

The Insolvency Act 1986

**Administrator's progress report**

|  |                                   |
|--|-----------------------------------|
| Name of Company<br>Regional Offices (LBC) Limited                    | Company number<br>00972499        |
| In the High Court of Justice<br>Chancery Division<br>Companies Court | Court case number<br>2565 of 2012 |

(a) Insert full name(s) and address(es) of administrator(s)

We (a)  
A P Beveridge  
Zolfo Cooper  
10 Fleet Place  
London  
EC4M 7RB

S J Appell  
Zolfo Cooper  
10 Fleet Place  
London  
EC4M 7RB

A C O'Keefe  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

administrators of the above company attach a progress report for the period

(b) Insert date

From

(b) 21 September 2012

To

(b) 20 March 2013

Signed

  
Joint Administrator

Dated

15. 4. 13

**Contact Details.**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public register. COMPANIES HOUSE

Suzie Friedrich  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

DX Number

+44 (0) 161 838 4500  
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -  
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



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16/04/2013

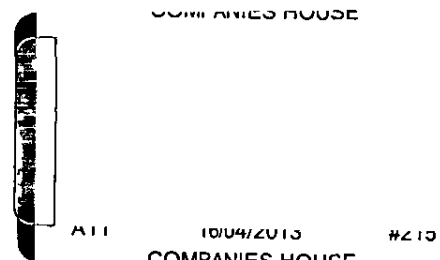
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COMPANIES HOUSE

# Joint Administrators' Progress Report for the period 21 September 2012 to 20 March 2013

Regional Offices (LBC) Limited  
In Administration

12 April 2013



## Contents

|   |                                    |   |
|---|------------------------------------|---|
| 1 | Statutory information              | 2 |
| 2 | Progress of the Administration     | 2 |
| 3 | Assets still to be realised        | 3 |
| 4 | Joint Administrators' remuneration | 3 |
| 5 | Estimated outcome for creditors    | 4 |
| 6 | Ending the Administration          | 4 |
| 7 | Creditors' rights                  | 5 |
| 8 | Next report                        | 5 |

## Appendices

|   |            |
|---|------------|
| Receipts and Payments Account for the period 21 September 2012 to 20 March 2013<br>and a Cumulative Account for the period 21 March 2012 to 20 March 2013 | Appendix A |
| Time Analysis for the period 21 September 2012 to 20 March 2013   | Appendix B |
| Cumulative Time Analysis for the period 21 March 2012 to 20 March 2013  | Appendix C |
| Additional information in relation to the Joint Administrators' remuneration pursuant<br>to Statement of Insolvency Practice 9                            | Appendix D |

Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester M2 1AB

t +44 (0) 161 838 4500 f +44 (0) 161 838 4501

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[www.zolfocooper.com](http://www.zolfocooper.com)

## 1 Statutory information

- 1.1 Alastair Beveridge was appointed Joint Administrator of Regional Offices (LBC) Limited (the **Company**) together with Simon Appell and Anne O'Keefe on 21 March 2012 by the directors of the Company, c/o 3000 Hillwood Drive, Chertsey, Surrey, KT16 0RS
- 1.2 The Administration is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.3 The Administration is registered in the High Court of Justice, under reference number 2565 of 2012
- 1.4 The Company is part of a larger group of property companies, which are owned by Regus Plc (the **Group**)
- 1.5 The Company was tenant to two properties, Haywood House North, Dumfries Place, Cardiff, CF10 3GA (Cardiff) and Park House, 111 Uxbridge Road, Ealing, London, W5 5LB (Ealing) (together the **Properties**) The business traded under its registered name
- 1.6 The registered office of the Company has been changed from 3000 Hillwood Drive, Chertsey, Surrey, KT16 0RS to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and its registered number is 00972499
- 1.7 In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators.

## 2 Progress of the Administration

- 2.1 Attached at Appendix A is the Joint Administrators' Receipts and Payments Account for the period 21 September 2012 to 20 March 2013, together with a Cumulative Account for the period 21 March 2012 to 20 March 2013.
- 2.2 The analysis of receipts and payments for the period excludes the following costs which have been incurred but not yet paid All costs will be paid within the agreed period with each supplier.

| Cost category   | Supplier          | Amount not yet paid £± |
|-----------------|-------------------|------------------------|
| Legal fees      | SNR Denton UK LLP | 3,170                  |
| Insurance costs | Willis Limited    | 106                    |
| <b>Total</b>    |                   | <b>3,276</b>           |

- 2.3 This report should be read in conjunction with the Joint Administrators' Report and Statement of Proposals (the **Proposals**) dated 30 April 2012 and the Progress Report (the **Previous Report**) dated 19 October 2012
- 2.4 The Joint Administrators are continuing to liaise with a third party in relation to the assignment of the lease at the Ealing property. Since the Previous Report, an LPA Receiver has been appointed over the property, which has resulted in a delay in the assignment. There will be no realisations from this source, however the assignment will result in a reduction in creditors' claims The Joint Administrators anticipate that the negotiations will be successfully concluded within the next six months
- 2.5 Since the last report, trade debtors of £2,195 have been collected and three balances totalling £3,704, have been written off as irrecoverable

- 2.6 In addition, cash at bank of £398 and rates refunds totalling £5,549 have been realised and bank interest of £77 has accrued on account
- 2.7 Regus Management UK Limited (RMUK) is continuing to collect the rent from the tenants of the Ealing property, which is used to pay the landlord and cover various property costs, before drawing a management fee. The rent collected is shown gross on the Receipts and Payments Account at Appendix A, together with the costs incurred in the running of the property. After all costs, the property is trading at a loss, which is being borne by RMUK. As such, no funds will be remitted to the Administration from Ealing.
- 2.8 As the above matters were unlikely to be concluded in advance of the expiration of the Administration on 20 March 2013, the Joint Administrators sought the consent of the secured creditor to extend the Administration for a period of six months to 20 September 2013. Creditors were advised of the successful application on 5 November 2012.

### **3 Assets still to be realised**

- 3.1 As detailed above, the Joint Administrators are continuing to seek an assignment of the Ealing lease

### **4 Joint Administrators' remuneration**

- 4.1 In accordance with rule 2.106 of the Insolvency Act 1986, Regus No. 1 SARL (SARL), the secured creditor, approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administration
- 4.2 The Joint Administrators' time costs for the period 21 September 2012 to 21 March 2013 are £9,157. This represents 43 hours at an average rate of £212 per hour. Attached at Appendix B is a Time Analysis for the period which provides details of the costs incurred by activity and by staff grade
- 4.3 Principal areas of activity during the period are discussed in further detail below
- **Administration and planning** - time has been incurred implementing and monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here
  - **Realisation of assets - floating charge** - time recorded within this category includes dealing with the collection of funds from the Group and liaising with matters in relation to the Properties
  - **Creditors** - time has been incurred preparing statutory reports and reporting to the secured creditor
- 4.4 A copy of 'A Creditors' Guide to Administrators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on **Creditors' Guide to Fees** in the menu on the left side of the screen after logging in. If you would prefer this to be sent to you in hard copy please contact the Joint Administrators and they will forward a copy to you
- 4.5 Attached at Appendix C is a Cumulative Time Analysis for the period 21 March 2012 to 20 March 2013, which provides details of the costs incurred by activity and by staff grade since the Joint Administrators' appointment

- 4 6 To date, fees totalling £17,776 have been drawn on account, in addition to category 1 disbursements of £156 and category 2 disbursements of £28, consisting of photocopying, charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying
- 4 7 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of current charge-out rates by staff grade is provided at Appendix D

## **5 Estimated outcome for creditors**

### **Secured creditor - Regus No.1 S.A.R.L**

- 5 1 The Company granted a floating charge to SARL on 24 March 2009 SARL is owed approximately £3.5 million. To date, £14,965 has been distributed and further funds are expected to be available, however a significant shortfall will be incurred

### **Unsecured creditors**

- 5 2 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund), commonly known as the 'prescribed part'
- 5 3 The Company granted a floating charge to SARL on 24 March 2009. Accordingly, the Joint Administrators are required to create an Unsecured Creditors' Fund out of the Company's net floating charge property for unsecured creditors
- 5 4 Based on present information, the Joint Administrators estimate the value of the Company's net floating charge property to be £164,223. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £35,845, before costs
- 5 5 There will be insufficient funds available to enable a dividend to be paid to the unsecured creditors, other than by virtue of the Unsecured Creditors' Fund.

## **6 Ending the Administration**

- 6 1 The Joint Administrators anticipate that a dividend will be paid to the unsecured creditors. The Joint Administrators intend to submit an application to Court for consent to pay the prescribed part dividend in the Administration, following which the Administration will be brought to a close

### **Dissolution of the Company**

- 6 2 Should permission to distribute to the unsecured creditors in the Administration be granted, the Joint Administrators will pay the Unsecured Creditors' Fund, then file notices at court and with the Registrar of Companies for the dissolution of the Company. The Joint Administrators will send copies of these documents to the Company and its creditors.

### **Creditors' Voluntary Liquidation (CVL)**

- 6 3 If the Joint Administrators are unable to gain permission to distribute funds to the unsecured creditors in the Administration, they will file notices with the Registrar of Companies in order that the Administration will cease and the Company will automatically move into CVL.

### **Discharge from liability**

- 6 4 The Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointment as Joint Administrators ceases to have effect

## **7 Creditors' rights**

- 7 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 7 2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or that the remuneration charged or the expenses incurred by the Joint Administrators as set out in this report are excessive

## **8 Next report**

- 8 1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administration, or earlier if the Administration has been finalised

For and on behalf of  
Regional Offices (LBC) Limited



Anne O'Keefe  
Joint Administrator

Encs

**Receipts and Payments Account for the period  
21 September 2012 to 20 March 2013 and a  
Cumulative Account for the period 21 March 2012  
to 20 March 2013**

**Appendix A**

| Statement<br>of Affairs<br>£             | Period<br>£      | Cumulative<br>£  |
|--|------------------|------------------|
| <b>Floating charge assets</b>            |                  |                  |
| <b>Receipts</b>                          |                  |                  |
| 23,500 Trade debtors                     | 2,195            | 19,796           |
| 141,631 Cash at bank                     | 398              | 141,973          |
| 11,372 Rates refund                      | 5,549            | 16,921           |
| Bank interest                            | 77               | 128              |
| Property income                          | 210,486          | 414,316          |
| 20,945 Other debtors                     | 5,775            | 20,945           |
|  | <u>224,480</u>   | <u>614,079</u>   |
| <b>Payments</b>                          |                  |                  |
| Joint Administrators' remuneration       | -                | 17,776           |
| <b>Category 1 disbursements</b>          |                  |                  |
| Specific penalty bond                    | -                | 80               |
| Statutory advertising                    | -                | 76               |
| <b>Category 2 disbursements</b>          |                  |                  |
| Photocopying                             | -                | 28               |
| <b>Property costs</b>                    |                  |                  |
| Rents                                    | 90,000           | 184,839          |
| Management service charge                | 34,889           | 39,111           |
| Insurance of assets                      | 6,624            | 14,073           |
| Tenants' costs                           | 18,228           | 31,753           |
| Utilities                                | 18,413           | 41,908           |
| Other property costs                     | 42,438           | 102,738          |
| Bank charges                             | 3                | 14               |
|  | <u>(210,595)</u> | <u>(432,396)</u> |
| <b>Distributions</b>                     |                  |                  |
| Floating chargeholder                    | -                | 14,965           |
|  | -                | <u>(14,965)</u>  |
| <b>Balance of floating charge assets</b> | <u>13,885</u>    | <u>166,718</u>   |
| <b>Total balance</b>                     |                  | <u>166,718</u>   |
| <b>Represented by</b>                    |                  |                  |
| Interest bearing account                 |                  | 160,133          |
| VAT receivable                           |                  | 6,585            |
|  |                  | <u>166,718</u>   |



# Time Analysis for the period 21 September 2012 to 20 March 2013

## Appendix B

|                                       | Employee grade (hours) |                  |                       |                            | £           |                 |                          |
|---------------------------------------|------------------------|------------------|-----------------------|----------------------------|-------------|-----------------|--------------------------|
|                                       | Partner/<br>director   | Senior associate | Associate/<br>analyst | Junior analyst/<br>support | Total hours | Total cost      | Average rate per<br>hour |
| Administration and planning           |                        |                  |                       |                            |             |                 |                          |
| Strategy and control                  | 0.9                    | 6.4              | 0.7                   | 2.8                        | 10.8        | 3,553.50        | 329                      |
| Statutory duties                      |                        |                  | -                     | 2.8                        | 2.8         | 434.00          | 155                      |
| Case administration                   | 0.5                    |                  |                       | 3.4                        | 3.9         | 797.50          | 204                      |
| Accounting and treasury               |                        | 0.4              |                       | 9.1                        | 9.5         | 1,372.00        | 144                      |
| Internal documentation                |                        |                  |                       | 0.9                        | 0.9         | 135.00          | 150                      |
| Realisation of assets floating charge |                        |                  |                       |                            |             |                 |                          |
| Recovery of assets                    |                        | 0.1              | 1.1                   | 1.0                        | 2.2         | 522.50          | 238                      |
| Dealing with third party assets       |                        |                  |                       | 1.0                        | 1.0         | 150.00          | 150                      |
| Creditors                             |                        |                  |                       |                            |             |                 |                          |
| Reporting to creditors                |                        |                  | 1.3                   | 7.9                        | 9.2         | 1,581.50        | 172                      |
| Secured creditors                     |                        | 0.8              |                       |                            | 0.8         | 296.00          | 370                      |
| Unsecured creditors                   |                        |                  |                       | 2.1                        | 2.1         | 315.00          | 150                      |
| <b>Totals</b>                         | <b>1.4</b>             | <b>7.7</b>       | <b>3.1</b>            | <b>31.0</b>                | <b>43.2</b> | <b>9,157.00</b> | <b>212</b>               |

## Cumulative Time Analysis for the period 21 March 2012 to 20 March 2013

## Appendix C

|  | Employee grade (hours) |                  |                       |                            | £            |                  |                          |
|--|------------------------|------------------|-----------------------|----------------------------|--------------|------------------|--------------------------|
|  | Partner/<br>director   | Senior associate | Associate/<br>analyst | Junior analyst/<br>support | Total hours  | Total cost       | Average rate per<br>hour |
| <b>Administration and planning</b>           |                        |                  |                       |                            |              |                  |                          |
| Planning                                     |                        |                  |                       | 0 1                        | 0 1          | 15 00            | 150                      |
| Strategy and control                         | 1 2                    | 15 5             | 5 1                   | 2 9                        | 24 7         | 8,484 50         | 344                      |
| Statutory duties                             |                        | 2 0              | 7 2                   | 3 5                        | 12 7         | 3,555 00         | 280                      |
| Case administration                          | 0 5                    | 0 8              | 4 2                   | 4 7                        | 10 2         | 2,601 50         | 255                      |
| Accounting and treasury                      | 0 2                    | 1 1              | 1 6                   | 16 2                       | 19 1         | 3,083 50         | 161                      |
| Internal documentation                       |                        | 0 5              |                       | 1 3                        | 1 8          | 380 00           | 211                      |
| <b>Investigations</b>                        |                        |                  |                       |                            |              |                  |                          |
| Director conduct reports                     | 0 5                    | 0 1              |                       | 4 0                        | 4 6          | 924 50           | 201                      |
| Other investigations                         |                        |                  |                       | 0 5                        | 0 5          | 75 00            | 150                      |
| <b>Realisation of assets floating charge</b> |                        |                  |                       |                            |              |                  |                          |
| Asset realisation strategy                   |                        | 0 5              | 1 8                   |                            | 2 3          | 754 00           | 328                      |
| Asset identification and valuation           |                        |                  | 3 0                   |                            | 3 0          | 915 00           | 305                      |
| Sale of assets                               |                        | 0 3              |                       |                            | 0 3          | 111 00           | 370                      |
| Recovery of assets                           |                        | 0 1              | 1 1                   | 1 1                        | 2 3          | 537 50           | 234                      |
| Dealing with third party assets              |                        |                  | 4 9                   | 7 2                        | 12 1         | 2,574 50         | 213                      |
| <b>Creditors</b>                             |                        |                  |                       |                            |              |                  |                          |
| Internal documentation                       |                        |                  |                       | 0 9                        | 0 9          | 135 00           | 150                      |
| Reporting to creditors                       |                        | 2 5              | 12 1                  | 8 7                        | 23 3         | 6,020 50         | 258                      |
| Secured creditors                            |                        | 0 8              |                       | 0 2                        | 1 0          | 326 00           | 326                      |
| Unsecured creditors                          |                        | 1 6              |                       | 3 8                        | 5 4          | 1,162 00         | 215                      |
| <b>Totals</b>                                | <b>2 4</b>             | <b>25 8</b>      | <b>41 0</b>           | <b>55 1</b>                | <b>124 3</b> | <b>31,654 50</b> | <b>255</b>               |

## Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9

## Appendix D

### 1 Policy

Detailed below is Zolfo Cooper's policy in relation to

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements

#### 1.1 Staff allocation and the use of sub-contractors

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Joint Administrators have not utilised the services of any sub-contractors in this case.

#### 1.2 Professional advisors

On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

| Name of professional advisor     | Basis of fee arrangement      |
|----------------------------------|-------------------------------|
| Sidley Austin LLP (legal advice) | Hourly rate and disbursements |
| SNR Denton UK LLP (legal advice) | Hourly rate and disbursements |
| Willis Limited (insurance)       | Risk based premium            |

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

#### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document

storage. Any properly reimbursed expenses incurred by the Joint Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Category 2 disbursements that may be incurred are as follows:

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour.
- Business mileage for staff travel - charged at the rate of 45 pence per mile

## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2013 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

| Rates from<br>1 April 2013 |     | Rates pre<br>1 April 2013 |     |
|----------------------------|-----|---------------------------|-----|
| Description                | £   | Description               | £   |
| Partner 1*                 | 595 | Partner 1*                | 575 |
| Partner 2*                 | 540 | Partner 2*                | 520 |
| Director                   | 470 | Director                  | 450 |
| Associate director*        | 430 | Senior associate 1*       | 410 |
| Senior associate           | 390 | Senior associate 2*       | 370 |
| Associate                  | 320 | Associate                 | 305 |
| Analyst                    | 280 | Analyst*                  | 280 |
| Junior analyst             | 160 | Junior analyst*           | 150 |
| Senior treasury associate  | 230 | Senior treasury associate | 220 |
| Treasury associate         | 155 | Treasury associate        | 150 |
| Treasury analyst           | 100 | Treasury analyst          | 95  |
| Support                    | 84  | Support                   | 80  |

\*Key

*Partner 1 - partners with three or more years' experience at partner level*

*Partner 2 - partners with fewer than three years' experience at partner level*

*Promotion from senior associate to associate director from 1 April 2013 is on the basis of performance and experience*

*Prior to that, the distinction from senior associate 2 to senior associate 1 was made for staff with two or more years' experience at senior associate level*