlord:** a person entitled to the reversion immediately expectant upon the termination of a Category C Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**Category C Lease Base Rent:** in relation to a Category C Lease:

- (a) for the period from and including the Effective Date until (but excluding) the first anniversary of the Effective Date, 10% of the Contractual Rent payable under that Category C Lease; and
- (b) for the period from and including the first anniversary of the Effective Date until the end of the Rent Concession Period, 30% of the Contractual Rent payable under that Category C Lease;

**Category C Lease Net Turnover Rent:** the amount by which (i) the Effective Turnover Rent Percentages of Net Turnover at a Category C Premises in each Turnover Period as calculated in accordance with Clause 17 (*Net Turnover Rent*) exceeds (ii) the Category C Lease Base Rent;

**Category C Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the relevant Category C Lease and any additional periodic amount payable under the terms of the relevant Category C Lease but excluding any Head Lease Payment Obligations;

**Category C Leases:** those real estate leases or agreements for lease the details of which are listed in schedule 7 (*List of Category C Leases*) and all other documents supplemental or collateral to them and **Category C Lease** shall mean any of them;

**Category C Premises:** any premises demised in the Category C Leases and as the context admits any one of such Category C Leases;

**Category D Dilapidations Liability:** in respect of each Category D Premises, any Liability owed to the relevant Category D Landlord in respect of the state of repair and condition of the relevant Category D Premises as at the Effective Date;

**Category D Landlord:** a person entitled to the reversion immediately expectant upon the termination of a Category D Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**Category D Lease Base Rent:** in relation to a Category D Lease:

- (a) for the period from and including the Effective Date until (but excluding) the first anniversary of the Effective Date, 10% of the Contractual Rent payable under that Category D Lease; and
- (b) for the period from and including the first anniversary of the Effective Date until the end of the Rent Concession Period, 20% of the Contractual Rent payable under that Category D Lease;

**Category D Lease Net Turnover Rent:** the amount by which (i) the Effective Turnover Rent Percentages of Net Turnover at a Category D Premises in each Turnover Period as calculated in accordance with Clause 17 (*Net Turnover Rent*) exceeds (ii) the Category D Lease Base Rent;

**Category D Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the relevant Category D Lease and any additional periodic amount payable under the terms of the relevant Category D Lease but excluding any Head Lease Payment Obligations;

**Category D Leases:** those real estate leases or agreements for lease the details of which are listed in schedule 8 (*List of Category D Leases*) and all other documents supplemental or collateral to them and **Category D Lease** shall mean any of them;

**Category D Premises:** any premises demised in the Category D Leases and as the context admits any one of such Category D Leases;

**Category D Schedule of Condition:** a photographic schedule of condition evidencing the state of repair and condition of the relevant Category D Premises;

**Category E Premises:** any premises demised in the Category E Leases and as the context admits any one of such Category E Leases;

**Category E Landlord:** a person entitled to the reversion immediately expectant upon the termination of a Category E Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**Category E Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the relevant Category E Lease and any additional periodic amount payable under the terms of the relevant Category E Lease;

**Category E Leases:** those real estate leases or agreements for lease the details of which are listed in schedule 9 (*List of Category E Leases*) and all other documents supplemental or collateral to them and **Category E Lease** shall mean any of them;

**Category F Landlord:** the person entitled to the reversion immediately expectant upon the termination of the Category F Lease (but excluding a Contingent Property Creditor), including its successors and assigns;

**Category F Lease:** the real estate lease the details of which are listed in schedule 10 (*List of the Category F Lease*) and all other documents supplemental or collateral to it;

**Category F Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the Category F Lease and any additional periodic amount payable under the terms of the Category F Lease but excluding any Head Lease Payment Obligations;

**Category F Premises:** the premises demised in the Category F Lease;

**Chair:** the person appointed to chair the Creditors' Meeting or the Shareholder's Meeting, as the context requires;

**Challenge Application:** an application made to the Court under sections 4A(3) or 6(1) of the Insolvency Act or under Rule 15.35 of the Insolvency Rules in relation to the CVA prior to expiry of the Challenge Period;

**Challenge Period:** in respect of a particular person, the period ending on the latest date upon which that person is entitled to make an application to the Court under, and in accordance with, any of section 4A(3) or section 6(1) of the Insolvency Act or Rule 15.35 of the Insolvency Rules in relation to the CVA;

**Claims Date:** 30 September 2020;

**Companies Act:** the Companies Act 2006;

**Completion Date:** the date on which the Supervisors send a Notice of Completion to BGL in accordance with Clause 43.1 (*Completion or termination of the CVA*);

**Compromised Contingent Property Creditor:** any Contingent Property Creditor which would not in relation to a Liability relating to one or more Compromised Premises be entitled to prove in a Notional Liquidation of BGL and/or to receive a dividend on any proof submitted whether as a consequence of:

- (a) the rule against double proof;
- (b) the rule in *Cherry v Boulton*; or
- (c) any non-competition or analogous agreement, or otherwise howsoever;

**Compromised Creditor Fund:** the fund available to Compromised Creditors in accordance with Clause 25 (*Compromised Creditor Fund*);

**Compromised Creditor Fund Amount:** has the meaning given to the term in Clause 25.1 (*Compromised Creditor Fund*);

**Compromised Creditor Fund Payment Date:** has the meaning given to the term in Clause 25.4 (*Compromised Creditor Fund*);

**Compromised Creditors:** the Compromised Landlords, the Compromised Contingent Property Creditors, the Guarantee Creditors and the Previous Lease Creditors and **Compromised Creditor** shall mean any one of them;

**Compromised Landlords:** the Category B Landlords, the Category C Landlords, the Category D Landlords, the Category E Landlords, the Category F Landlord, the Ancillary Landlords and the Compromised Contingent Property Creditors and **Compromised Landlord** shall mean any one of them;

**Compromised Lease Rent:** any annual rent, service charge and insurance charge payable under the terms of the relevant Compromised Lease and any additional periodic amount payable under the terms of the relevant Compromised Lease but excluding any Head Lease Payment Obligations;

**Compromised Leases:** the Category B Leases, Category C Leases, Category D Leases, Category E Leases, the Category F Lease and the Ancillary Leases and **Compromised Lease** shall mean any one of them;

**Compromised Premises:** the Category B Premises, the Category C Premises, the Category D Premises, the Category E Premises, and the Category F Premises (or any one of them, as the context admits);

**Compromised Premises Guarantor:** any guarantor of BGL in relation to the Compromised Leases;

**Connected Creditors:** has the meaning given to it in paragraph 1.11 of schedule 4 (*Statutory and Financial Information*);

**Contingent Property Creditor:** each:

- (a) Previous Tenant;
- (b) Previous Tenant Guarantor;
- (c) Current Tenant Guarantor;
- (d) Compromised Premises Guarantor;
- (e) Sub-Tenant;
- (f) Previous Landlord; and

(g) Superior Landlord;

**Contingent Property Liability:** any contingent Liability of BGL to a Previous Tenant, a Previous Tenant Guarantor, a Compromised Premises Guarantor, a Previous Landlord, a Current Tenant Guarantor or a Superior Landlord in respect of a Compromised Lease or Previous Lease (as the case may be) which arises by an express or implied right of indemnity or by subrogation, AGA, guarantee of an AGA or otherwise or any contingent Liability of BGL to a Sub-Tenant in respect of any Compromised Premises including any Liability of BGL to DHS Investments Limited pursuant to the Hounslow AGA and the notice dated 18 June 2020 given pursuant to s. 17 Landlord and Tenant (Covenants) Act 1995 and in relation to the Hounslow AGA;

**Continuing Contingent Property Creditor:** any Contingent Property Creditor which is not a Compromised Contingent Property Creditor;

**Contractual Rent:** the annual rent (but excluding any service or insurance charges) passing under the relevant Compromised Lease immediately prior to the Creditors' Meeting including as adjusted for the impact of any subsequent contractual rent review in the case of Category A Lease and ignoring the effect of any rent free period or suspension of rent;

**Contractual Rent Arrears:** in relation to a Lease, the outstanding Contractual Rent under that Lease which is due but has not been paid by BGL for the period up to (but excluding) the day after the Effective Date;

**Court:** the High Court of Justice in England and Wales;

**COVID-19:** means severe acute respiratory syndrome coronavirus, the coronavirus diseases or any outbreak thereof;

**COVID-19 Pandemic:** means the pandemic of COVID-19 recognised by the World Health Organisation on 11 March 2020;

**COVID-19 Restrictions:** means any applicable law, regulation, rule, measure, official guidance or governmental action, order, instruction or advice enacted, implemented, enforced, applied, promulgated, announced, published or disseminated which relates directly or indirectly to COVID-19 and/or the COVID-19 Pandemic;

**Creditors:** the CVA Creditors and **Creditor** means any one of them;

**Creditors' Meeting:** the meeting of CVA Creditors convened by the Nominees pursuant to s. 3 of the Insolvency Act and the Insolvency Rules (including any adjournment thereof);

**Current Tenant Guarantor:** any guarantor of BGL's Liabilities in relation to any Premises who has an actual or contingent Liability in relation to such Premises, including under an AGA;

**CVA:** the company voluntary arrangement between BGL and its CVA Creditors under Part I of the Insolvency Act on the terms set out in this document;

**CVA Claim:** any claim against BGL in respect of a CVA Liability;

**CVA Creditor:** any person to whom BGL owes a CVA Liability (including its successors in title, assignees and transferees in respect of that CVA Liability);

**CVA Liability:** any Liability of BGL which would be provable under Rule 14.2 of the Insolvency Rules against BGL if it had been wound up on the date of the Creditors' Meeting;

**CVA Property Creditor:** each Compromised Landlord and each Contingent Property Creditor;

**CVA Related Event:**

- (a) the announcement, issue or making or coming into effect of the Proposal on any other step taken in relation thereto; or
- (b) the convening of the Creditors' Meeting; or
- (c) BGL (i) becoming, or being deemed to be, insolvent or unable to pay its debts as they fall due as a result of the Proposal or the matters referred to in paragraphs (a) and (b) of this definition or (ii) having proposed or made, or being deemed to have proposed or made, an arrangement or compromise with its creditors as a result of the Proposal; or
- (d) any member of the Group commencing negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; or
- (e) the administration or liquidation of any Group Company which results in any claim against BGL, in its capacity as Guarantor or otherwise; or
- (f) the closure of any of the Premises in accordance with the COVID-19 Restrictions;
- (g) non-payment of rent, service charges or insurance payments payable under the Leases since March 2020;
- (h) any action legal proceedings or other procedure or step taken or commenced by a CVA Creditor in relation to any of the matters referred to in paragraphs (a) to (g) (inclusive) above; or
- (i) any cross default provision triggered as a result of any of the matters referred to in paragraphs (a) to (h) (inclusive) above; or
- (j) any other event or circumstance which would not have arisen but for the Proposal or the implementation of the CVA;

**CVA Termination Date:** the date that the CVA is terminated in accordance with Clause 43 (*Completion or termination of the CVA*);

**CVHL:** Caledonia Venus Holdings, a company incorporated under the laws of England and Wales with registered number 09830942;

**Decision Date:** has the meaning given to it in Rule 15.2(1) of the Insolvency Rules;

**Deduction Amount** has the meaning given to it in paragraph 5 of part 1 of schedule 2 (*Calculation of Landlords' Claims*);

**Directors:** the directors of BGL, being Chris John Matthews, Gary Payne and Jamie Queen as at the date of issuance of this document;

**Dispute Accountant:** a chartered accountant nominated in accordance with Clause 28.7 (*Dispute Resolution*);

**Disputed Claim:** a CVA Claim, or any portion of a CVA Claim, which is not an Allowed CVA Claim;

**Disputed Claim Amount:** has the meaning given to it in Clause 28.4 (*Dispute Resolution*);

**Disputed Claim Notice:** has the meaning given to it in Clause 28.2 (*Dispute Resolution*);

**Dispute Surveyor:** a chartered surveyor nominated in accordance with Clause 12.24 (*Repair and schedule of condition*);

**EBITDA:** means the operating profit of the Group before interest, tax, depreciation and amortisation (and excluding the effect of any exceptional items that are non-recurring in nature

or unrelated to the trading performance of the Group) as calculated in accordance with the consolidated annual financial statements of CVHL for the relevant financial year (adjusted to exclude the effect of International Financial Reporting Standard 16 to the extent applicable to the relevant financial statements and after deduction of any costs, charges or expenses incurred or associated with the calculation and payment of the Profit Share Fund);

**Effective Date:** the date on which the Proposal is approved by the requisite majority of CVA Creditors at the Creditors' Meeting;

**Employee Preferential Claim:** any claim by an Employee against BGL in respect of a Preferential Liability;

**Employees:** any persons employed by BGL as at the date of the Creditors' Meeting and **Employee** means any one of them;

**End of Rent Concession Rent Review:** has the meaning given to it in Clause 20.1 (*Compromised Leases: Rent Review*);

**Estimated Outcome Statement:** the estimated outcome statement in respect of BGL set out in schedule 13 (*Estimated Outcome Statement*);

**EU Regulation on Insolvency Proceedings:** Recast Council Regulation (EU) No. 2015/848 on Insolvency Proceedings;

**Facilities Agreement:** has the meaning given to it in paragraph 3.4 of Part II (*Introduction*);

**First Amended Payment Date:** the first Rent Payment Date falling after the Effective Date;

**Fund Payment Date:** the Compromised Creditor Fund Payment Date or the Profit Share Fund Payment Date, as applicable;

**Gerald Eve:** Gerald Eve LLP of 72 Welbeck Street, London, W1G 0AY;

**Group:** CVHL, and its subsidiary undertakings from time to time and **Group Company** means any one of them;

**Guarantee Creditor:** any CVA Creditors to whom BGL owes Guarantee Liabilities;

**Guarantee Liabilities:** any Liabilities of BGL in respect of or in connection with a guarantee given by BGL of a lease entered into by a member of the Group;

**Head Lease Payment Obligation:** any obligation of BGL pursuant to a Lease to make payments on behalf of a Landlord to a Landlord's superior landlord (at the Landlord's direction) in respect of that Landlord's liability to make payments to its superior landlord pursuant to a head lease of the relevant Premises in discharge of BGL's corresponding obligation to that Landlord under the relevant Lease;

**HMRC:** H.M. Revenue and Customs;

**Hounslow AGA:** the AGA given by BGL in favour of DHS Investments Limited and in relation to the lease of 80-82 Staines Road, Hounslow, TW3 3LF dated 2 March 2007 and made between the companies then known as Gala Propco Three Limited, Gala Leisure Limited and Gala Group Finance Limited;

**Incentive Period:** has the meaning given to it in paragraph 3 of schedule 2 (*Calculation of Landlords' Claims*);

**Insolvency Act:** the Insolvency Act 1986 (as amended from time to time);

**Insolvency Rules:** the Insolvency Rules (England and Wales) 2016 (as amended from time to time);

**Intercreditor Agreement:** has the meaning given to it in paragraph 3.4 of Part II (*Introduction*).

**Intra-Group Creditors:** Group Companies who are creditors in respect of Intra-Group Debts and **Intra-Group Creditor** means any one of them;

**Intra-Group Debts:** debts owed by BGL to other Group Companies;

**Landlords:** each Compromised Landlord and each Category A Landlord and **Landlord** means any one of them;

**Lease Assignment Date:** has the meaning given to it in Clause 21.2;

**Leases:** each Compromised Lease and each Category A Lease and **Lease** means any one of them;

**Liability:** any debt, liability or obligation of a person, whether it is present, future or contingent, whether or not its amount is fixed or liquidated, whether or not it is disputed, whether or not it involves the payment of money, whether it is secured or unsecured and whether it arises at common law, in equity, by contract, or by statute in England and Wales or in any other jurisdiction, or by any order, judgment, decree or any other act of any court (including without limitation to the foregoing generality, the Court) or in any other manner whatsoever;

**Market Rent:** the open market rent payable under a Compromised Lease as determined in accordance with Clause 20.4 (*Compromised Leases: Rent Review*);

**Member State:** a member state of the European Union;

**Minimum Remaining Term:** in relation to a Lease, the period commencing on the Next Payment Date and expiring on the earlier of (1) the date being the expiry of the contractual term of the relevant Lease; and (2) the first date on which the Lease could be terminated on the basis that the relevant Company exercises any option to which it is entitled to bring the Lease to an end;

**Next Payment Date:** the next date falling after (and excluding) the date of the Creditors' Meeting in respect of the CVA on which principal rent is payable under a Lease;

**Next Review Date:** the first date after the end of the Rent Concession Period upon which the Contractual Rent was next due to be reviewed pursuant to the terms of the Compromised Lease;

**Nominees:** Clare Laura Kennedy and Peter Mark Saville both of AlixPartners UK LLP, 6 New St Square, London EC3A 3BF and Catherine Mary Williamson of AlixPartners UK LLP, Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB, each in their capacity as the nominee in respect of the Proposal as defined in section 1(2) of the Insolvency Act;

**Nominees' Letter:** the letter from the Nominees to all CVA Creditors known to BGL notifying the CVA Creditor of the Proposal and, among other things, directing them to the Website;

**Notice of Claim:** a claim in writing substantially in the form contained in schedule 21 (*Notice of Claim*);

**Notice of Completion:** the notice to be sent by the Supervisors in accordance with Clause 42.1 (*Completion or termination of the CVA*) substantially in the form contained in schedule 23 (*Notice of Completion*);

**Notice of the Shareholder's Meeting:** the notice of the Shareholder's Meeting to approve the Proposal substantially in the form set out in schedule 18 (*Notice of Shareholder's Meeting*);

**Notice of Termination:** the notice to be sent by the Supervisors in accordance with Clause 43 (*Completion or termination of the CVA*) substantially in the form contained in schedule 22 (*Notice of Termination*);

**Notice to Quit:** a notice to quit substantially in the form set out at schedule 26 (*Notice to Quit*);

**Notice to Vacate:** a notice to vacate substantially in the form set out at schedule 25 (*Notice to Vacate*);

**Notional Liquidation:** a notional liquidation of BGL as though a winding-up order had been made pursuant to section 125 of the Insolvency Act as at the Effective Date and on the assumption that the Summary Statement of Affairs accurately reflects the financial position of BGL in such liquidation;

**Ordinary Unsecured Arrangement:** any contract, agreement, arrangement or relationship between an Ordinary Unsecured Creditor and BGL under which an Ordinary Unsecured Liability arises and which was not entered into by that Ordinary Unsecured Creditor as:

- (a) a Compromised Contingent Property Creditor;
- (b) a Landlord;
- (c) a Preferential Creditor; or
- (d) a Secured Creditor;

**Ordinary Unsecured Creditors:** each creditor to whom BGL owes an Ordinary Unsecured Liability;

**Ordinary Unsecured Liability:** any Liability of BGL to a creditor other than any Liability owed to that creditor as:

- (a) a Compromised Contingent Property Creditor;
- (b) a Landlord;
- (c) a Preferential Creditor; or
- (d) a Secured Creditor;

**Preferential Creditors:** those creditors of BGL with Preferential Liabilities and **Preferential Creditor** means any of them;

**Preferential Liabilities:** those Liabilities of BGL which would be preferential within the meaning of the Insolvency Act;

**Premises:** any of the Compromised Premises or the Category A Premises as the case may be;

**Prescribed Part:** has the meaning give to it in paragraph 1.16 of schedule 4 (*Statutory and Financial Information*);

**Previous Landlord:** the landlord for the time being pursuant to any Previous Lease;

**Previous Lease:** any real estate leases or agreement for lease lawfully assigned by BGL or any Group Company prior to the Effective Date;

**Previous Lease Creditors:** any Previous Landlord to whom BGL owes Previous Lease Liabilities;

**Previous Lease Liabilities:** any Liabilities owed by BGL in respect of or in connection with a Previous Lease, including for any dilapidations or AGA given in connection with a Previous Lease (including the Hounslow AGA);

**Previous Tenants:** all previous tenants who have an actual or contingent Liability in respect of the Compromised Premises, including under an AGA;

**Previous Tenant Guarantors:** all guarantors of the Previous Tenants in relation to the Compromised Premises who have an actual or contingent Liability in respect of the leases of the Compromised Premises, including under an AGA;

**Profit Share Fund:** the profit share fund to be established by BGL in accordance with Clause 26 (*Profit Share Fund*);

**Profit Share Fund Notice Date:** means the date falling two months from the date on which the audited financial statements of CVHL for its 2022 financial year are filed with the Registrar of Companies for England and Wales;

**Profit Share Fund Payment Date:** means the date falling 30 days after the Profit Share Fund Notice Date;

**Proposal:** the proposals of the Directors for the CVA (comprising the terms of the CVA);

**Proxy Form:** a form of proxy for the Creditors' Meeting or the Shareholder's Meeting, as applicable, substantially in the form contained in schedule 20 (*Forms of Proxy*) and also available on the Website;

**Qualifying Decision Procedure** has the meaning given to it in paragraph 4.2 (*What is a CVA?*), Part 1 (*Introduction*);

**Rates:** means any non-domestic rates in respect of properties within the meaning of the Relevant Rating Legislation;

**Relevant Rating Legislation:**

- (a) in the case of any Premises located in England and Wales, the Local Government Finance Act 1988, the Non-Domestic Rating (Unoccupied Property) (England) Regulations 2008, the Non Domestic Rating (Unoccupied Property) (Wales) Regulations 2008 and the Rating (Empty Properties) Act 2007; and
- (b) in the case of any Premises located in Scotland, any rates, the proceeds of which are applicable to public local purposes and which are leviable in respect of lands and heritages including, but not restricted to, nondomestic rates levied in accordance with sections 7, 7A and 7B of the Local Government (Scotland) Act 1975;

**Rent Concession Period:** for each Lease, the period commencing on the Next Payment Date and ending on the earlier of:

- (a) the date that the relevant Lease is assigned, expires or is otherwise determined;
- (b) the second anniversary of the Effective Date;

**Rent Payment Date:** 23 August 2020, 20 September 2020, 18 October 2020, 15 November 2020, 13 December 2020, 17 January 2021, 14 February 2021, 14 March 2021, 11 April 2021, 9 May 2021, 6 June 2021, 4 July 2021, 1 August 2021, 29 August 2021, 26 September 2021, 24 October 2021, 21 November 2021, 19 December 2021, 16 January 2022, 13 February 2022, 13 March 2022, 10 April 2022, 8 May 2022, 5 June 2022, 3 July 2022, 31 July 2022, 28 August 2022, 25 September 2022, 23 October 2022, 20 November 2022 and 18 December 2022;

**Rent Payment Period:** a period beginning on one Rent Payment Date and ending on the day before the next Rent Payment Date;

**Secured Creditors:** a secured creditor of BGL within the meaning of section 248 of the Insolvency Act;

**Secured Liabilities:** any Liability of BGL in respect of which the relevant creditor (including the Secured Creditors) holds Security over Assets of BGL;

**Security:** shall have the meaning ascribed to it by section 248(1)(b) of the Insolvency Act;

**Service Charge Arrears:** in relation to a Lease, all outstanding amounts in respect of service charge and insurance payments under that Lease which are due but have not been paid by BGL for the period up to (but excluding) the Effective Date;

**Shareholder:** the sole shareholder of BGL as at the date of the Shareholder's Meeting;

**Shareholder's Meeting:** the meeting of the Shareholder of BGL convened by the Nominees pursuant to section 3 of the Insolvency Act and the Insolvency Rules;

**Shareholder's Meeting Date:** the date on which the Shareholder's Meeting is held;

**Sub-Tenant:** a person with rights of occupation and use (whether as tenant, licensee or concessionaire) with respect to all or any part of any Compromised Premises which rights are immediately derived out of any Compromised Lease;

**Summary Statement of Affairs:** the summary of the Directors' statement of affairs in respect of BGL as set out in schedule 24 (*Summary Statement of Affairs as at 30 May 2020*);

**Superior Landlord:** any person or persons with an interest in a Category A Premises and/or a Compromised Premises superior to that of the immediate landlord of BGL in relation to any of those Premises;

**Supervisors:** jointly and severally the Nominees or such other person(s) as the Creditors' Meeting and the Shareholder's Meeting may elect to act as supervisor(s) of the CVA or who is elected pursuant to of Part VI (*Terms of the Company Voluntary Arrangement*), Clause 38 (*Vacancy In Office of Supervisors*) to act as supervisor(s) of the CVA;

**Third Party Property:** any property owned by a Third Party Supplier;

**Third Party Suppliers:** any person who supplies, or has supplied, any property or services to BGL or to another member of the Group and **Third Party Supplier** means any one of them;

**Threshold EBITDA:** £89,542,000;

**Total Rent:** has the meaning given to it in paragraph 4 of part 1 of schedule 2 (*Calculation of Landlords' Claims*);

**Turnover Rent Dispute:** a dispute between BGL and a Compromised Landlord as to the amount of Net Turnover or CVA Turnover Rent, as the case may be;

**UK:** the United Kingdom of Great Britain and Northern Ireland;

**Unsecured Creditor:** any person to whom BGL owes a CVA Liability but excluding Secured Liabilities and Preferential Liabilities;

**VAT:** value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature;

**Void Period:** has the meaning given to it in part 2 of schedule 2 (*Calculation of Landlords' Claims*); and

**Website:** means the creditors' portal available at <https://www.alixpartnersinforportal.com> (in relation to which a username and password have been provided to each CVA Creditor known to BGL).

## **PART 2**

### **Interpretation**

All headings (including section, Part, paragraph and Clause headings and the table of contents) are inserted for convenience of reference only and shall be ignored in the interpretation of the Proposal.

In this document, unless the context otherwise requires:

- (a) references to sections, Parts, paragraphs and Clauses are to be construed as references to the sections, Parts, paragraphs and clauses of these terms of this document and references to schedules are to be construed as references to the schedules to this document;
- (b) references to (or to any provision of) the Proposal shall be construed as references to the Proposal or that provision (as applicable) as in force for the time being and as amended in accordance with its terms;
- (c) words importing the plural shall include the singular and vice versa and the masculine, feminine or neuter gender shall each include the other genders;
- (d) including shall be construed without limitation, and includes, include and included shall be construed accordingly;
- (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any state or any agency thereof;
- (f) references to any enactment or statutory instrument shall be to such enactment or statutory instrument as amended and in force on the date of this document;
- (g) references to any guarantees shall include any indemnity and any obligation to pay as primary obligor given by the guarantor under, or in connection with, that guarantee; and
- (h) a time of day is a reference to London time.

For the purposes of any indemnity in the Proposal, references to the Nominees or the Supervisors shall, where the context so permits, include their present and future firm or firms, fellow members, partners and employees, and any legal entity or partnership of which they are a member, partner, officer or employee and the partners, fellow members, shareholders, officers and employees of such entity or partnership.

Insofar as any of the Premises are located in Scotland, and unless otherwise specifically provided, references in the CVA to English conveyancing terminology, conveyancing practices and procedures shall be considered as the nearest equivalent practice in terms of Scots law (as applicable) and all relevant parties shall be obliged to act reasonably in agreeing the same in order to give effect to the terms of the CVA.

## SCHEDULE 2

### Calculation of Landlords' Claims

#### PART 1

##### Valuation of Landlords' Claims

- 1 A Landlord's CVA Claim shall be based on the assumptions in Part 2 of Schedule 2 (Landlord Assumptions) and calculated in accordance with the following:
  - 1.1 any arrears of principal rent, dilapidations, service charge and insurance under that relevant Lease; plus
  - 1.2 the Total Rent; less
  - 1.3 the Deduction Amount.
- 2 For voting purposes:
  - 2.1 the chairman will admit a CVA Claim of a Landlord if it is calculated in accordance with paragraph 1 of this Part 1 of schedule 2 (*Valuation of Landlords' Claims*) less (in relation to paragraphs 1.2 and 1.3) a discount of 25% (twenty-five per cent) to reflect the nature of the test set out in Rule 15.31(3) of the Insolvency Rules; and
  - 2.2 claims will be calculated in accordance with the formula as set out in Part 2 of schedule 2.
- 3 For the purposes of a Compromised Landlord's CVA Claim under Clauses 25 (*Compromised Creditor Fund*) and 26 (*Profit Share Fund*), the Supervisors will admit a CVA Claim of a Compromised Landlord if it is calculated in accordance with paragraph 1 of this Part 1 of schedule 2 (*Valuation of Landlords' Claims*) and, for the avoidance of doubt, the discount referred to in paragraph 2.1 shall not be applied.
- 4 "**Total Rent**" means in respect of particular Premises, the total amount of unpaid Rent assessed to be due to the relevant Landlord for the Minimum Remaining Term under the relevant Lease.
- 5 "**Deduction Amount**" will reduce the CVA Claim of the Landlord and will include the items set out in elements 3, 4, and 5 in Part 2 of schedule 2 (*Landlord Assumptions*).
- 6 A worked example of the valuation process set out at paragraph 1 of this Part 1 of schedule 2 (*Valuation of Landlords' Claims*), to be used when calculating claims for voting purposes and claims which are unliquidated as at the Claims Date, is contained at Part 3 of schedule 2 (*Valuation of Landlords' Claims*).

## PART 2

### Landlord Assumptions

Gerald Eve was instructed by BGL to provide the Directors with desktop market advice to support the calculation of Landlords' claims. Gerald Eve has specifically estimated the terms on which Landlords would be able to re-let their premises in the current market, forming assumptions that it believes to be appropriate to reflect current market conditions and adopting standard current prevailing lease terms. As part of this exercise, Gerald Eve has considered the rent which is likely to be achieved, any incentive ongoing tenants could be expected to seek and any latent dilapidations.

Gerald Eve has confirmed that it believes that it is reasonable to include these general assumptions to the calculation of claims for voting purposes.

Consequently, the Directors propose that Landlords' claims should be made up of five elements:

- 1 Any arrears of principal rent, dilapidations, service charge and insurance; plus
- 2 Rent and service charge to the earliest possible Lease expiry date; less
- 3 A deduction amount representing the potential for Landlords to re-let the Premises. The amount will be calculated on the basis that, on average, it will take Landlords approximately 8 months to re-let the Premise (the "**Void Period**"), and on average, agree a period of approximately 14 further months' rent free occupation (the "**Incentive Period**") following which rent of 77.6% will be achieved, based on the total portfolio and current market rent assessments; plus
- 4 An allowance for dilapidations based on Gerald Eve's assessment of each of the Premises, of £8.32 per square foot; less
- 5 A deduction amount being the aggregate of elements 2 to 4 discounted to net present value at a rate of 5% (five per cent) to take into account the benefit of receiving monies now rather than waiting for payments received in the future.

## PART 3

### Worked Example

#### 1. Key facts

Years to expiry of lease / break clause	A	5
Months to expiry of lease / break clause	B	60
Rent and service charge arrears as at date of CVA	C	10,000
Annual rent (or equivalent)	D	100,000
Annual service charge and insurance	E	25,000
Future rent percentage	F	77.6%
Sub-Tenant income per annum	G	50,000
Months of sub-lease income during the void and annual rent free period	H	20
Square footage	I	4,000
Void period in months (capped to lease)	J	8
Rent free period in months (capped to lease)	K	14
Dilapidations per square foot (full internal and external repairs)	L	8.32
Re-letting costs	M	15,000
Annual discount factor	N	5%
Discount to future claims to reflect unascertained nature of claims	O	25%

2. The Landlord's Calculated Amount is calculated as follows

Key facts	Calculation	Amount (£)
Rent, service charge and insurance until the end of the Lease period	$(D+E)*A$	625,000
Plus re-letting costs	M	15,000
Less, a deduction representing the Landlord's ability to re-let the premises:		
1. Period where annual rent is received	$(B-J-K)*((D/12)*F)$	(245,733)
2. Period where service charge and insurance are received	$(B-J)*(E/12)$	(108,333)
Less, a deduction representing Sub-Tenant income received during the void and annual rent free period	$(H*(G/12))$	(83,333)
Plus dilapidations	$I*L$	33,280
Total claim for future amounts		235,880
Less NPV deduction (discounts each of the elements above (excluding re-letting costs) to the net present value at a rate of N)		(27,245)
Plus arrears at date of CVA		10,000
Total Claim		218,635
<b>Calculated Amount for voting purposes</b>		<b>166,476</b>

### **SCHEDULE 3**

#### **Corporate Information**

<b>Company name:</b>	Buzz Group Limited
<b>Registered office address:</b>	New Castle House, Castle Boulevard, Nottingham, Nottinghamshire, NG7 1FT
<b>Company number:</b>	00794943
<b>Date of incorporation:</b>	6 March 1964
<b>Previous names:</b>	Gala Leisure Limited 30 September 1991 - 6 September 2018 Coral Social Clubs Limited 12 March 1984 - 30 September 1991 Thorn EMI Social Centres Limited 16 March 1983 -12 March 1984 EMI Social Centres Limited 6 March 1964 -16 March 1983
<b>Principal trading addresses:</b>	The addresses listed in schedule 5 to schedule 10

## SCHEDULE 4

### Statutory and Financial Information

#### 1 Assets and liabilities

1.1 The following financial information, so far as within the Directors' immediate knowledge, and otherwise on the basis set out there, can be found in schedule 24 (*Summary Statement of Affairs as at 30 May 2020*):

1.1.1 details of BGL's assets, with an estimate of their respective values; and

1.1.2 the nature and amount of BGL's liabilities.

1.2 Please note that the Summary Statement of Affairs prepared by the Directors has been made up to 30 May 2020, being the nearest practicable date, but which is earlier than the earliest date prescribed under Rule 2.6(2) of the Insolvency Rules, for the statement of affairs to be made up to. Management accounts for the period ending 27 June 2020 had not been completed by the time of this Proposal. For this reason, the Nominees allowed an extension to the prescribed period under and in accordance with Rule 2.6(3) of the Insolvency Rules.

#### Secured Creditors

1.3 BGL acceded to the Facilities Agreement as an additional guarantor and acceded to the Intercreditor Agreement as an additional debtor by a deed of accession dated 19 December 2015.

1.4 In connection with the Facilities Agreement BGL granted security in favour of Intermediate Capital Group plc as security trustee for the Secured Creditors. Details of the security granted over the Assets can be found at schedule 17 (*List of Security*).

1.5 The facilities provided under the Facilities Agreement are also subject to guarantees and security from Caledonia Venus Group Limited, Caledonia Venus Acquisitions Limited, Buzz Holdings, Buzz Entertainment Limited and Buzz County Clubs Limited. As at the 30 May 2020, the Group has the following outstanding debts under the Facilities Agreement:

1.5.1 £130,053,728.46 under the term unitranche facility; and

1.5.2 £14,447,865.57 under the revolving facility.

1.6 The Secured Creditors have been notified of the Proposal as prospective and/or contingent creditors of BGL.

1.7 In any case, the requisite majorities of the Secured Creditors have provided waivers with respect to the events of default that would otherwise have arisen as a result of the making of this Proposal and the implementation of the CVA, if approved.

#### Preferential Creditors

1.8 All Preferential Creditors will not be compromised in the CVA.

#### Unsecured Creditors

1.9 The total claims of Unsecured Creditors as advised by the Directors in the Summary Statement of Affairs are approximately £129,326,526.

#### Connected Creditors

1.10 It is necessary for the Proposal to set out details of CVA Creditors who connected (within the meaning set out in the section 249 of the Insolvency Act) with BGL.

- 1.11 As at 30 May 2020, the only creditors connected to BGL (together the “**Connected Creditors**”) were the Intra-Group Creditors and the Employees to whom the approximate aggregate debt owed by BGL was £83,587,538.

<b>Connected Creditors</b>	<b>Balance (£)</b>	<b>(£)</b>
Caledonia Venus Holdings Ltd	4,988,740	
Caledonia Venus Group Ltd	33,072,618	
Buzz County Clubs Limited	25,588,231	
<b>Sub-Total for Intra-Group Creditors</b>		<b>63,649,588</b>
Employees	19,937,950	
<b>Total Connected Creditors</b>		<b>83,587,538</b>

#### **Directors and senior management**

- 1.12 The board of BGL comprises the following members:
- Chris John Matthews (Director)
- Gary Payne (Director)
- Jamie Queen (Director)
- 1.13 Peter Willans (property director) also holds a senior management position in the business but does not sit on the board.
- 1.14 John Kelly, Duncan Johnson and Tim Lewis hold office as directors of other Group Companies.

#### **Guarantees in respect of BGL**

- 1.15 A list of Guarantees can be found at schedule 15 (*List of Guarantees*). No guarantees are to be offered by the Directors or any other persons in connection with the CVA.

#### **Prescribed Part**

- 1.16 The prescribed part is a proportion of floating charge realisations set aside for unsecured creditors pursuant to section 176A of the Insolvency Act (the “**Prescribed Part**”). The Prescribed Part applies to all floating charges created on or after 15 September 2003. The Prescribed Part is not relevant to the CVA because the CVA does not involve the realisation of Assets and the distribution of the proceeds of those realisations to creditors. Instead, the CVA permits the continuation of BGL’s business as a going concern.
- 1.17 Should the Effective Date not occur, and were BGL to subsequently go into administration, it is estimated that (to the best of the Directors’ knowledge and belief) the value of the Prescribed Part would be the maximum available of £600,000 for floating charge realisations that are in relation a ‘relevant floating charge’ as defined in article 2(4) of the Insolvency Act 1986 (Prescribed Part) (Amendment) Order 2020. This estimate is based on information as at 30 May 2020, at which time the value of the net realisable floating charge assets of BGL, so far as known to the Directors, was approximately £18,339,561.

## 2 Customer balances

- 2.1 BGL holds certain cash balances on behalf of its customers, being:
- 2.2 “Smartcard” balances, which relate to customer funds accruing from retail activities; and
- 2.3 “Customer Wallet” balances, which relate to customer funds accruing from online business.
- 2.4 The terms and conditions which apply to the Customer Wallet balances provide that such balances are held on trust in a segregated account for customers. As a result, those customers are not owed a Liability by BGL (they are instead beneficiaries of the trust over the balances) and are not therefore CVA Creditors.
- 2.5 Under the terms of a trust deed dated 9 July 2020 (the “**Trust Deed**”) BGL declared that Smartcard balances are held on trust for customers, meaning that those customers are not owed a Liability in respect of those balances, and are not therefore creditors of BGL. Like the customers holding Customer Wallet balances, customers holding a Smartcard balance are instead beneficiaries of the trust over the Smartcard balances.
- 2.6 The commercial rationale for the Trust Deed is:
- 2.6.1 holding the Smartcard balances on trust for the customers would align the position of the Smartcard balances with the existing position of the balances of the Customer Wallets;
- 2.6.2 it would avoid BGL having to pay Alix Partners’ fees for sending letters to approximately 30,000 customers of BGL who hold a Smartcard balance of more than £5 to notify them of the Proposal and for handling any resulting queries from those customers;
- 2.6.3 it would avoid a delay in the implementation the CVA and so would benefit the CVA Creditors as a whole; and
- 2.6.4 it would be possible to revoke the trust created by the Trust Date at a later date.

## 3 Claims by an administrator or a liquidator

- 3.1 Since March 2020 BGL has made payments of £140,488.33 (plus VAT) in aggregate of rent and service charges to Category A Landlords and the payments summarised below to certain Compromised Landlords.

Premises	Landlord	Category of lease under the Proposal	Payments made since March 2020	Date of last payment
<b>Borehamwood</b> - The Point, Shenley Road, Borehamwood, Hertfordshire, WD6 1EH	The Bank of New York (International) Ltd for AEW UK Real Estate Fund	C	£14,005 + VAT (service charge)	30 April 2020
<b>Boston</b> - Unit 5 Boston Shopping Park, Horncastle Road, Boston, PE21 9BD	Hawkstone Properties (Boston) LLP	F	£18,339.17 + VAT (rent) £8,510 +VAT (service charge)	24 April 2020
<b>Carlisle</b> - 9 Englishgate Plaza Botchergate, Carlisle CA1 1RP	Workstone Limited	E	£26,850 + VAT (rent)	24 April 2020
<b>Dundee</b> - Unit 5 Stack Leisure Park, Harefield Rd, Dundee, DD2 3XN	TJ Morris Limited	D	£1,892.51 + VAT (service charge)	1 March 2020

<b>Falkirk (car park)</b> - 3 Kerse Lane Falkirk FK1 1RJ	Fernglan Limited	C	£3,7500 + VAT (rent)	14 May 2020
<b>Hanley</b> - Albion Sq, Hanley, Stoke on Trent, ST1 1QP	Great Eastern Property Holdings Co Ltd	C	£20,750 + VAT	23 April 2020
<b>Harpurhey – Manchester</b> - North City Shopping Centre, Lee Road, Harpurhey, Manchester M9 4DH	Gingerbread Holdings Limited	E	£4,645.05 + VAT (service charge)	
<b>Lincoln</b> - Waterside Centre, 10 Saltergate, Lincoln, LN2 1DH	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	C	£5,429.33 + VAT (service charge in respect of Head Lease Liability)	25 March 2020
<b>Liverpool Croxteth</b> - Unit 16 Stonedale Park, East Croxteth, Lancashire Road, Liverpool L11 9DH	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	B	£7,895.92 + VAT (service charge in respect of Head Lease Liability)	
<b>Milton Keynes</b> - The Point 602 Midsummer Boulevard, Milton Keynes, MK9 3NB	Hammerson (Milton Keynes) Limited	E	£8,521.76 + VAT (service charge)	27 May 2020
<b>Nottingham New Castle House</b> - Castle Boulevard, Nottingham, NG7 1FT	The Local Authorities Mutual Investment Trust	F	£22,816.46 + VAT (service charge)	25 March 2020
<b>Oxford</b> - Ozone Leisure Park, Grenoble Road, Oxford OX4 4XP	Firoka (Oxford Leisure) Ltd	F	£76,250 + VAT (rent)  £27,128.14 + VAT (service charge)	22 May 2020
<b>Plymouth Charles Cross</b> - 6 Charles Cross, Charles Cross, Plymouth, PL4 OBA	Colcastor ASARL	C	£6,863.73	25 March 2020
<b>Weymouth</b> - 18 Crescent Street, Weymouth, DT4 7BX	Planehouse Ltd	F	£13,261.74 (rent)	27 May 2020
<b>Wigan Robin Park</b> - Robin Park 8, Anjou Boulevard, Robin Park, Wigan Town, Lancs, WN5 OUJ	Otium Properties (Wigan) Limited	E	£20,000 + VAT (rent)  £5,004.92 + VAT (service charge)	18 May 2020
<b>Wigan Robin Park (smoking shelter)</b> - Robin Park 8, Anjou Boulevard, Robin Park, Wigan Town, Lancs, WN5 OUJ	Otium Properties (Wigan) Limited	E	£735.25 + VAT (rent)	18 May 2020
<b>Wolverhampton</b> - Bushbury Lane, Wolverhampton, WV10 9TU	Broadside Properties Ltd	F	£18,727.26	27 May 2020

3.2 The above payments were made after heavy pressure to pay was applied by the relevant Landlord, including the threatened or actual service of statutory demands. The Directors, to the best of their knowledge and belief, do not believe that, if BGL should go into administration or liquidation, these payments would be found by the Court to be a transaction at an

undervalue, a preference, or any other form of unlawful antecedent transaction under the Insolvency Act.

- 3.3 The declaration of trust over the Smartcard balances by the Trust Deed has put those customers holding Smartcard balances in a better position that they would be if BGL entered into insolvent liquidation. However, the Directors do not consider this declaration of trust would be found by the Court to be a transaction at an undervalue, a preference, or any other form of unlawful antecedent transaction under the Insolvency Act for the reasons given at paragraph 2.6 above.
- 3.4 The Directors, to the best of their knowledge and belief, do not believe that there are any other circumstances giving rise to the possibility, if BGL should go into administration or liquidation, of an application to the Court for an order in respect of any transaction which is or may be at an undervalue, a preference, an extortionate credit transaction or a void floating charge under sections 238, 239, 244 and 245 of the Insolvency Act in respect of BGL.
- 3.5 It is not proposed to make provision for indemnifying BGL in respect of any claims under these sections as this is unnecessary (any administrator or liquidator appointed would simply determine the validity or otherwise of the charges and act accordingly). In any event, the CVA envisages that BGL will continue to trade and will not be put into administration or liquidation.

#### 4 **Estimated fees**

- 4.1 AlixPartners UK LLP was engaged by BGL to undertake a number of different engagements from 19 March 2020. This work has included:
- 4.1.1 initial review of lease obligations and assistance with landlord communications; and
  - 4.1.2 a company voluntary arrangement feasibility study with a presentation of such study to the Directors and subsequent planning for the same.
- 4.2 From 19 March 2020, it is estimated that fees charged and paid by the Group to AlixPartners UK LLP prior to the appointment of the Nominees will amount to approximately £520,000 (excluding VAT).
- 4.3 It is estimated that the total fees to be paid to the Nominees and the same insolvency practitioners in their capacity as the nominees of the BEL CVA will amount to £125,000 (excluding VAT).
- 4.4 It is estimated that the total fees paid to the Supervisors and the same insolvency practitioners in their capacity as the supervisors of the BEL CVA will amount to £75,000 (excluding VAT).
- 4.5 In addition, concurrent to the engagements noted above, AlixPartners Corporate Finance Limited were engaged by BGL on 12 June 2020 to support the balance sheet restructure of the business, including:
- 4.5.1 supporting development of options available to BGL;
  - 4.5.2 developing a stakeholder management and negotiation strategy; and
  - 4.5.3 supporting BGL in negotiations and due diligence processes in relation to the restructuring.
- 4.6 This engagement is ongoing and is expected to continue beyond the appointment of the Nominees with an amount of £45,000 (excluding VAT) held on retainer. At present, it is estimated that fees for this engagement will amount to approximately £540,000 (excluding VAT) over a period of 12 weeks.

#### 5 **Third party property**

No property from any third party is proposed to be included in the CVA.

## SCHEDULE 5

### List of Category A Leases

Lease description	Address	Landlord
Ashmore Park	377 Lichfield Road, Wednesfield, Wolverhampton, WV11 3HD	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Ashmore Park - Parking Licence	Poundstretcher Unit, Lichfield Road, Wednesfield, Wolverhampton, WV11 3HD	Poundstretcher Limited
Ashmore Park - Additional Land	Land adjoining Buzz Bingo Club, Lichfield Road, Wednesfield	Rodor Housing & Support Ltd
Barnsley Pontefract Rd	Pontefract Road, Barnsley, South Yorkshire, S71 1AY	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Basildon – Parking Licence	Southernhay Basildon, Essex, SS14 1DH	Basildon District Council
Basildon - Network Rail License	Southernhay Basildon, Essex, SS14 1DH	Network Rail
Belle Vue	Kirkmanshulme Lane, Manchester, M18 7BA	Value and Income Trust Plc
Bexleyheath	28-70 Broadway Bexleyheath, Kent, DA6 7RB	Aviva Life & Pensions Limited
Bexleyheath - Smoking Shelter	28-70 Braodway Bexleyheath, Kent, DA6 7RB	The Mayor and Burgesses of London Borough of Bexley
Bradford	Tong Street Bradford, West Yorkshire, BD4 9LU	Value and Income Trust Plc

Bradford City (New)	Bradford Interchange, 46 Bridge Street, Bradford, BD1 1JE	West Yorkshire Combined Authority
Bradford City (New) – Smoking Shelter	Bradford Interchange, 46 Bridge Street, Bradford, BD1 1JE	West Yorkshire Combined Authority
Bromborough	Wirral Leisure Land, Welton Road, Croft Business Park, Bromborough Wirral Merseyside, CH62 3PN	Universities Super Annuation Scheme
Bromborough - Smoking Shelter	Wirral Leisure Land, Welton Road, Croft Business Park, Bromborough Wirral Merseyside CH62 3PN	Universities Super Annuation Scheme
Enfield	Dearsley Road, Enfield, Middlesex, EN1 3FB	BNP Paribas Depository Services (Jersey) Limited and BNP Paribas Depository Services Limited as trustees of Blackrock UK Property Fund
Feltham	Unit A Airpark Way, Feltham, Middlesex, TW13 7LX	Universities Super Annuation Scheme Ltd
Feltham – Reversionary lease	Unit A Airpark Way, Feltham, Middlesex, TW13 7LX	Universities Super Annuation Scheme Ltd
Glasgow Possil Park	167 Hawthorn Street, Glasgow, G22 6HY	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Kingsbury Road - Birmingham	973 Kingsbury Road, Birmingham, B24 9QB	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited

Leeds	Stonebridge Mills, Stonebridge Lane, Leeds, LS12 4QN	Blackcap Limited
Medway	Medway Valley Leisure Park, Chariot Way, Rochester, ME2 2SS	British Overseas Bank Nominees Ltd and WGTC Nominees Limited
Newcastle	Clifford Street, Newcastle Upon Tyne, NE6 1PG	Adderstone (205) Limited
Nottingham Castle Quay	Ground and First Floor, Castle Quay, Nottingham	Hillscope Properties Limited
Peterborough Westfield	Lime Kiln Close, Peterborough, PE3 9TA	David Alan Ezra Dangoor and Michael Arthur Jonathan Dangoor as Trustees of the Exilarchs Foundation.
Slough	3 Bath Road, Slough, SL1 3UA	Slough Borough Council
South Shields	Denmark Centre, South Shields, Tyne & Wear, NE33 2LR	Samjo Limited
Stratford	341-351 High Street, Stratford, London E15 4QZ,	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Stratford - Office	Part 2nd Floor, Gredley House, 1- 11 Broadway, Stratford E15 4BQ	Gredley House Investments Ltd
Surrey Quays	3 Teredo Street, London, SE16 7LW	BL CW Holdings Limited
Swindon	Unit 17 Greenbridge Retail Park, Gerrard Way, Swindon SN3 3SQ	The Prudential Assurance Company Limited
Tooting	48 Mitcham Road, London, SW17 9NA	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited

Walsall	Jerome Retail Park, Midland Road, Walsall, WS1 3QB	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Walsall - Smoking Shelter	Jerome Retail Park, Midland Road, Walsall, WS1 3QB	The Bank of New York Mellon (International) Limited trustee of AEW UK Core Property Fund
Wavertree Park	Wavertree Retail Park, Wavertree Road, Liverpool L7 5LZ	Derwent Holdings Limited

## SCHEDULE 6

### List of Category B Leases

Lease description	Address	Landlord	Annual Market Rent (£) as valued by Gerald Eve
Ashton	108 Wellington Road, Ashton under Lyne, OL6 6DJ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	195,000
Barkingside	Fairlop Road, Ilford, Essex, IG6 2EF	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	223,000
Basingstoke	West Ham Leisure Park, Worting Road, Basingstoke, Hampshire RG22 6PG	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	300,000
Blackburn	Ainsworth Street, Blackburn, Lancashire, BB1 6AF	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	310,000
Coatbridge	Faraday Retail Park, Coatbridge, Lanarkshire, ML5 3SQ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	263,000
Coventry Savoy	Savoy Buildings, Radford Road, Coventry, CV6 3BU	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	180,000
Coventry Walsgrave	Brade Drive, Coventry, CV2 2QQ	Robert Edward Hall	200,000

Derby City	Liversage Street, Derby City, DE1 2LD	Gold-In Properties Ltd	280,000
Derby City (reversionary lease)	Liversage Street, Derby City, DE1 2LD	Gold-In Properties Ltd	280,000
Grimsby	Pasture Street, Grimsby South Humberside, DN32 9AB	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	235,000
Leicester BL	100 Beamont Way, Leicester, LE4 1DS	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	365,000
Liverpool Croxteth	Unit 16 Stonedale Park, East Croxteth, Lancashire Road, Liverpool L11 9DH	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	360,000
Middlesbrough	Longlands Road, Middlesborough, TS3 6HB	Ace (Management) Ltd	300,000
Wigan Town	Crompton Street, Wigan, Lancashire, WN1 1YP	Tunstall Ream PropCo Series 1 Ltd	245,000

## SCHEDULE 7

### List of Category C Leases

Lease description	Address	Landlord	Annual Market Rent (£) as valued by Gerald Eve
Aberdeen	104 King Street, Aberdeen, AB24 5BB	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	160,000
Birmingham Great Park	Park Way, Rubery, Rednal, Birmingham, B45 9WA	Canada Life Limited	200,000
Borehamwood	The Point, Shenley Road, Borehamwood, Hertfordshire, WD6 1EH	The Bank of New York (International) Ltd for AEW UK Real Estate Fund	208,000
Burnley	Centenary Way, Burnley, BB11 2EJ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	235,000
Castleford	Park Road, Castleford, West Yorkshire WF10 4RW	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	335,000
Clacton on Sea	129 Pier Avenue, Clacton on Sea, Essex CO15 1NJ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	185,000
Falkirk	3 Kerse Lane, Falkirk, FK1 1RJ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited	310,000

		and Pountney Nominees 2 Limited	
Fenton	Victoria Road, Fenton, Stoke on Trent, ST4 2HX	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	365,000
Fishponds	663-665 Fishponds Road, Fishponds, Bristol, BS16 3BQ	Jacque L'Hyvreuse Partnership and Anthony Christopher Crocker	420,000
Glenrothes Queensway	Flemington Road, Glenrothes, Fife, KY7 5QE	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	294,000
Hanley	Albion Sq, Hanley, Stoke- on-Trent, ST1 1QP	Landmark (Bolton) Limited	154,000
Irvine	41-43 Townhead Irvine, Ayrshire, KA12 OBH	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	250,000
Lincoln	Waterside Centre, 10 Saltergate, Lincoln, LN2 1DH	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	125,000
Morecambe	Marine Road, East Morecombe, LA4 5HY	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	270,000
Nottingham Top Valley	Gala Way, Hucknall Road, Nottingham NG5 9RU	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited	350,000

		and Pountney Nominees 2 Limited	
Plymouth Charles Cross	6 Charles Cross, Charles Cross, Plymouth, PL4 OBA	Colcastor ASARL	310,000
Rotherham	Aldwarke Lane, Rotherham, S65 3SR	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	290,000
Sheffield Parkway	299 Cricket Inn Road, Sheffield, S2 5AU	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	370,000
Stockport	30 Newbridge Lane, Stockport, Cheshire, SK1 2NA	K/S Oldham Road	315,000
Stockport (reversionary lease)	30 Newbridge Lane, Stockport, Cheshire, SK1 2NA	K/S Oldham Road	315,000
Washington	The Galleries Washington Centre, Washington, Tyne & Wear, NE38 7SB	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	350,000
Worthing	The Plaza Rowlands Road, Worthing, West Sussex BN11 3JS	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	165,000

## SCHEDULE 8

### List of Category D Leases

Lease description	Address	Landlord	Annual Market Rent (£) as valued by Gerald Eve
Cumbernauld	25 North Carbrain Road, Cumbernauld, Glasgow, G67 1BJ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	160,000
Dundee	Unit 5 Stack Leisure Park, Harefield Rd, Dundee, DD2 3XN	TJ Morris Limited	143,500
Hull Astra	Oslo Road, Hull, HU7 OYN	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	150,000
Motherwell	1-3 Orbiston Street, Motherwell, Lanarkshire ML1 1QW	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	110,000
Scunthorpe	Brigg Road Scunthorpe, North Lincolnshire DN15 6TZ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	270,000
Sunderland	Pallion New Road, Sunderland, SR4 6UA	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited	235,000
Wakefield	Denby Dale Road, Wakefield, West Yorkshire, WF1 1JN	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited	185,000

		and Pountney Nominees 2 Limited	
Wallsend	Middle Engine Lane, Wallsend, Tyne & Wear, NE28 9NT	BMW (UK) Trustees Limited	257,500

## SCHEDULE 9

### List of Category E Leases

Lease description	Address	Landlord
Banbury	Bolton Road, North Bar Street, Banbury OX16 5UL	The Nottingham County Council
Boston	Unit 5 Boston Shopping Park, Horncastle Road, Boston PE21 9BD	Hawkstone Properties (Boston) LLP
Bournemouth	13 Landsdowne House, Christchurch Road, Bournemouth, Dorset BH1 3JP	Monopro Limited
Bridlington	Promenade Bridlington, North Humberside YO15 2QE	Hind Commercial Limited
Carlisle	9 Englishgate Plaza, Botchergate, Carlisle CA1 1RP	Workstone Limited
Chatham	324-326, High Street, Chatham, ME4 4NR	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Derby Forresters	Forresters Park Centre, Sinfin, Derby DE23 8AG	BAE Systems Pension Funds Trustees Limited
Harpurhey - Manchester	North City Shopping Centre, Lee Road, Harpurhey, Manchester M9 4DH	Gingerbread Holdings Limited
Hereford	Berrington Street, Hereford, HR4 OBJ	Wookie Developments Limited
Milton Keynes	The Point 602 Midsummer Boulevard, Milton Keynes, MK9 3NB	Hammerson (Milton Keynes) Limited
Oxford	Ozone Leisure Park, Grenoble Road, Oxford, OX4 4XP	Firoka (Oxford Leisure Limited)
Oxford – smoking shelter licence	Ozone Leisure Park, Grenoble Road, Oxford, OX4 4XP	Firoka (Oxford Leisure Limited)
Salford	Hankinson Way, Salford, M6 5JA	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Salisbury	Endless Street Salisbury, SP1 1DP	Northern Trust (Guernsey) Limited as trustee of The

		Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Southampton - Antelope Park	Unit E, Antelope Park, Burlesdon Road, Southampton, SO19 8NE	SIPS Property Nominee Ltd and Bae Systems Pension Fund Trustees Limited
Stockland Green	1 Streetly Road, Stockland Green, Birmingham B23 7BH	Vaghabhai Limited
Stockland Green - Additional Land	Land adjacent 1 Streetly Road, Stockland Green, Birmingham B23 7BH	Gillian Ann Lawrence
Tamworth	Spinning School Lane, Tamworth, Staffordshire, B79 7BD	Tamworth Borough Council
Wednesbury	Park Lane, Wednesbury, West Midlands WS10 9SB	Royal London Mutual Insurance Society Limited
Wester Hailes -Edinburgh	2 Westside Plaza, Edinburgh, EH14 2ST	Mars Real Estate Investment BV
Weymouth	18 Crescent Street, Weymouth, Dorset, DT4 7BX	Planehouse Limited
Wigan Robin Park	Robin Park 8, Anjou Boulevard, Robin Park, Wigan Town, Lancs, WN5 OUJ	Otium Properties (Wigan) Limited
Wigan Robin Park - Smoking Shelter	Robin Park 8, Anjou Boulevard, Robin Park, Wigan Town, Lancs, WN5 OUJ	Otium Properties (Wigan) Limited
Wolverhampton	Bushbury Lane, Wolverhampton, WV10 9TU	Broadside Properties Ltd
Worcester	Foregate Street, Worcester, WR1 1DN	Vista Holding Corp
Wythenshawe	Rowlandsway Civic Centre, Wythenshawe, Manchester, M22 5RG	Manchester City Council

## SCHEDULE 10

### List of Category F Lease

Lease description	Address	Landlord
Nottingham New Castle House	New Castle House, Castle Boulevard, Nottingham, NG7 1FT	The Local Authorities Mutual Investment Trust

## SCHEDULE 11

### List of Ancillary Leases

Lease description	Associated Club	Address	Landlord
Ashton - Smoking Shelter	Ashton	108 Wellington Road, Ashton under Lyne, OL6 6DJ	Cains Trustees (Jersey) Limited and Cains Fiduciaries (Jersey) Limited each as joint trustees for the Webb Retail Warehouses Property Unit Trust
Coventry Savoy – car park lease	Coventry Savoy	Savoy Buildings, Radford Road, Coventry, CV6 3BU	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Darlington - Parking Space	Darlington	37 Skinnergate Darlington Country, Durham DL3 7NR	Darlington Borough Council
Falkirk - Car Park	Falkirk	3 Kerse Lane, Falkirk, FK1 1RJ	Fernglen Limited
Hull Astra - License	Hull Astra	Oslo Road, Hull, HU7 OYN (Land known as Sutton Fields)	Hull City Council
Lincoln (Storeroom)	Lincoln	Waterside Centre, 10 Saltergate Lincoln LN2 1DH	Waterside General Partner Limited as general partner of Waterside Lincoln Limited Partnership
Plymouth Charles Cross - Smoking Shelter	Plymouth Charles Cross	6 Charles Cross, Charles Cross, Plymouth PL4 OBA	Colcastor ASARL
Wakefield Car Park	Wakefield	Denby Dale Road, Wakefield, West Yorkshire WF1 1JN	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited

## SCHEDULE 12

### List of BCCL Head Leases

Lease description	Address	Landlord
Coatbridge	Faraday Retail Park, Coatbridge, Lanarkshire, ML5 3SQ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Cumbernauld	25 North Carbrain Road, Cumbernauld, Glasgow, G67 1BJ	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Glenrothes Queensway	Flemington Road, Glenrothes, Fife, KY7 5QE	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited
Motherwell	1-3 Orbiston Street, Motherwell, Lanarkshire ML1 1QW	Northern Trust (Guernsey) Limited as trustee of The Bingo Unit Trust and its nominees Pountney Nominees 1 Limited and Pountney Nominees 2 Limited

## SCHEDULE 13

### Estimated Outcome Statement

This Schedule shows the estimated outcomes for Category B Landlords, Category C Landlords, Category D Landlords, Category E Landlords, Category F Landlords, Ancillary Landlords and Previous Lease Creditors (being the most significantly impacted categories of CVA Creditors) as at the Effective Date. This Schedule does not demonstrate the impact of the CVA on the ongoing relationship between BGL and its creditors, including the Category A Lease Landlords.

The following estimated outcomes are based on the following assumptions:

- The CVA is successfully implemented by BGL in accordance with its terms, the relevant Landlords exercise their break rights under the terms of the CVA at the first opportunity, and the relevant Compromised Creditors share (pro rata for the full value of their CVA Claim, as estimated by the Nominees) in the Compromised Creditor Fund but no payment is made in respect of the Profit Share Fund; and
- In an administration scenario:
  - the CVA is unsuccessful and there is a pre-packaged sale of the business and assets of the Group including the Category A Leases, the Category B Leases and the Category C Leases;
  - given the state of the current market, it is unlikely that any third party would accept responsibility for the arrears on leases, and as such, all Landlords would claim in full for Liabilities under their relevant leases; and
  - no action is taken by any Intra-Group Creditor to exercise rights of set-off with respect to Liabilities owed to BGL by other members of the Group.

The Estimated Outcome Statement draws from figures provided in the Directors' statement of affairs in respect of BGL prepared as at 30 May 2020, with such adjustments as the Nominees think appropriate.

Estimated outcomes	Administration	CVA
Category A Landlords	0.24%	10.05%
Category B Landlords	0.24%	1.10%
Category C Landlords	0.24%	0.97%
Category D Landlords	0.24%	0.89%
Category E Landlords	0.24%	1.25%
Category F Landlord	0.24%	6.25%
Ancillary Landlords	0.24%	7.06%
Previous Lease Creditors / Guarantee Creditors	0.24%	0.81%

£	Net book value	Estimated to realise value
<b>Assets subject to fixed charge</b>		
Intangibles	12,034,024	24,975,668
Freehold properties	4,199,379	5,105,000
Leasehold properties	53,462,393	1,100,000
Cash	24,576,866	24,576,866
<b>Total fixed charge assets</b>	<b>94,272,662</b>	<b>55,757,534</b>
Total fixed charge costs of realisation		(350,000)
<b>Net assets available to fixed charge holders</b>	<b>94,272,662</b>	<b>55,407,534</b>
Amount owed to fixed charge creditors	(144,501,594)	(144,501,594)
ICG	(130,053,728)	(130,053,728)
Barclays	(14,447,866)	(14,447,866)
<b>Distribution to fixed charge creditors</b>		<b>55,407,534</b>
ICG		41,134,668
Barclays		14,272,866
<b>Trust monies</b>		
Customer funds, tenant deposits and other	1,634,101	
Due to customers, landlords, other	(1,634,101)	
<b>Assets subject to floating charge</b>		
Fixtures and fittings	22,479,280	3,348,608
Investments	32,207,216	-
Inventories	873,646	-
Trade and other debtors	1,933,220	1,363,681
Prepaid rent and service charge	1,637,607	-
Other prepayments	3,183,212	2,877,043

Cash	11,663,087	11,663,087
Deferred tax	4,695,798	-
Intercompany receivables	83,108,192	-
<b>Total floating charge assets</b>	<b>161,781,257</b>	<b>19,252,419</b>
Total floating charge costs of realisation		(350,000)
<b>Funds available for preferential creditors</b>		<b>18,902,419</b>
Preferential creditors		(912,858)
<b>Net floating charge assets</b>		<b>17,989,561</b>
Unsecured creditors fund		(600,000)
<b>Funds available to floating charge creditors</b>		<b>17,389,561</b>
Amounts due to floating charge creditor		(89,094,060)
<b>Shortfall to floating charge creditors</b>		<b>(71,704,499)</b>
Surplus available to unsecured creditors		-
<b>Amounts available to unsecured creditors</b>		<b>600,000</b>
<b>Total due to unsecured creditors</b>		<b>(246,076,792)</b>
<b>Shortfall to unsecured creditors</b>		<b>(245,476,792)</b>
<i>% dividend available to unsecured creditors</i>		<i>0.24%</i>

## SCHEDULE 14

### Supervisors' and Legal Advisors' Details and Addresses for Notices

#### PART 1

##### Supervisors

Supervisor	Address for notices	Licensing Recognised Professional Body
Clare Laura Kennedy	AlixPartners UK LLP, 6 New St Square, London, EC4A 3BF	The Insolvency Practitioners Association
Peter Mark Saville	AlixPartners UK LLP, 6 New St Square, London, EC4A 3BF	The Insolvency Practitioners Association
Catherine Williamson Mary	AlixPartners UK LLP, Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB	The Insolvency Practitioners Association

#### PART 2

##### Legal Advisors

Lawyer	Address for notices
Jatinder Bains	Macfarlanes LLP, 20 Cursitor Street, London, EC4A 1LT
Paul Keddie	Macfarlanes LLP, 20 Cursitor Street, London, EC4A 1LT
Timothy Bromley-White	Macfarlanes LLP, 20 Cursitor Street, London, EC4A 1LT

#### PART 3

##### Address for Notices

Company	Address for notices
Buzz Group Limited	New Castle House, Castle Boulevard, Nottingham, Nottinghamshire, NG7 1FT

## SCHEDULE 15

### List of Guarantees

The following guarantees have been granted in respect of liabilities owed by BGL

No.	Debt	Guarantor entity	Guarantee
1	£15m revolving credit facility under the Facilities Agreement	Caledonia Venus Acquisitions Limited (connected with BGL)  Caledonia Venus Group Limited (connected with BGL)  Buzz Holdings Limited (connected with BGL)  Buzz Entertainment Limited (connected with BGL)  Buzz County Clubs Limited (connected with BGL)	All liabilities owed under the Finance Documents
2	£155m unitranche facility under the Facilities Agreement	Caledonia Venus Acquisitions Limited (connected with BGL)  Caledonia Venus Group Limited (connected with BGL)  Buzz Holdings Limited (connected with BGL)  Buzz Entertainment Limited (connected with BGL)  Buzz County Clubs Limited (connected with BGL)	All liabilities owed under the Finance Documents
3	Lease of Bingo Club at 28-70 Bexleyheath, Kent DA6 7RB	2016 GGI Limited	All obligations owed by BGL under the terms of the lease
4	Lease of Bingo Club at Park Rubery, Rednal, Birmingham B45 9WA	Buzz Entertainment Limited (connected with BGL)	All obligations owed by BGL under the terms of the lease
5	Lease of Bingo Club at Lime Kiln Close, Peterborough PE3 9TA	First Leisure Corporation Plc (guarantor)	All obligations owed by BGL under the terms of the lease
6	Lease of Bingo Club at 3 Teredo Street, London, SE16 7LW	2016 GGI Limited	All obligations owed by BGL

			under the terms of the lease
7	Lease of Bingo Club at Middle Engine Lane, Wallsend, Tyne & Wear NE28 9NT	Gala Group Investments Limited	All obligations owed by BGL under the terms of the lease
8	Lease of 30 Newbridge Lane, Stockport, Cheshire SK1 2NA	Buzz Entertainment Limited (connected with BGL)	All obligations owed by BGL under the terms of the lease
9	Lease of Robin Park, 8 Anjou Boulevard, Robin Park, Wigan Town, Lancashire, WN5 OUJ (bingo club)	Buzz Entertainment Limited (connected with BGL)	All obligations owed by BGL under the terms of the lease
10	Lease of smoking shelter at Robin Park, 8 Anjou Boulevard, Robin Park, Wigan Town, Lancashire WN5 OUJ	Buzz Entertainment Limited (connected with BGL)	All obligations owed by BGL under the terms of the lease

## SCHEDULE 16

### AlixPartners UK LLP Charge Out Rates

Level	Hourly rate (exc. VAT)
Managing Director	£915
Director	£680
Senior Vice President	£530
Vice President	£350
Consultant	£280

## SCHEDULE 17

### List of Security

Security Granted by BGL in favour of the Secured Creditors

No.	Security document	Date	Person entitled	Description of security
1	Debenture	17 May 2018	Intermediate Capital Group PLC	Fixed charge over real property, accounts, book and other debts, intellectual property, plant and machinery, goodwill, rights in relation to uncalled share capital, investments and any beneficial interest or entitlement to pension funds or insurance policies and interests under any intra-group loans and floating charges over all the assets of BGL.
2	Standard Security	30 December 2015	Intermediate Capital Group PLC	Security granted over the Bingo Club premises at the Gala Bingo Hall and Granada Bar at 57-61 Marischal Street and Bingo House at 63 Marischal Street, AB42 1PR, registered under the Land Register of Scotland under title no. ABN90796.
3	Standard Security	30 December 2015	Intermediate Capital Group PLC	Security granted over the bingo premises known as the Gala Bingo Hall on Arbroath High Street, registered under the Land Register of Scotland under title no. ANG62540.
4	Standard Security	30 December 2015	Intermediate Capital Group PLC	Security granted over the subjects on the south-most side of Craigmont Drive, Glasgow, being the subjects registered under the Land Register of Scotland under title number GLA21584.
5	Debenture	19 December 2015	Intermediate Capital Group PLC	Fixed charge over real property, accounts, book and other debts, intellectual property, plant and machinery, goodwill, rights in relation to uncalled share capital, investments and any beneficial interest or entitlement to pension funds or insurance policies and interests under any intra-group loans and floating charges over all the assets of BGL.

6	Share pledge	19 December 2015	Intermediate Capital Group PLC	Share pledge over shares in Gala County Clubs Limited (now Buzz Country Clubs Limited) (company no SC041681).
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**SCHEDULE 18**

**Notice of Shareholder’s Meeting**

**NOTICE TO SHAREHOLDER OF DECISION TO BE  
MADE AT A VIRTUAL MEETING**

Name of Company: <b>BUZZ GROUP LIMITED</b>	Company Registered Number: <b>00794943</b>
Jurisdiction of incorporation: <b>ENGLAND AND WALES</b>	Registered office address: <b>NEW CASTLE HOUSE, CASTLE BOULEVARD, NOTTINGHAM, NOTTINGHAMSHIRE, NG7 1FT</b>
<b>IN THE HIGH COURT OF JUSTICE OF ENGLAND AND WALES</b>  <b>BUSINESS AND PROPERTY COURTS</b>  <b>INSOLVENCY AND COMPANIES LIST (ChD)</b>	Court Case Number: <b>CR-2020-</b>

We, Clare Laura Kennedy and Peter Mark Saville both of AlixPartners UK LLP, 6 New Street Square London, EC4A 3BF United Kingdom and Catherine Mary Williamson of AlixPartners UK LLP, Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB, Joint Nominees of the Company (the “**Conveners**”) hereby give notice to the shareholder of a meeting of the Company to consider the following resolution:

*“That the proposal for a CVA be approved, in accordance with section 4 Insolvency Act 1986, which incorporates the appointment of Peter Mark Saville, Clare Laura Kennedy and Catherine Mary Williamson as Supervisors of the CVA.”*

In the present circumstances of COVID-19, the Conveners consider it appropriate in accordance with section 246(A) of the Insolvency Act 1986, for the meeting to be conducted and held in such a way that persons who are not present together in the same place can attend it. Accordingly, the meeting will take place remotely and take the form of a virtual meeting at **4 p.m. on 3 August 2020**.

Please note the following important information:

- Any proxy must be delivered to the Conveners or chair before it may be used at the meeting. A blank proxy form accompanies this notice.
- The recipient of this notice may request a hard copy of this notice and any such request should be made to the Conveners by telephone or to the email address set out below:

**Authenticated by the Conveners, Joint Nominees of the Company**

.....  
Clare Laura Kennedy                      Peter Mark Saville                      Catherine Mary Williamson

Dated: .....

## SCHEDULE 19

### Notice of Creditors' Meeting

Rule 15.8(3) Decision Notice

INSOLVENCY RULES (ENGLAND & WALES) 2016

#### NOTICE TO CREDITORS OF DECISION TO BE MADE AT A VIRTUAL MEETING

Name of Company: <b>BUZZ GROUP LIMITED</b>	Company Registered Number: <b>00794943</b>
Jurisdiction of incorporation: <b>ENGLAND AND WALES</b>	Registered office address: <b>NEW CASTLE HOUSE, CASTLE BOULEVARD, NOTTINGHAM, NOTTINGHAMSHIRE, NG7 1FT</b>
<b>IN THE HIGH COURT OF JUSTICE OF ENGLAND AND WALES</b>  <b>BUSINESS AND PROPERTY COURTS</b>  <b>INSOLVENCY AND COMPANIES LIST (ChD)</b>	Court Case Number: <b>CR-2020-</b>

This notice is given in accordance with the requirements of rules 15.8 and 15.5 of the Insolvency (England and Wales) Rules 2016 (the "**Insolvency Rules**") and section 246ZE of the Insolvency Act 1986 (the "**Insolvency Act**"). References in this notice to rules and sections are, unless expressly provided otherwise, respectively references to the rules of the Insolvency Rules and to sections of the Insolvency Act.

We, Clare Laura Kennedy and Peter Mark Saville both of AlixPartners UK LLP, 6 New Street Square London, EC4A 3BF United Kingdom and Catherine Mary Williamson of AlixPartners UK LLP, Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB, joint nominees of the company voluntary arrangement (the "**CVA**") which has been proposed by the Company (the "**Conveners**" and also the "**Nominees**") give notice to the creditors of the following decision on which creditors' votes are sought:

*"That the proposal for a CVA be approved, in accordance with section 4 Insolvency Act 1986, which incorporates the appointment of Peter Mark Saville, Clare Laura Kennedy and Catherine Mary Williamson as Supervisors of the CVA"*

The decision procedure will be held in the form of a virtual meeting at **11 a.m. on 3 August 2020** (the "**Meeting**").

Creditors will be able to access the Meeting through the link to which is provided here and in the letter sent to each creditor from the Nominees notifying them of the proposal for a CVA (the "**Letter**"): <https://alixpartnersmeetings.com/bgl>

The Meeting may be suspended or adjourned by the chair of the Meeting and must be adjourned if it is so resolved at the Meeting. Creditors that wish to raise questions during the Meeting are requested to submit their questions ahead of the Meeting via the following e-mail addresses where possible, to avoid delays:

Landlords - [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com)

Employees - [BGLEmployees@alixpartners.com](mailto:BGLEmployees@alixpartners.com)

Other creditors - [BGLSuppliers@alixpartners.com](mailto:BGLSuppliers@alixpartners.com)

### **Creditors are advised to take note of the following:**

The Conveners have made available a website at <https://www.alixpartnersinfoportal.com> (the “Portal”) (log-in details of which have been provided to each creditor in the Letter).

A copy of the following documents are available on the Portal:

- a copy of the Company’s CVA Proposal, including a summary statement of affairs;
- a copy of the Convener’s comments on the proposal;
- a schedule of AlixPartners LLP hourly charge out rates;
- a copy of the Notice of Claim form, together with guidance regarding completion;
- a Proxy Form, together with guidance regarding completion; and
- a creditors guide to CVAs in England and Wales.

### **PROOF OF CLAIM AND PROXY**

#### **Submission of claim**

Creditors are entitled to lodge a Notice of Claim for voting purposes before or during the Meeting. If a Notice of Claim is not submitted by a creditor, any votes cast will be valued based on the amount owed to that creditor as at the Meeting date as calculated by the Company (the “**Calculated Amount**”). Please note that the Calculated Amount is a value assigned for voting purposes only. Any discounts applied for voting purposes are not applied for other purposes under the CVA, including the calculation of ‘Allowed CVA Claims’ (as defined in the proposal).

If a creditor disagrees with the Calculated Amount which has been allocated to it, they are entitled to submit a Notice of Claim form detailing what they think the value should be. This may be agreed or rejected for voting purposes by the Nominees. If a creditor wishes to submit a Notice of Claim form together with any relevant supporting documentation, this should be sent to the applicable email address below as soon as possible. A blank Notice of Claim form, together with guidance regarding completion, is available on the Portal.

Any changes to the value of claims must be confirmed before a creditor’s vote is cast.

#### **Submission of proxy**

Please note that if a creditor is a corporation or other legal entity, it must appoint a proxy-holder in order to vote. When appointing a proxy-holder, creditors are required to provide full details of the same and confirm that the proxy-holder is duly authorised to vote on their behalf via eBallot. Any proxy-holder information must be submitted to the Nominees via eBallot before it may be used at the Meeting. Creditors are strongly encouraged to provide full voting information via eBallot and submit any documentation (if required) by **5:30 p.m.** on 30 July 2020 and, in any case, as soon as practicable in advance of the Meeting.

#### **Voting at the Meeting**

Voting at the Meeting will be conducted by eBallot. Creditors may vote by visiting the following website, using the unique log in details provided in the Letter:

<https://eballot4.votenet.com/buzz>

Whilst all votes will be cast at the Meeting, Creditors may indicate how their proxy-holder wishes to vote in advance via eBallot. The Nominees request that the details of any known votes are submitted as soon as possible to ensure that the Meeting and voting procedures are as efficient as possible.

Creditors may (but do not have to) appoint the chair of the Meeting to be their proxy-holder, but if creditors appoint the chair then they must indicate how they wish the chair to vote. If creditors do not, then the proxy will not be valid and their vote will not be cast by the chair at the Meeting.

Please note that if a creditor's proxy-holder submits their indicated vote via eBallot ahead of the Meeting, their vote will be cast at the Meeting as indicated unless they elect to change it before or during the Meeting (if the creditor's proxy-holder is in attendance).

## **ELECTRONIC SUBMISSIONS, COMMUNICATION**

Creditors are asked to submit their Notice of Claim forms and proxy forms electronically in pdf form to the following e-mail addresses. Creditors are also asked to make any other submission or communication electronically via the relevant e-mail addresses:

Landlords - [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com)

Employees - [BGLEmployees@alixpartners.com](mailto:BGLEmployees@alixpartners.com)

Other creditors - [BGLSuppliers@alixpartners.com](mailto:BGLSuppliers@alixpartners.com)

## **OTHER MATTERS**

Creditors may propose a modification to the Company's CVA proposal. Such modifications should be submitted in advance of the Meeting wherever possible, or at the Meeting. In such circumstances, the proposed modification will be taken as a rejection of the proposal unless the Company accepts the modification. The Nominees believe that the proposals as prepared by the Company represent a fair and feasible compromise of the Company's liabilities, but in the event of insufficient creditor support for the proposal as presented, any modifications not already accepted by the Company will be considered, which may require a suspension or adjournment of the Meeting.

Please note that the outcome of the consideration of the proposal at the Meeting, and details of any suspension or adjournment (if applicable) will be made available for viewing and downloading on the Portal, and no other notice will be delivered to creditors.

Where one of the Nominees, as chairperson of the Meeting, is appointed proxy by a creditor, when exercising the discretion granted under the proxy form as to how to vote on any modification to the Proposal, the Nominee will consider the economic impact of such modification on the creditor, and whether such creditor would be economically worse off under the Proposal as so modified (by reference to facts and circumstances actually known to the Nominees).

The Nominees will consider that such proxy shall remain valid to the extent that any such resolution or modification does not (in the reasonable opinion of the proxy holder and by reference to facts and circumstances actually known to them) have a material adverse impact on the creditor.

The Nominees have elected to seek a decision from the Company's creditors on approval of the Proposal by way of a virtual meeting. A creditor who meets, or creditors who together meet, one of the thresholds in section 246ZE(7) may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the matter.

The Nominees have considered the COVID-19 restrictions currently in place and the potential public health implications of holding a physical meeting and concluded that it is not reasonably practicable to hold a physical meeting for as long as those restrictions remain in place. Creditors are unlikely to be able to attend such a meeting in person, and it is unlikely to be possible for the Nominees to hold a meeting safely or without breaching legal requirements. Therefore the Nominees currently intend to conduct the Meeting virtually, notwithstanding any request pursuant to section 246ZE(7). The Nominees will keep this decision under review and consider the effect of any changes to the COVID-19 restrictions that may allow a physical meeting to be held.

As the decision relates to a proposed CVA creditors' attention is drawn to the following rules:

- rule 15.28 about creditors' voting rights;

- rule 15.31 about the calculation of creditors' voting rights; and
- rule 15.34 about the requisite majority of creditors for making decisions.

Extracts of these rules are set out in the Appendix which creditors should read to understand their effect.

Where applicable, a complaint may be made in accordance with rule 15.38 by a person who is or claims to be an excluded person or by a person who attends the Meeting and claims to have been adversely affected by the actual, apparent or claimed exclusion of another person.

Any such complaint must be made as soon as reasonably practicable and, in any event, no later than 4pm on the business day following the day on which the person was, appeared or claimed to be excluded. However, where the complainant has requested an indication of what occurred during that person's claimed exclusion in accordance with rule 15.37, the complaint must in any event be made no later than 4pm on the business day following the day on which the complainant received the indication.

A creditor may appeal a decision in accordance with rule 15.35. An appeal of a decision in respect of a proposed CVA must be made within the period of 28 days from and including the day on which the first of the reports required by sections 4(6) and 4(6A) IA 1986 was filed with the court.

The recipient of this notice may request a hard copy of this notice, proxy form or claim form or any of the related documents to be provided to them without charge; any such request should be made to the Nominees by telephone to the contact details in the next section

**USE OF WEBSITES**

Future documents in these proceedings, other than the specific documents identified above, will be made available for viewing and downloading on the Portal (together with any log-in details provided in the Letter) without notice to the recipient and the office-holders will not be obliged to deliver any such documents to the recipient of this notice unless this is requested by that person.

A recipient of this notice may at any time request a hard copy of any or all of the following: (i) all documents currently available for viewing on the Portal; and (ii) all future documents which may be made available there.

A recipient of this notice may request a hard copy of a document delivered to the Portal by request to the Nominees via any of the following means:

Landlords – by email request to [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com)

Employees – by email request to [BGLEmployees@alixpartners.com](mailto:BGLEmployees@alixpartners.com)

Other creditors – by email request to [BGLSuppliers@alixpartners.com](mailto:BGLSuppliers@alixpartners.com)

By telephone - +44 (0)207 098 7400

**Authenticated by the Conveners, Joint Nominees of the Company**

.....	.....	.....
Clare Laura Kennedy	Peter Mark Saville	Catherine Mary Williamson

Dated: .....

## APPENDIX – (CVA VOTING)

Creditors' attention is drawn to the following extracts of provisions of the Insolvency Rules:

### **Rule 15.31 – Calculation of creditors' voting rights – (extracts applicable to CVAs):**

- (2) In the case of a meeting, a proxy-holder is not entitled to vote on behalf of a creditor unless the convener or chair has received the proxy intended to be used on behalf of that creditor.
- (3) A debt is claimed in accordance with this paragraph if it is:
  - (a) claimed as due from the company ... to the person seeking to be entitled to vote; or
  - (b) in relation to a member State liquidator, claimed to be due to creditors in proceedings in relation to which that liquidator holds office.
- (4) The convener or chair may call for any document or other evidence to be produced if the convener or chair thinks it necessary for the purpose of substantiating the whole or any part of a claim.
- (5) In a decision relating to a proposed CVA or IVA every creditor, secured or unsecured, who has notice of the decision procedure is entitled to vote in respect of that creditor's debt.

### **Rule 15.31 – Calculation of creditors' voting rights – (extracts applicable to CVAs):**

- (1) Votes are calculated according to the amount of each creditor's claim —  
....
  - (d) in a proposed CVA
    - (i) at the date the company went into liquidation where the company is being wound up,
    - (ii) at the date the company entered into administration (less any payments made to the creditor after that date in respect of the claim) where it is in administration,
    - (iii) at the beginning of the moratorium where a moratorium has been obtained (less any payments made to the creditor after that date in respect of the claim),  
or
    - (iv) where (i) to (iii) do not apply, at the decision date;
- (2) A creditor may vote in respect of a debt of an unliquidated or unascertained amount.
- (3) But in relation to a proposed CVA or IVA a debt of an unliquidated or unascertained amount is to be valued at £1 for the purposes of voting unless the convener or chair or an appointed person decides to put a higher value on it.
- (4) Where a debt is wholly secured its value for voting purposes is nil.
- (5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
- (6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases—  
....

- (b) where, in a proposed CVA, there is a decision on whether to extend or further extend a moratorium or to bring a moratorium to an end before the end of the period of any extension.
- (7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.
- (8) A vote cast in a decision procedure which is not a meeting may not be changed.
- (9) Paragraph (7) does not prevent a creditor or member State liquidator from —
  - (a) voting in respect of less than the full value of an entitlement to vote; or
  - (b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

**Rule 15.34 – Requisite majorities of creditors for making decisions- (extracts applicable to CVAs):**

...

- (3) Each of the following decisions in a proposed CVA is made when three-quarters or more (in value) of those responding vote in favour of it—
  - (a) a decision approving a proposal or a modification;
  - (b) a decision extending or further extending a moratorium; or
  - (c) a decision bringing a moratorium to an end before the end of the period of any extension.
- (4) In a proposed CVA a decision is not made if more than half of the total value of the unconnected creditors vote against it.
- (5) For the purposes of paragraph (4)—
  - (a) a creditor is unconnected unless the convener or chair decides that the creditor is connected with the company;
  - (b) in deciding whether a creditor is connected reliance may be placed on the information provided by the company's statement of affairs or otherwise in accordance with these Rules; and
  - (c) the total value of the unconnected creditors is the total value of those unconnected creditors whose claims have been admitted for voting.

**SCHEDULE 20**

**Forms of Proxy**

**PART 1**

**Form of Shareholder's Proxy**

**VOTING (PROXY) FORM**

<p><b>Rule 16.3</b></p>	<p><b>Proxy for Company Voluntary Arrangement under Part I of the Insolvency Act 1986</b></p> <p><b>Buzz Group Limited</b> (company registered number: 00794943)</p>
	<p>Name of Shareholder _____</p> <p>Address _____ _____</p>
<p><i>Please insert name of person (who must be 18 or over) or the Chair of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well</i></p>	<p>Name of Proxy Holder(s):</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p>
	<p>I appoint the above person to be my/the Shareholder's proxy holder at the meeting of the Shareholder to be held in the form of a <b><u>virtual meeting</u></b> as a Microsoft Teams live event on 3 August 2020 at 4.00pm, or at any adjournment of that meeting.</p>
<p><i>*Please delete words in brackets if the proxy holder is only to vote as directed i.e. has no discretion</i></p>	<p>The proxy holder is to propose or vote as instructed below (and in respect of any resolution or modification for which no specific instruction is given, may vote or abstain at his/her discretion*).</p>

**VOTING INSTRUCTIONS FOR DECISIONS**

<p><i>*Please delete as appropriate</i></p>	<p>(a) <i>That the proposal for a CVA be approved, in accordance with section 4 Insolvency Act 1986, which incorporates the appointment of Peter Mark Saville, Clare Laura Kennedy and Catherine Mary Williamson as Supervisors of the CVA. <b>Accept/ Reject*</b></i></p>
<p><i>Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided. If more room is required please use the other side of this form</i></p>	<p>_____</p> <p>_____</p> <p>_____</p>

**This form must be signed.**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

*Only to be completed if the Shareholder has not signed in person*

Name in CAPITAL LETTERS \_\_\_\_\_  
 Position with Shareholder or relationship to Shareholder or other authority for signature

\_\_\_\_\_

**PART 2**

**Form of Creditor's Proxy**

**VOTING (PROXY) FORM**

<b>Rule 16.3</b>	<p><b>Proxy for Company Voluntary Arrangement under Part I of the Insolvency Act 1986</b></p> <p><b>Buzz Group Limited</b> (company registered number: 00794943)</p>
	<p>Name of Creditor _____</p> <p>Address _____</p> <p>_____</p>
<p><i>Please insert name of person (who must be 18 or over) or the Chair of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well</i></p>	<p>Name of Proxy Holder(s):</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p>
	<p>I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held in the form of a <b>virtual meeting</b> as a Microsoft Teams live event on 3 August 2020 at 11:00am, or at any adjournment of that meeting.</p>
<p><i>*Please delete words in brackets if the proxy holder is only to vote as directed i.e. has no discretion</i></p>	<p>The proxy holder is to propose or vote as instructed below (and in respect of any resolution or modification for which no specific instruction is given, may vote or abstain at his/her discretion*).</p>

**VOTING INSTRUCTIONS FOR DECISIONS**

<p><i>*Please delete appropriate</i></p>	<p><b>(a)</b> <i>That the proposal for a CVA be approved, in accordance with section 4 Insolvency Act 1986, which incorporates the appointment of Peter Mark Saville, Clare Laura Kennedy and Catherine Mary Williamson as Supervisors of the CVA. <b>Accept/ Reject*</b></i></p>
--	---

<p><i>Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided. If more room is required please use the other side of this form</i></p>	<hr/> <hr/> <hr/>

**This form must be signed.**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

*Only to be completed if the creditor has not signed in person*

Name in CAPITAL LETTERS \_\_\_\_\_  
 Position with creditor or relationship to creditor or other authority for signature

\_\_\_\_\_

## SCHEDULE 21

### Notice of Claim

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
INSOLVENCY AND COMPANIES LIST (Chd)**

**IN THE MATTER OF:  
BUZZ GROUP LIMITED (the Company)  
AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986**

<b>NOTICE OF CLAIM</b>			
1.	Name and address of Creditor:		
	Contact name:		
	Telephone number:		
	Fax number:		
	E-mail address:		
	Account by which creditor identifies debtor(s):		
2.	Nature of debt against the Company referred to above (e.g. goods sold/services performed/guarantee claim etc.):		
3.	Date(s) the debt was incurred:		
4.	Is any party jointly liable for the debt? <i>Please tick the appropriate box.</i>	Yes	
		No	
5.	If so, identify the party(ies) in question and specify the nature of the claim against each one:		
6.	Details of any documents by reference to which the claim against the Company referred to in section 1 above can be substantiated: <i>Note that the office holders may call for any document or evidence to substantiate the claim at their discretion</i>  <b>Please attach the relevant document(s)</b>		
7.	Total amount of claim as at 3 August 2020 in respect of the Company		
	Total amount of interest owed on the claim as at 3 August 2020 in respect of the Company		

8.	If the debt is subject to VAT please provide details of the amount of VAT payable and copy of the relevant VAT invoice. Note: payments will not be made in respect of VAT unless a VAT invoice has been provided to the Supervisors, where a tax point has previously arisen, evidencing the amount of the VAT (if any).	
9.	Please provide brief particulars of the security (if any), including the value of security, and the date it was given:	
10.	Give details of whether the whole or any part of your claim falls within any (and if so which) of the categories of preferential debts under section 386 of, and Schedule 6 to, the Insolvency Act 1986 (as read with Schedule 3 to the Social Security Pensions Act 1975):	
11.	Have you obtained a court judgment in relation to your claim? <i>Please tick the appropriate box.</i>	Yes
		No
	<i>If so, please provide particulars, including the date of the judgment</i>	
12.	So far as you are aware, has anyone else filed a Notice of Claim form relating to your claim? <i>Please tick the appropriate box.</i>	Yes
		No
	<i>If so, please provide particulars</i>	
13.	Signature of the Creditor or person authorised to act on their behalf:  Name of signatory in BLOCK LETTERS:  Position in relation to the Creditor:  Date:	

Please use a continuation sheet if necessary.

Please complete this form (if required) and return a copy to the relevant email address as soon as reasonably practicable **in advance of the meeting** (and in any event **before** your vote is cast) as follows:

- Landlords should email [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com);
- Employees should email [BGLLandlords@alixpartners.com](mailto:BGLLandlords@alixpartners.com); and

- All other CVA Creditors should email [BGLSuppliers@alixpartners.com](mailto:BGLSuppliers@alixpartners.com).

**In the present circumstances of COVID-19 creditors should wherever possible send documents and other communications electronically to the relevant email address in the first instance.**

---

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account.

Claims lodged in the CVA should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Revenue & Customs for the VAT element through their VAT return.

Insolvency practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.

**SCHEDULE 22**  
**Notice of Termination**

CR-2020-[ ]

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**INSOLVENCY AND COMPANIES LIST (Chd)**

**IN THE MATTER OF:**

**BUZZ GROUP LIMITED**

**(the “Company”)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986**

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**NOTICE OF TERMINATION**

---

**TO: ALL HOLDERS OF CVA CLAIMS AGAINST THE COMPANY**

**DATE:** \_\_\_\_\_

Notice is hereby given in accordance with Clause 43 (*Completion or Termination of the CVA*) of Part VI of the Directors’ proposal for a Company Voluntary Arrangement in respect of the Company dated [●] (the “**Proposal**”) (capitalised terms used in which shall have the same meaning in this notice) that pursuant to Clause 43 (*Completion or Termination of the CVA*) of Part VI of the Proposal the CVA in relation to the Company has failed in respect of [specify reason] and shall be deemed terminated with effect from the date hereof.

.....

[Clare Kennedy/Peter Saville/Catherine Williamson] on behalf of the Supervisors

**SCHEDULE 23**  
**Notice of Completion**

CR-2020-[ ]

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**INSOLVENCY AND COMPANIES LIST (Chd)**  
**IN THE MATTER OF:**  
**BUZZ GROUP LIMITED**  
**(the “Company”)**  
**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**  
**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986**

---

**NOTICE OF COMPLETION**

---

**TO: ALL HOLDERS OF CVA CLAIMS AGAINST THE COMPANY**

**DATE:** \_\_\_\_\_

Notice is hereby given in accordance with Clause 43 (*Completion or Termination of the CVA*) of Part VI of the Directors' proposal for a Company Voluntary Arrangement in respect of the Company dated [●] (the “**Proposal**”) (capitalised terms used in which shall have the same meaning in this notice) that pursuant to Clause 43 (*Completion or Termination of the CVA*) of Part VI of the Directors' proposal for a Company Voluntary Arrangement the CVA has been fully implemented.

.....

[Clare Kennedy/Peter Saville/Catherine Williamson] on behalf of the Supervisors

## SCHEDULE 24

### Summary Statement of Affairs as at 30 May 2020

£	Net book value	Estimated to realise value
<b>Assets subject to fixed charge</b>		
Intangibles	12,034,024	-
Freehold Property	4,199,379	5,105,000
Leasehold Property	53,462,393	-
Cash	24,576,866	24,576,866
<b>Total assets subject to a fixed charge</b>	<b>94,272,662</b>	<b>29,681,866</b>
Amounts owed to fixed charge creditor	(144,501,594)	(144,501,594)
<b>Deficit to fixed charge creditor</b>	<b>(50,228,933)</b>	<b>(114,819,728)</b>
<b>Trust monies</b>		
Funds (held on trust)	1,634,101	-
Due to trusts	(1,634,101)	-
<b>Assets subject to floating charge</b>		
Fixtures and fittings	22,479,280	3,348,608
Investments	32,207,216	-
Inventories	873,646	-
Trade and Other Debtors	1,933,220	1,363,681
Prepaid rent and SC	1,637,607	-
Other Prepayments	3,183,212	2,877,043
Cash	11,663,087	11,663,087
Intercompany receivable	83,108,192	-
Deferred tax	4,695,798	-
<b>Funds available for preferential creditors</b>		<b>19,252,419</b>
Amounts due to preferential creditors		(912,858)
<b>Net floating charge assets</b>		<b>18,339,561</b>

Unsecured creditors fund	(600,000)
<b>Funds available to floating charge creditor</b>	<b>17,739,561</b>
Amounts due to floating charge creditor	(114,819,728)
<b>Deficit to floating charge holder</b>	<b>(97,080,168)</b>
<b>Estimated surplus available to unsecured creditors</b>	<b>-</b>
<b>Amounts due to unsecured creditors</b>	<b>(129,326,526)</b>
<b>Total deficit to unsecured creditors</b>	<b>(225,806,694)</b>
<b>Estimated deficit to shareholders</b>	<b>(225,806,794)</b>

Notes to accompany the Summary Statement of Affairs as at 30 May 2020:

1. A list of Security granted by BGL can be found at schedule 17 (*List of Security*).
2. The Summary Statement of Affairs has been prepared to account for net book value of assets and liabilities on the same basis as the management accounts (pre-IFRS16 adjustments), adjusted to reflect assets and liabilities to be held by the legal owning entity.
3. The estimated book values are based on the management accounts for BGL as at 30 May 2020. However, included within book values, are estimated preferential and redundancy claims. These values are not included in the management accounts.
4. The Directors requested that the Nominees consent to the use of figures taken from BGL's management accounts as at 30 May 2020 for the purposes of the Summary Statement of Affairs, being the latest available management accounts at the time of finalizing the Proposal for submission to Court. The Nominees have given their consent for this reason.
5. The estimated to realise figures assume that BGL would be placed into liquidation as at the date of preparation.
6. The Connected Creditors are set out in schedule 4 (*Statutory and Financial Information*).
7. For a list of creditors as at 30 May 2020, see the relevant parts of schedule 30 (*List of CVA Creditors*)
8. Details of the Shareholder are set out at schedule 31 (*Shareholder Details*).
9. Key assumptions applied to the liquidation scenario used in the Summary Statement of Affairs:
  - (a) creditor balances relating to landlords have been included as per BGL's records as at 30 May 2020. The outcome in an administration scenario is outlined in schedule 13 (*Estimated Outcome Statement*) in relation to which the CVA Claims of Landlords have been calculated on the basis set out in schedule 2 (*Calculation of Landlords' Claims*); and
  - (b) employee claims have been calculated as all accrued wages, holiday, contractual notice and redundancy pay as at 30 May 2020.

**SCHEDULE 25**

**Notice to Vacate**

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**INSOLVENCY AND COMPANIES LIST (Chd)**

**IN THE MATTER OF:**

**BUZZ GROUP LIMITED**

**(the “Company”)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986**

---

**NOTICE TO VACATE**

---

**TO: THE COMPANY**

**DATE:** \_\_\_\_\_

Notice is hereby given in accordance with Clause [ ] of the Directors’ proposal for a company voluntary arrangement dated [●] in respect of the Company (the “**Proposal**”) that the landlord requires the Company to vacate the following property by [*insert end date of notice period*]:

Address of Premises: [ ] (the “**Premises**”)

[ ] (the “**Landlord**”)

The Landlord wishes:

[To forfeit or irritate the lease of the Premises in accordance with Clause [18.2.1] of the Proposal]

[To procure the surrender or renunciation the lease of the Premises in accordance with Clause [18.2.2] of the Proposal]

[To assign the lease of the Premises in accordance with Clause [18.2.3] of the Proposal]

.....

For and on behalf of [the Landlord]

**SCHEDULE 26**

**Notice to Quit**

CR-2020-[ ]

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**INSOLVENCY AND COMPANIES LIST (Chd)**

**IN THE MATTER OF:**

**BUZZ GROUP LIMITED**

**(the “Company”)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

**COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986**

---

**NOTICE TO QUIT**

---

**TO: [insert name of Landlord]**

**DATE: \_\_\_\_\_**

Notice is hereby given in accordance with Clause [10.16]/[11.17]/[12.17]/[14.12] (*BGL termination right*) of Part VI of the Directors’ proposal for a Company Voluntary Arrangement in respect of the Company dated [●] (the “**Proposal**”) (capitalised terms used in which shall have the same meaning in this notice) that the Company elects to cease occupation of the following premises and that Clause 19 (*Compromised Leases: BGL termination*) shall apply in relation to that premises and its lease as of [insert expiry date of notice period]

Address of premises:

.....

[Clare Kennedy / Peter Saville / Catherine Williamson] on behalf of the Supervisors

**SCHEDULE 27**

**Forms of Surrender**

**PART 1**

**Form of TR1 Surrender for English Leases**

**PART 2**

**Form of Surrender Deed for Scottish Leases**

**PART 3**

**Form of TR1 Assignment for English Leases**

**PART 4**

**Form of Assignment for Scottish Leases**



**EXECUTED** as a **DEED** by )  
**BUZZ GROUP LIMITED,** )  
acting by [*name of director*] (a ) .....  
director) in the presence of: )

Witness: Signature: .....

Name: .....

Address: .....

.....

Occupation: .....

## SCHEDULE 29

### Rent Review

#### 1 Defined terms

This Schedule uses the following definitions:

**Assumptions:** that:

- (a) if the Estate or any part of it has been damaged or destroyed, it has been reinstated before the Rent Review Date;
- (b) the Estate is accessible and has the benefit of all essential services;
- (c) the Premises are fit for immediate occupation and use by the willing tenant;
- (d) that the willing tenant has the benefit of all trade licences that are required for the permitted use and that they will remain in force throughout the term of the Hypothetical Lease for the benefit of the willing tenant and its successors in title;
- (e) the Premises may lawfully be let to and used for the permitted use by any person throughout the term of the Hypothetical Lease;
- (f) there are no breaches of the tenant's obligations in the Compromised Lease and there are no breaches of the landlord's obligations in the Compromised Lease (save for any wilful and persistent breach);
- (g) on the grant of the Hypothetical Lease the willing tenant will receive the benefit of a rent free period, rent concession or any other inducement of a length or amount that might be negotiated in the open market for fitting-out purposes and that the Market Rent is the rent that would become payable after the end of that period or concession or payment of that inducement; and
- (h) the permitted use of the Premises is a use pursuant to Class D2 of the Town and Country (Use Classes) Order 1987 (as originally enacted)

**Disregards:** the following:

- (a) any effect on rent of the CVA or CVA Related Events;
- (b) any provision providing for a stepped, fixed, geared, indexed or other automatic uplift or increase in the level of rent;
- (c) any provision providing for a collar or a minimum level of rent;
- (d) any effect on rent of BGL (and BGL's predecessors in title and lawful occupiers) having been in occupation of the Premises;
- (e) any goodwill accruing to the Premises because of BGL's business (and that of BGL's predecessors in title and lawful occupiers);
- (f) any increase in rent attributable to any improvement, including any tenant's initial fitting-out works and any works carried pursuant to a lease prior to the Comprised Lease, whether or not within the Premises:
  - (i) carried out by and at the cost of BGL or BGL's predecessors in title or lawful occupiers before or during the term of the Compromised Lease;

- (ii) carried out with the written consent, where required, of the Compromised Landlord or the Compromised Landlord's predecessors in title; and
  - (iii) not carried out pursuant to an obligation to the Compromised Landlord or the Compromised Landlord's predecessors in title (except where carried out pursuant to an obligation to comply with statute) (but for the avoidance of doubt any obligations relating to the method or timing of works in the Compromised Lease or any other document giving consent will not be treated as an obligation for these purposes);
- (g) any reduction in rent attributable to works that have been carried out by BGL (or BGL's predecessors in title or lawful occupiers); and
- (h) any effect on rent of the floor area of any mezzanine floor installed within the Premises by BGL (or BGL's predecessors in title or lawful occupiers).

**Estate:** the Compromised Landlord's interest in reversion to the Premises;

**Hypothetical Lease:** a lease:

- (a) of the whole of the Premises;
- (b) on the same terms as the Compromised Lease (including Clause 20 and this Schedule) except for:
  - (i) the amount of Principal Rent reserved immediately before the Rent Review Date;
  - (ii) any rent free period, rent concession or any other inducement received by BGL in relation to the grant of the Compromised Lease;
  - (iii) any break clause in the Compromised Lease, other than any right to terminate following insured/uninsured damage to the Premises;
- (c) by a willing landlord to a willing tenant;
- (d) with vacant possession;
- (e) without any premium payable by or (subject to paragraph (g) of the definition of 'Assumptions') to the willing tenant;
- (f) for a term of ten years starting on the Rent Review Date; and
- (g) with rent review dates every five years.

**Market Rent:** the yearly rent at which the Premises might reasonably be expected to be let on the open market on the Rent Review Date, on the terms of the Hypothetical Lease and applying the Assumptions and the Disregards.

**Premises:** means the premises demised by the Comprised Lease;

**Main Rent:** means the principal annual rent reserved by the Compromised Lease;

**Rent Review Date:** means (as applicable) the date:

- (a) notice is served by the Compromised Landlord for an Initial Rent Review; or
- (b) the expiry of the Rent Concession Period;

**2 Rent review memorandum**

When the Market Rent has been ascertained, a memorandum recording the Main Rent reserved on review must be entered into. The Compromised Landlord and BGL will each bear their own costs in relation to that memorandum.

**3 Time not of the essence**

For the purpose of Clause 20 (*Compromised Leases: Rent Review*) and this Schedule time is not of the essence.

**SCHEDULE 30**  
**List of CVA Creditors**

<b>Secured Creditors</b>	<b>Balance (£)</b>
ICG Loan	130,053,728
Barclays RCF	14,447,866
<b>Total</b>	<b>144,501,594</b>

<b>Intra-Group creditors</b>	<b>Balance (£)</b>
Caledonia Venus Holdings Ltd	4,988,740
Caledonia Venus Group Ltd	33,072,618
Buzz County Clubs Limited	25,588,231
<b>Total</b>	<b>63,649,588</b>

<b>Other creditors</b>	<b>Balance (£)</b>
Trade creditors	12,198,454
Landlords	12,555,647
Other creditors and accruals	5,848,616
Employees	19,937,950
HMRC	16,049,129
<b>Total</b>	<b>66,589,796</b>

<b>Trade Creditors</b>	<b>Address</b>	<b>Balance (£)</b>
1St Leads Ltd	Deva Centre, Trinity Way, Manchester, M3 7BB	4,009
5Starbingo	Suite 6 Mill Mall, British Virgin Islands, VG1110	38,145
77 Commerce Ltd	Office 6 First Enterprise, Nottingham, NG7 6JF	1,068
A & C Energy Surveys Ltd	23 Fife Close, Stamford, PE9 2YX	1,000
A Frame Contracts Ltd	Cushenquater Farm, Plean, Stirling, FK7 8AZ	68,425

A V Parts Master Ltd	Devonshire Place, New Road, Berkshire, RG45 6NA	5,522
A1 Wibsey Private Hire	75 Odsal Road, Bradford, BD6 1PN	59
Aaron Braund	12 The Mallow, 6 Marsh Road, Luton, LU3 2PD	1,080
Abstrakt Creative Ltd	26-30 Stoney Street, Nottingham, NG1 1LL	670
Access	The Old School, Stratford St. Mary Colchester, CO7 6LZ	4,822
Access Computer Consulting Plc	6th Floor, The Balance, Sheffield, S1 2GU	38,489
Acuris	10 Queen Street Place, London, EC4R 1BE	4,200
Adare	Accessplus, Wheatfield Way Hinckley, LE10 1YG	8,778
Adroit Print	Unit 3 Avon House Blackfriars Road, Bristol, BS48 4DJ	1,184
Affiliatefuture	John Carpenter House, John Carpenter Street, London, EC4Y 0AN	2,844
Allstar	Po Box 1463 Windmill Hill Swindon, SN5 6PS	3,161
Amberstone Guarding Ltd	Cambridge House, Barrington Road, Royston, SG8 6QB	5,947
Amev Metering Ltd	The Sherard Building, Edmund Halley Road, Oxford, OX4 4DQ	3,974
Amk	Seaton House, 3 Aberford Road, Leeds, LS25 1PZ	29,695
Ample Chance Group Limited	7 Bayview Street, SW 2024	821
Antiga Ltd	54 Brockhurst Lane, Monks Kirby, CV230RA	13,750
Apex Radio Systems	102 Tantobie Road, Denton Burn, Newcastle-upon-Tyne, NE15 7DQ	144
Apollo Distribution Solutions	Unit B3 Park Lane, Business Park, Nottingham, NG6 0DU	973
Arolite	The Linden Building, Regent Park, Wellingborough, NN8 6GR	45,790
Arval	Whitehill House, Windmill Hill, Swindon, SN5 6PE	34,988
Asbestos Solutions Providers Ltd	Park Wood, Egypt Lane, Farnham Common, SL2 3LF	180
Aspect Maintenance	55 Thundersley Grove, Thundersley, SS7 3EB	100
Associated Security	Security House, 25 Addington Street, Manchester, M4 5EU	3,631

Astra	1 Kingsway, Bridgend Industrial Estate, Bridgend, CF31 3RY	57,141
Avinity	Av House, Farmbrough Close, Aylesbury, HP20 1DQ	29,137
Aylesbury Vale District Council	The Gateway, Gatehouse Road, Aylesbury, HP19 8FF	2,389
Balm & Davies Ltd	Brenham Farm, South Fambridge, Rochford, SS4 3LS	4,049
Barcrest	1 Howarth Court, Gateway Crescent, Oldham, OL9 9XB	178,380
Barwick Electrical (Leeds) Ltd	National Road, Hunslet Business Park, Leeds, LS10 1TD	3,036
Beebys Limited	The Depot High Street, Peterborough, PE7 3RA	114
Bellmatic Leisure	12 Boswell Square, Glasgow, G52 4BQ	134
Bet Digital	Unit 3B Radley Place, Abingdon, OX14 3RY	11,602
Betterplay Technologies Ltd	Totseret Haarets, Tel Aviv, 23695 IL	330
Bidfood	FAO Cindy Bonser, Business Support Centre Slough, SL1 4BD	60
Bidfood/3663 Rebate - Deferred Income	Credit Control Department, Black Moss Lane Ormskirk, L40 9RW	514,709
Bidvest Foodservice	3rd Floor Warwick House, Hollinsbrook Way, Bury, BL9 8RR	109
Biffa Pack	Head Office, Coronation Road, High Wycombe, HP12 3TZ	17,548
Bingo Association	Lexham House, 75 High Street, North Dunstable, LU6 1JF	65,551
Blue Chip Customer Engineering	Franklin Court Priory Business Park Bedford, MK44 3JZ	1,600
Blue Print	43 Trentside Business Village Farndon Road Newark, NG24 4XB	124,936
Blueprint Technologies (Gibraltar) Ltd	Fortune House, Northgate Terrace, Northgate Road, Newark-On-Trent, NG24 2EU	118,303
Boc Gases	Customer Service Centre, Priestley Road Worsley, M28 2UT	1,630
Bonuscode	Gunville Cottage, Grateley, Andover, Hampshire, SP11 8JQ	1,587

BPC Energy Limited	Romsey Industrial Estate, Greatbridge Road, Romsey, SO51 0HR	7,188
Brooke Edgley	Alma House, Grimshaw Lane, Middleton, M24 1GQ	6,789
BT Global	PP M3042Z, Colindale House, London, NW9 6LB	52,784
C&A Flooring Ltd	12 Sutherland Avenue, Wolverhampton, WV2 2JH	8,036
Call-Systems Technology Ltd	Middlesex House, 29-45 High Street, Edgware, HA8 7UU	54
Candy Links	59 Highfield Road, Bubwith, Selby, YO8 6LZ	660
Captec	7 Whittle Avenue, Fareham, PO15 5SH	54,360
Catena Operations Ltd	Quantum Place, Triq ix-Xatt. Gzira, GZR 1052, Malta	11,590
CBC Computer Systems Ltd	Redwood House, 68 Brown Street, Sheffield, S1 2BS	1,192
Central Asset Finance	Westway House, Sidcot Lane Winscombe, BS25 1LA	1,723
Chamer Limited	111 Lascelles Drive, Pontprennau, Cardiff, CF23 8NP	32,400
Charviknidhir Group Ltd	24 Skelhorn Avenue, Rugby, CV23 0XP	2,160
Cherwell District Council	Bodicote House, Bodicote, Banbury, OX15 4AA	147
CHG-Meridian Computer Leasing	Barons Court, 22 The Avenue, Egham, TW20 9AB	27,487
Churchills	Churchill House, Stirling Way, Borehamwood, WD6 2HP	20,996
Citipost	Unit 1 Langham Park, Berristow Lane South Normanton, DE55 2JL	196,920
Citipost	Unit 1 Langham Park, Berristow Lane Derbyshire, DE55 2JL	876
City Clean	67-69 Richardson Street, Wallsend, NE28 7PS	9
City Of Bradford MDC	Bradford City Park, Centenary Square, Bradford,	1,371
Clark Contracts Ltd	23 Mcfarlane Street, Paisley, PA3 1RY	100
Click Travel Limited	Alpha Tower, Suffolk Street, Birmingham, B1 1TT	33
Codec DSS	Hyde House, Adelaide Road, Dublin, IE	9,054
Commercial IT Services	Commercial House, Old Station Drive Cheltenham, GL53 0DL	20,070
Commercial Ltd	Old Station Drive, Liddington Park, Cheltenham, GL53 0DL	185

Consortio Security	First Floor Suite 6, Boundary Court, Castle Donnington, DE74 2UD	7,839
Consumer Insight	6 Charles Court, Budbrooke Industrial Estate, Warwick, CV34 5LZ	18,927
Continent 8 Technologies Plc	Continent 8 House, Pulrose Road Douglas, IM2 1AL	4,204
Contract Logix LLC	248 Mill Road Building 1, Chelmsford, Massachusetts, MA 01824, United States	1,004
Coolspirit Ltd	24 The Bridge Business Centre, Beresford Way Chesterfield, S41 9FG	237
Countrywide Grounds Maintenance	Countrywide House Oak Green Cheadle Hulme, SK8 6QL	626
County Groundcare Ltd	County House, 45 Charter Street, Brierley Hill, DY5 1LA	14
Cowells Arrow	Lovetofts Drive, Ipswich, IP1 5SF	14,091
CPC Ltd	Component House, Fulwood, Preston, PR2 9PP	6,042
Crowd Control	Milton Place, 30 Tenby Street, Birmingham, B1 3EE	4,140
Cummins Allison	William H Klotz House, Colonnade Point, Coventry, CV6 4BU	8,006
Cyber Business Growth Ltd	10 Orange Street, Haymarket, London, WC2H 7DQ	68
Cyberis Limited	Unit E, The Courtyard, Tewksbury, GL20 8GD	3,365
Cygnia Maintenance Ltd	Units 3 & 4 Anson Close, Broadstairs, CT10 2YB	46,197
D G Private	504 Mansfield Road, Sherwood, Nottingham, NG5 2FB	140
Daisy Corporate Services	Alternative Networks, No.1 The Crescent Surbiton, KT6 4BN	110,052
Dale Maintenance	Halden House, Cardiff Road, Cardiff, CF15 7QD	15,965
Darter Pumping Solutions	46 Willclare Road, Sheldon, Birmingham, B26 2NT	847
Datagraphic Group Limited	Ireland Industrial Estate, Adelphi Way, Chesterfield, S43 3LS	1,191
Days	Swansea Road, Garnoch Swansea, SA4 4LL	3,324
Deloitte	The Pinnacle, 150 Midsummer Boulevard, Milton Keynes, MK9 1FD	15,001
Designs On Learning Ltd	Grove House, 1 Grove Place, Bedford, MK40 3JJ	3,650

Devoteam UK Ltd	The Euston Office, One Euston Square, London, NW1 2FD	160,605
Digicert Inc	2600 West Executive Parkway Suite 500 Lehi, UT USA 84043	1,183
Dimensions Clothing	3 Long Acre Willow Farm Business Park Castle Donington, DE74 2UG	430
Docusign Inc	221 Main Street, Suite 1550, San Francisco, CA 94105, United States	3,188
DRM	20 Viewfield Terrace, Dunfermline, KY12 7HZ	258
DSS Automatic Doors	2 Cairn Court, Nerston Industrial Estate, East Kilbride, G74 4NB	14,727
DWF LLP	Scott Place, 2 Hardman Street Manchester, M3 3AA	1,000
EC Gaming	C/- Bibby Factors Manchester Ltd, Suite E Magnetic House, Salford Quays , Manchester, 50 3XW	175,223
ECM	Burstwick Industrial Estate, Burstwick Hull, HU12 9EX	256,672
Ecosse	Po Box 26361 Ayr, KA7 9BU	801
Edward Thompson	Richmond Street, Sunderland, SR5 1BQ	35,378
Edward Thompson	Richmond Street, Sunderland, SR5 1BQ	1,610
Empire	Astra House 1 Kingsway Bridgend, CF31 3RY	13,751
Entertainment Seating Ltd	562-564 Lawmoor Street Dixon Blazes Industrial Estate Glasgow, G5 0TY	21,451
Entnet	Unit F5 Hilton Main Ind Est Bognop Road, Wolverhampton, WV11 2BE	6,328
Envirocare Grounds Maintenance	New Inn Farm, Dawson Lane Leyland, PR25 5DB	30
Environmental Agency	Income Dept 311, PO Box 263, Peterborough, PE2 8YD	1,209
Euclid Limited	Euclid House, Parklands Business Park, Denmead, PO7 6XP	7,112
Eurocoin Ltd	Unit 2, Travellers Close, Welham Green, AL9 7JL	1,077
Evac + Chair International	Paraid House Weston Lane Birmingham, B11 3RS	4,747
Eversheds	1 Royal Standard Place, Nottingham, NG1 6FZ	51,824
Eversheds	1 Royal Standard Place, City Centre Nottingham, NG1 6FZ	3,000

Facebook	4 Grand Canal Square, Grand Canal Harbour, Dublin 2,	118,222
Fastfix Building Maintenance	Unit 2 Hay Street, Sunderland, SR5 1BG	976
FDM Group Ltd	3rd Floor Cottons Centre, London, SE1 2QG	17,920
Folmount	Wheatroyd Farm, Wheatroyd Lane, Huddersfield, HD5 8XS	60,916
Freedom	Freedom House, Bradford Road, Tingley, WF3 1SD	1,961
Frodsham Sign & Display Ltd	Unit 5B Haydock Lane, Haydock Industrial Estate , WA11 9UY	1,136
Fs.Com Gmbh	Building 7 Nova Gewerbepark Munich, Germany	188
Future Cleaning Services Ltd	8 Opus Avenue, York Business Park, York, YO26 6BL	14
G4S Cash Solutions Ltd	Sutton Park House, 15 Carshalton Road, Sutton, SM1 4LD	48,173
Gamble Aware	7 Henrietta Street, London, WC2E 8PS	36,577
Gambling Business Group	C/O Gambling Business Group, Seebeck House, Milton Keynes, MK5 8FR	2,420
Gambling Commission	4th Floor Victoria Square House, Birmingham, B2 4BP	600
Gamcare	7 - 11 St John's Hill, Clapham Junction, London, SW11 1TR	8,548
Gameiom Technologies Ltd	Acclaim House, 12 Mount Havelock, Isle Of Man, IM1 2QG	52,515
Games Warehouse	Unit 3 Prospect Place, Derby, DE24 8HG	763
GB Group plc	Waterside Basin Road, Worcester, WR5 3DA	751
GDC Trading Ltd	85 St John Street, Malta, VLT 1165	30,315
Gddotcom1	406 Roding Lane South, Essex, IG8 8EY	23,980
Geoff Ball	Unit 1 Nether Street, Nottingham, NG9 2AT	568
Gladwin	Unit 2 Lynwood Court, Bristol, BS13 7TT	1,369
GLI UK Gaming Ltd	Llys Helyg Parc Menai, Bangor, LL57 4EZ	9,127
Glitzyingo	3 Leafy Lane, Derby, DE75 7HB	3,116
Global Draw Ltd	Howarth Court ,Gateway Crescent, Oldham, OL9 9XB	22,934
Goodstuff	Fifth Floor Corinthian House, London, W1T 7RL	644,928

Google Ireland	Gordon House, Barrow Street Dublin, DUBLIN 4	538,369
Grease Management	Eaton Works, Althorpe Street, Leamington Spa, CV31 2AU	859
Green Plan-It Ltd	Eco House, Dromintee Road Bardon Hill, LE67 1TX	62
Grosvenor	Balmoral House, Kettering Venture Park Kettering, NN15 6XU	11,280
Gurock Software Gmbh	Sudliche Ringstrasse 175 Langen Germany,	3,942
GXS Ltd	C/O Open Text Ltd, 420 Thames Valley Park Drive, Reading, RG6 1PT	1,074
Hants & Dorset Ind Gas	310 Burgess Road, Southampton, SO16 3BJ	90
Harvey Nash	110 Bishopsgate, London, EC2N 4AY	35,038
Healix	Healix House, Esher Green, Esher, KT10 8AB	13,532
Hedger Way Limited	20-22 Wenlock Road, London, N1 7GU	1,952
Helix Building Consultancy	Lennox House, Lennox Road, Cumbernauld, G67 1LL	1,225
Henry Riley Llp	Lansdown Building, 2 Lansdown Road, Croydon, CR0 2BX	1,425
Heronridge Services	Unit 1 & 2 Palm Court, Palm Street, Nottingham, NG7 7HU	1,705
Hevertch	Unit 2 Treefield, Industrial Estate Leeds, LS27 7JU	46,166
HF Electrical	100 Albert Drive, Glasgow, G41 2SJ	26,951
Home	Beechwood House, Beechwood Estate, Leeds, LS8 2LQ	7,702
Hope & Glory	71 Collier Street, London, N1 9BE	36,108
Horizon Food Service Equipment Ltd	33 Mere View, Industrial Estate Yaxley, Peterborough, PE7 3HF	71
Hudson Energy	Avebury House, 219-225 Avebury Boulevard, Milton Keynes, MK9 1AU	703,783
Hugh Stirling	87 Middlesex Street, Kinning Park Glasgow, G41 1EE	11,981
Hyland (Formerly Northgate)	110 Nottingham Road, Chilwell, Nottingham, NG9 6DQ	5,600
Iceni Projects	Flitcroft House, 114 -116 Charing Cross Road, London, WC2H 0JR	199
ICS Digital	1St Floor Manor House Leeds, LS7 1PZ	5,320

Idea Spark	2-93/8&9 2nd Floor 3 Cube Towers, Telangana, India	33,197
Igaming.Com Ltd	Druzki Str16 Bulgaria 9000	1,100
IGT	Ravensberger Str.41 32312 Lubbecke, Lubbecke, 32312, Germany	7,273
IGT (Gibraltar) Ltd	Suite 912 Europort , GX11 1AA	98,788
Impelus	35-41 Upper Mills Trading Estate, Stonehouse Gloucestershire, GL10 2BJ	160
Info@Xonmedia.Com	3-2-401 Yulanyuan Beiyuan Compound, Minzu North Road, China, 85001	7,347
Inspired Gaming	3 The Maltings, Wetmore Road, Burton-On-Trent, DE14 1SE	150,093
Inspired Gaming (Gibraltar) Ltd	4 Pitmans Alley, Gibraltar,	38,684
Inspired Thinking Group	315 Fort Dunlop, Fort Parkway, Birmingham, B24 9FD	494,740
Interflora	Interflora British Unit, Interflora House, Sleaford, NG34 7TB	36
Interserve FS(UK) Ltd	Po Box 4976, Dudley, DY1 4TA	2,780
iovation	555 SW Oak Street Suite 300 Portland, OR 97204, United States	12,160
IPlay	Blue Monkey Sales Building 13 Heol Mostyn Pyle, CF33 6BJ	3,402
Iron Mountain	Whitelaw House Alderstone Business Park Livingstone, EH54 7DF	2,901
ISD	Ground Floor 1000 Lakeside Portsmouth, PO6 3EZ	7,648
Isobel	144 New Cavendish Street, London, W1W 6YF	207,226
ISTA	The Officers' Mess, Royston Road Duxford, CB22 4QH	53,704
IT Fleet Automotive Ltd	IT House Notley Park Raydon Road, Colchester, C07 6QD	1
ITG	315 Fort Dunlop, Fort Parkway, Birmingham, B24 9FD	12,615
ITV	ITV Business Service Centre, Trafford Wharf Road Manchester, M17 1FZ	14,509
J&J Kelly T/A Prospect Associates	Yew Forest House, Forest Of Bere Estate, Ashley, SO20 6RQ	8,333
Jackson Consulting Engineers Ltd	8 Pride Point Drive, Pride Park, Derby, DE24 8BX	9,725

JCW	Unit 7 Saxon Business Centre, Saxon Way, Melbourn, SG8 6DN	20,585
JJ Consultancy Ltd	97 Welby Lane, Melton Mowbray, LE13 0ST	1,162
Kaleidovision	The Dovecote, Brickendonbury, Hertford, SG13 8NP	6,164
Kerry'S Fresh	Floor 6 City Gate East, Tollhouse Hill, Nottingham, NG1 5FS	276
Kick Dynamic	37 Warren Street, London, W1T 6AD	9,850
Kingspan Light + Air	Systems House Lamby Industrial Park Cardiff, CF3 2EX	1,969
KMS	Suite 4A Manor House, Heron Court, Basildon, SS14 3DF	3,215
Knownmedia	250 Chinaworks, Black Prince Road, London, SE1 7SJ	37,888
Knownow Ltd	15 Bowling Green Lane, London, EC1R 0BD	3,645
KPMG	Dept 791, 58 Clarendon Road, Watford, WD17 1DE	71,180
Lancaster City Council	Town Hall, Dalton Square, Lancaster, LA1 1PJ	617
Lane 4 Management Group Ltd	Tor Saint-Cloud Way Maidenhead, SL6 8BN	32,435
Leisure Technique Ltd	Saltsground Road, Brough, HU15 1EG	10,750
Lex Autolease	Heathside Park, Heathside Park Road, Stockport, SK3 0RB	1,366
Lindar Media	8 Sandridge Park, St Albans, AL3 6PH	2,030
Link Integrated	Lancaster House, Fountain Court, Mansfield, NG19 7DW	11,367
Littlestar1	Exchange House Milton Keynes, MK9 2EA	16,210
Live 5	Hilton Hall, Hilton Lane, Wolverhampton, WV11 2BQ	2,413
Loco Talent	9 Derry Street, London, W8 5HY	43,250
LogMeIn	Bloodstone Building, Block C, Riverside IV Dublin,	2
London Borough Of Newham	Armstrong House, First Avenue, Doncaster, DN9 3GA	2,838
Loquax Ltd	7 Bwlchygwnt Llanelli, SA15 2AJ	306
Love To Shop	Valley Road Birkenhead, CH41 7ED	18,961
LSI Ltd	Braemar House Snelsins Road Cleckheaton, BD19 3UE	1,050

Lytehouse Games	25 Tyle House Close, Llanmaes, CF61 2XZ	2,522
Madhead Music	32 Haregate Road, Leek, ST13 6PR	36,700
Magnetise	1 Lyric Square, London, W6 0NB	715
Marni Limited	48 The Queens Drive, Rickmansworth , WD3 8LT	11,400
Mars Drinks UK Ltd	Mars UK Ltd, Armstrong Road, Basingstoke, RG24 8NU	452
MDB Engineering	Shaw Lane Business Park , Shaw Lane, Barnsley, S70 6EH	750
MediAx_Bingo	Kingsway House, Havilland Street Guernsey, GY1 3QJ	1,710
Medway Escalators	Unit 15 Neptune Close, Strood, ME2 4LW	6,355
Merkur Engineering Ltd	Unit 6 Long Acre Trading Estate, Long Acre, Birmingham, B7 5JD	40,680
Metrorod	Ashwood Court, Tytherington Business Park Macclesfield, SK10 2XF	12,998
Mico Lighting	Troydale Lane, Pudsey, LS28 9LD	1,498
Mills & Reeve LLP	Botanic House, 100 Hills Road, Cambridge, CB2 1PH	21,342
Mitra Innovation Ltd	New Broad Street House, 35 New Broad Street London, EC2M 1NH	157,397
MIW Office Solutions	Bowman House, Oakeys Road, Stanley, DH9 9XW	950
Mobile Mini	28 Falcon Court, Preston Farm Business Park, Stockton-On-Tees, TS18 3TX	896
Mobius Solutions Ltd	Ben Avigdor, 18 Po Box 57048 Tel Aviv, 6157001	19,200
Mobivate	Elm House, St Julian'S Avenue St Peter Port, GY1 1GZ	153,682
Modified Solutions Ltd	Horsley, Eccleshall, ST21 6JD	300
Molson Coors	Carling House, 137 High Street Burton-on-Trent, DE14 1JZ	24,059
Moolands	Unit 6 Bowes Industrial Centre, Wrotham Road Meopham, DA13 0QB	8,924
Morson & Co Associates Ltd	65 Peck Way, Rushden, NN10 6BD	200
Mutuel Play Limited	53C Mabel Street, Woking, GU21 6NW	5,234
National Game	Lexham house, 75 High Street North, Dunstable, 32312	6,450

Natural Intelligence	Menachem Begin 37, Tel Aviv, 6522042, Israel	49,045
NCH New Castle House	Castle Boulevard Nottingham, NG7 1FT	850
NCR Ltd	9Th Floor, 5 Merchant Square, London, W2 1BQ	22,640
NCS Support Solutions Ltd	Unit 2 Octavian Way, Team Valley Trading Estate Gateshead, NE11 0HZ	3,186
Neil Richmond Property Consultant	Gilmoora House, 57-61 Mortimer Street, London, W1W 8HS	6,425
Neopost	South Street, Romford, RM1 2AR	3,354
Netnames Ltd	25 Canada Square, Canary Wharf, London, E14 5LQ	12,379
Ngeneration Ltd	Citypoint One, Ropemaker Street, London, EC2Y 9AW	3,186
Ngeneration Ltd	Ngeneration House, Castle Court, Dudley, DY1 4RH	19,330
Niar Media Partners	Z-86 2Nd Floor, Uttam Nagar, India	150
Nightingale Cleaning Ltd	9 Southmill Trading Centre, Southmill Road Bishops Stortford, CM23 3DY	221
Niti Jain	Delhi1100018, India	50
NLA Media Access Limited	Wellington Gate, Church Road, Tunbridge Wells, TN1 1NL	852
North Hill Garden Maintenance Ltd	15-17 Nasmyth Road, South Glasgow, G52 4RE	141
Northern Mailroom	8 Elm Close, Hexham, NE46 2RD	7,126
Northernshire Facilities	Management, Pauls Farm, Preston, PR26 7SY	19,730
Nottingham City Council	Business Rates Resources, Nottingham, NG2 3NG	12,037
Now In A Minute Ltd	23 Deri Road, Cardiff, CF23 5AH	3,301
NSF Safety And Quality Ltd	Hanborough Business Park, Long Hanborough, OX29 8SG	1,054
NTT United Kingdom Ltd	Dimension Data House Building 2 Fleet, GU51 3QT	2,966
O2 (Telefonica)	260 Bath Road, Slough, SL1 4DX	2,517
Oasis Group	Quadrant 1, Homefield Road, Suffolk, CB9 8QP	904
Office Team	Unit 4 500 Purley Way, Croydon, CR0 4N2	6,991
Office Team	Unit 4 Purley Way, Croydon, CR0 4NZ	86
Ogilvie	Ogilvie House, 200 Glasgow Road, Stirling, FK7 8ES	82,376

Oliver James Associates Ltd	Spinningfields No. 1 Hardman Street, Manchester, M3 3EB	2,576
Omega Citylifts	7 Bridgegate Centre Martinfield, Welwyn Garden City, AL7 1JG	7,746
Open Partners	Xyz Building 2 Hardman Boulevard, Manchester, M3 3AQ	14,000
Options	Options House, Maries Way, Newcastle-under-Lyme, ST5 6PA	6,426
Optivalcasinoppc	Menachem Begin 114 Israel, 6701309	26,100
Oris Media Ltd	The Station, Great Chesterford, Saffron Walden, CB10 1NY	100
Orona Limited	Building 9, Europa View, Sheffield Business Park, Sheffield, S9 1XH	668
Otis	Cashiers Department, Otis, Leicester, LE4 5QX	2,966
Pageant Gaming Media	One London Wall London, EC2Y 5EA	1,935
Palmer Marketing Ltd	56 Stone Road, Broadstairs, CT10 1DZ	1,080
Paysafe Prepaid Services Limited	Grand Canal House Grand Canal Street Upper Dublin 4, Ireland, D04 Y7R5	4,339
PCF Print Management Ltd	Oak House, Langstone Business Village Newport, NP18 2LH	119
Perfomalis Ltd	Nikola Vaptsarov Str 5 Varna ,	4,955
Perspektiv	34 Stoney Street, The Lace Market, Nottingham, NG1 1ND	6,600
PFC Engineering	Station Road, Great Chesterford, CB10 1NY	53
PHS	Western Industrial Estate, Caerphilly, CF83 1XH	15,397
Plastic Card Services	234 Humberstone Lane, Thurmaston, LE4 9JN	31,318
Playtech	Strovolou, 146-148 Petousis House, Strovolos, 2048 NICOSIA	1,680,739
Plymouth City Council	Windsor House, Plymouth, PL6 5UF	467
PMS / Ethos International	International House Cricketers Way Basildon, SS13 1ST	1,542
Poppleston Allen	37 Stoney Street, The Lace Market Nottingham, NG1 1LS	1,400
Posh Nosh (East Midlands) Ltd	Unit D/1C Sandiacre Trade Centre Derby Road Nottingham, NG10 5HU	244

Powercare Electrical Services	24 Regency Park ,Ingleby Barwick, Stockton-on-Tees, TS17 0QR	2,672
Professional Touch	49 Elmdon Park Road, Solihull, B92 9HB	510
Project Coin	3rd Floor Athena House, 86-88 London Road, Morden, SM4 5AZ	2,313
Promoseo Ltd	16 Denton Road, Bolton, BL2 6RH	5,561
Propertymark Ltd	Arbon House, 6 Tournament Court, Warwick, CV34 6LG	255
Proskauer Rose (UK) LLP	110 Bishopgate, London, EC2N 4AY	5,223
Protec	Churchill Way, Nelson, BB9 6RT	95,536
Psiclone	28 Speedwell Close, Walsall, WS9 0DL	27,982
PTSG Electrical Services Ltd	Unit 13 Flemming Court, Castleford, WF10 5HW	155
Quod Planning Services Limited	33 Cavendish Square, London, W1G 0PW	920
Realistic Games Ltd	8th Floor North Reading, Bridge House, Reading, RG1 8LS	5,753
Reed Business Information	Oakfield House, Perrymount Road, Haywards Heath, RH16 3DH	4,682
Refix	65 New Road, Netley Abbey, Southampton, SO31 5BN	250
Reflex	301 Bowbridge Road, Newark, NG24 4EQ	28,917
Regal Gaming	FAO Clive Barrett, 132-139 Brookfield Pi, Preston, PR5 8BF	30,017
Regal Gaming & Leisure	139 Brookfield Place, Walton Summit Preston, PR5 8BF	3,080
Rentokil	Credit Contro,l PO Box 4973, Dudley, DY1 9EY	16,198
Rentokil	Ebony House, Castlegate Way, Dudley, DY1 4TA	720
Rhodar Limited	Accounts Department, Unit C Astra Park, Leeds, LS11 5SZ	3,230
Rise Project	Cay 1, Tortola, British Virgin Islands	6,980
Riskwatch	Parkside House, 11 Ravenscourt Road, Derby, DE22 4DL	375
Rlms	Unit C4, Beeches Park, Eastern Avenue, Burton-on-Trent, DE13 0BB	31,107

Rob Agnew - Houston Alexander Consulting	52 Hazel Way, Nantwich, CW5 5XG	7,500
Robert Half Limited	10th Floor, The Shard London, SE1 9SG	22,412
Royal Mail	Payment Processing Centre, Rowland Hill House Chesterfield, S49 1HQ	4,765
Savawatt Controls Limited	Barlestone Road, Newbold Verdon Leciester, LE9 9NF	1,458
Savills	Unex House, 132-134 Hills Road, Cambridge, CB2 8PA	4,000
Sayu Limited	First Floor Scotswood House Teesdale South Stockton-On-Tees, TS176SB	11,677
Schindler Ltd	Benwell House Green Street Sundbury-On-Thames, TW16 6QT	481
Scientific Games (Gibraltar) Limited	Suite 4.1 International House, Bell Lane Gibraltar, GX1 1AA GI	116,168
Sf Recruitment Ltd T/A Sf Group	6 Millennium Way, West Phoenix Centre Nottingham, NG8 6AS	4,016
Sherwood Electrics Ltd	Solaris House, Dunmere Road Torquay, TQ1 1LR	35
SHI UK	401 Grafton Gate, Third Floor, Milton Keynes, MK9 1AQ	33,769
Shred-It	Second Floorcorner House, 177 Cross Street, Sale, M33 7JQ	861
Shropshire Council	Revenues and Benefits, PO Box 4749, Shrewsbury, SY1 9GH	92
Siemens Financial Service	Sefton Park, Bells Hill, Stoke Poges, SL2 4JS	3,080
Simon Burridge & Associates	Manor Farm House, Driffield Cirencester, GL7 5PY	10,443
Sky Business Division	Po Box 1805, Livingston, EH54 7XG	30,710
Slot Academy B.V	Bisonpoor 3002, C 601 3605 Lt Maarssen, the Netherlands	2,557
Softcat Ltd	Thames Industrial Estate, Fieldhouse Lane, Marlow, SL7 1LW	94,061
Springbok Enterprise Solutions Ltd	Hillrise House, 35 Launde Road, Leicester, LE2 4HH	1,421
Stanford Marsh	Haycroft Works, Buckholt Drive, Worcester, WR4 9ND	923

Storm	Science Centre, University Of Wolverhampton Science, Wolverhampton, WV10 9RU	6,654
Sure Safe	College Farm Business Centre, North End Royston, SG8 6NT	870
Surveymonkey	2 Shelbourne Buildings, 2nd Floor Ballsbridge, Dublin 4	750
Sutton Media Ltd	Park House, 15 Nottingham Road ,Kimberley, NG16 2NB	998
Suzo International	Unit 1-2 King Georges Trading Estate, Davis Road, Chessington, KT9 1TT	31
Swan Partners	St Bartholomew House, 92 Fleet Street, London, EC4Y 1DG	72,063
Systal IT Services Ltd	Rowan House 1, Robroyston Oval, Glasgow, G33 1AP	4,860
The Digital Form Consultants Ltd	48 Cank Street Leicester, LE1 5GW	1,338
The Gate Worldwide Ltd	90 Tottenham Court Road. London, W1T 4TJ	256,306
Thermolast Roofing Ltd	543 Carlisle Street East. Sheffield, S4 8DT	20,293
Timico Limited	Beacon Hill Park Newark, NG24 2TN	17,265
Timms Consultancy Limited	35 Clarendon Square. Leamington Spa, CV32 5QY	11,600
Titan Containers	Titan Arcticstore A/S Europa Trading Centre Grays, RM20 4DB	41
Tmrw	314-316 Upper Richmond Road. Putney. London, SW15 6TL	3,362
Total Gas & Power	Bridgegate. 55/57 High Street Redhill, RH1 1RX	291,118
T-Point	Liberty House 43-53 Moorbridge Road Maidenhead, SL6 8LT	21,757
Trafficpoint Ltd	52 Menachem Begin Road, 6713701 Tel Aviv-Yafo, Israel	100,855
Transunion International UK Limited	One Park Lane, Leeds, LS3 1EP	8,148
Trisoft	3 Canalside, Canal Street, Nottingham, NG1 7ET	998
Tronios Bv	Bedrijvenpark Twente, 415 Almelo, 7602 KM, the Netherlands	4,335
Turnpower	Brook House, 5 Kimpton Road, Sutton, SM3 9QL	2,243
Ubud Ltd	2nd Floor, Dome Building, Richmond, TW9 1DT	20,194

UK Landscapes	Clipper House, Chester Road, Stretford, M32 8AF	960
Version 1 Enterprise Services Ltd	Grosvenor House, Prospect Hill, Redditch, B97 4DL	10,772
Verve Search	Bankside 3, 90-100 Southwark Street, London, SE1 0SW	109,201
Viking	Hagar House, Hickman Avenue, Wolverhampton, WV1 2UA	145,746
VIP Travel	Harborough Innovation Centre, Airfield Business Park Market Harborough, LE14 5WB	15,770
VPS Evander	Credit Management Department, Old Chapel Way, Norwich, NR7 0WG	2,310
W G Silverton	Silverton Mews, Metting House Lane, Baldock, SG7 5BP	31,623
Water Solutions	Unit 4 Howbury House, Dartford, DA1 4RQ	17,419
Waterboy Limited	Unit 10 Venture Court, Accrington, BB5 5WH	35
Waterlogic	Angel House Shaw Road, Wolverhampton, WV10 9LE	10,022
Wave Utilities UK	Po Box 4998, Lancing, BN11 9AY	337,656
WBCA Limited	3 Boyne Park, Tunbridge Wells, TN4 8EN	845
We Can	13 Everard Road, Bedford, MK41 9LD	2,751
Weather Consultancy Services Ltd	The Weather Centre, 188 Common Road, Wombourne, WV5 0LT	1,529
Wepaye Umbrella (Adam Holmes)	138 University Street, Belfast, BT7 1HH	5,760
Whittle Programmed Maintenance	Ryan House, Ryan Business Park, Nottingham, NG7 7EF	208
Will@Clickwork7.Com	Submission Technology Ltd, Heritage House, Kent, DA5 3LZ	55
Willow Communications Ltd	Kilvey Road Brackmills, Northampton, NN4 7BQ	27,844
Winnersmedia	88 St. Werburghs Road, Manchester, M21 0UL	131
Wm Austin	Arden House 1st Floor, Coventry, CV7 7DL	5,225
Worcester City Council	Revenues & Benefits, PO Box 11, Worcester, WR10 1PU	654
Worldpay	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	32,802

Worldpay Ap Ltd	3 Hardman Square, Spinningfields, Manchester, M3 3EB	1,657
XCM	York House, Wetherby Road, York, YO26 7NH	15,000
Xerox Finance	Po Box 4017, Worthing, BN14 8RJ	1,791
XI Media Plc	6 Agias Marinas, 4044, Limassol, Cyprus	9,795
Xterra Games Ltd	Sterling Bahamas Suite 205A, Saffrey Square,	17,270
Zellis UK Limited	Peoplebuilding, 2 Peoplebuilding Estate, Hemel Hempstead, HP2 4NW	13,097
Zerographic	Dunston Hall, Dunston Stafford, ST18 9AB	528
Zoomgaming	31B Triq Is-Sirk Swieqi, Malta, SWQ3217	11,028

**SCHEDULE 31**

**Shareholder Details**

<b>Shareholder</b>	<b>Shareholding in BGL</b>
Buzz Entertainment Limited	100%