

The Insolvency Act 1986

Liquidator's Progress
ReportPursuant to section 192 of the
Insolvency Act 1986

To the Registrar of Companies

S.192

For official use

Company Number

02088415

Name of Company

(a) Insert full name of
company

(a) DTZ Holdings plc

(b) Insert full name(s) and
address(es)

We, (b)

Alan Michael Hudson

Benjamin Thom Cairns

Ernst & Young LLP

Ernst & Young LLP

1 More London Place

1 More London Place

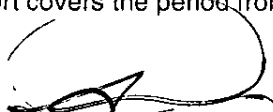
SE1 2AF

SE1 2AF

the liquidators of the company attach a copy of our Progress Report under section 192 of
the Insolvency Act 1986

The progress report covers the period from 2 October 2012 to 1 October 2013

Signed



Date

11/11/13

Presenter's name,
address and reference
(if any)

Florence Lightfoot

Ref MLP 7E/SD/FL/RD/AH/BCLO1262/PCF

Ernst & Young LLP

1 More London Place

SE1 2AF

For Official Use

Liquidation Section

Post Room

MONDAY



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COMPANIES HOUSE

TO ALL MEMBERS AND CREDITORS

11 November 2013

Ref MLP 7E/SD/FL/RD/AH/BCLO1262/PCF

Ref ML 7E/FL/RD/AH
Direct line 020 7951 7229
Direct Fax 020 7951 9232
Florence Lightfoot

email rdowney@uk.ey.com

Dear Sirs

DTZ Holdings Plc (In Creditors Voluntary Liquidation) ("the Company")

As you are aware, the administration of the company was converted to a creditors' voluntary liquidation and Benjamin Cairns and I became the Joint Liquidators of the company by virtue of the provisions of paragraph 83 of Schedule B1 to the Insolvency Act 1986

Benjamin Cairns and I were formally appointed as Joint Liquidators of the company 2 October 2012. I now write to provide you with our report on the progress of the liquidation for the period from 2 October 2012 to 1 October 2013

In accordance with the provisions of the Insolvency Rules 1986 we are required to provide certain information about the Company and the Joint Liquidators. The information can be found in Appendix A of this report. A copy of our receipts and payments account for the period from 2 October 2012 to 1 October 2013 is at Appendix B

Progress during the period of the report

Escrow Monies

The escrow agreement detailed that the sum of £15,400,010 should be held in an escrow account for up to three years from 4 December 2011. These monies would be used to settle two potential liabilities of the subsidiary companies. In the event that these liabilities do not crystallise, the balance held in escrow will be paid to the Company less a sum of £2,100,000 repayable to the Purchaser. In the event that the claims are settled for a lower amount than that currently held in escrow, both parties will receive a proportionate sum. Should this be the case, any surplus funds available to the Company will be realised and then distributed to the secured creditor.

A sum of £1,744,231 was received from Linklaters LLP in relation to the first escrow agreement. This realisation was strictly confidential and subject to common interest privilege, as such no further details can be disclosed in this report.

The sum of £26,755 has been paid to Linklaters LLP in relation to legal fees, associated with final matters associated with the Administration and dealing with the realisation of the first escrow

Company Directors Disqualification Act 1986 ("CDDA")

Pursuant to the CDDA, the Joint Liquidators have concluded their investigations into the conduct of the Company's Directors and their findings were submitted to the Department of Business Innovation and Skill

This report is confidential and therefore its contents cannot be disclosed

Company Stock Position

The Company received dividends totalling £87 during the reporting period in relation to its shareholding in Henderson Group plc. It is anticipated that the Henderson Group plc stocks will be realised in due course

Summary Receipts and Payments

Cash in the sum of £909,512 was taken over from the Administration on the appointment of the Joint Liquidators

A VAT refund totalling £26,182 was received from HM Revenue & Customs during the period covered by this report. The refund related to the Administration period

£2,254 has been received in bank interest and charges of £17 have been incurred during the period covered by this report



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Distributions

Secured Creditors

The secured creditor of the Company received total distributions of £79.52 million in the Administration. The final outcome for the secured creditor is dependent on the outcome of the monies held in escrow. These monies are captured by the secured creditors charge and as such, any surplus funds received by the Company will be distributed to the secured creditor.

I can advise that in the reporting period ending 1 October 2013, the secured creditor received a further dividend under its floating charge of £1,744,231 in relation to the first escrow agreement.

Preferential Creditors

There are no preferential creditors.

Unsecured Creditors

Unsecured creditor claims totalling £19,530,366 were received in the Administration and Liquidation. These claims were adjudicated by the Joint Liquidators and claims in the sum of £17,539,688 were agreed.

The only distribution available to unsecured creditors is in respect of the prescribed part.

The Prescribed Part

Pursuant to Section 176A of the Insolvency Act 1986, a first interim prescribed part dividend of 2.96p in the £, totalling £520,000 was paid to the unsecured creditors of the Company on 14 February 2013.

The value of the prescribed part will be the statutory maximum amount of £600,000, before the costs of dealing with the prescribed part. A small provision has been retained in respect of potential claims against the Company.

A second and final prescribed part dividend is anticipated in due course. However, I am not yet in a position to confirm the timing or quantum of a second and final dividend.

Shareholders

Pursuant to the Insolvency Act 1986 creditor claims rank in priority to all shareholder claims. In the circumstances of this Company, there is a significant shortfall to the creditors and therefore there is no return to Company shareholders.

Joint Liquidators' remuneration and expenses

The Joint Liquidators' remuneration was fixed on a time-cost basis by the secured creditor in the Administration and by the unsecured creditors at a meeting of creditors on 31 May 2013, in respect of the prescribed part

The Joint Liquidators and their staff have incurred and drawn fees approved by unsecured creditors totalling £12,907 in dealing with the first interim prescribed part dividend. This time includes all aspects of dealing with the prescribed part, arranging for statutory advertising, calling and holding an initial meeting of creditors, adjudication of claims and payment of the first interim dividend.

The Joint Liquidators and their staff have incurred time dealing with all other aspects of the liquidation, with the exception of the prescribed part. During the period 2 October 2012 to 1 October 2013, they have incurred time costs of £79,320 of which, £74,331 has been approved by the secured creditor and drawn.

At Appendix D to this report there is an analysis of the time spent, a summary of work carried out and a statement of our policy in relation to charging time and disbursements.

Joint Liquidators' statement of expenses incurred

During the period covered by this report, we have incurred expenses totalling £590.00 plus VAT. The expenses can be summarised as follows:

Type of expense	Incurred	Paid	Outstanding
Statutory Advertising	590.00	590.00	-



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Creditors' rights to further information about, and challenge, remuneration and expenses

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if members consider the costs to be excessive. Further information is provided in Appendix C.

On-going Matters

Please note that the liquidation will remain open for a further two years, pending further realisations in relation to those monies which are currently held in escrow.

If you require any additional information, please do not hesitate to contact either Rob Downey or Florence Lightfoot on the above direct line.

Yours faithfully
for the Company

A handwritten signature in black ink, appearing to be 'A M Hudson', written over a large, loopy flourish.

A M Hudson
Joint Liquidator

Alan Michael Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Association of Chartered Certified Accountants and Benjamin Thom Cairns is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales.

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.

DTZ Holdings Plc (In Creditors Voluntary Liquidation) (“the Company”)

Information about the company and the liquidators

Registered office address of the company	C/O Ernst & Young LLP 1 More London Place SE1 2AF
Registered number	02088415
Full names of the liquidators	Alan Michael Hudson and Benjamin Thom Cairns
Liquidators' address(es)	Ernst & Young LLP 1 More London Place SE1 2AF
Date of appointment of the Joint Liquidators	2 October 2012
Details of any changes of liquidator	None

DTZ Holdings Limited
(In Creditors' Voluntary Liquidation)

Joint liquidators' receipts and payments account for the period 2 October 2012
to 1 October 2013

2 October 2013 to 1
October 2013

£

Receipts

Cash Taken Over	909,512
Bank Interest	2,254
Admin VAT Refund	26,182
Escrow Account One - Final Payment	1,744,231
Dividend Income	87
Net Receipts	<u>2,682,266</u>

Payments

Legal Fees	(26,755)
Joint Liquidators Fees	(74,331)
Joint Liquidators Prescribed Part Fees	(12,907)
Bank Charges	(17)
Prescribed Part Interim Dividend	(520,000)
Escrow Account Distribution to Secured Creditor	(1,744,231)
Net Payments	(2,378,241)

Net Receipts & Payments

304,025

Made up as follows

Input VAT	22,799 00
Funds in Hand	281,226 00
	<u>304,025 00</u>

Creditor's rights to request further information about remuneration or expenses or to challenge a liquidator's remuneration – Rules 4.49E and 4.131 of the Insolvency Rules 1986 (as amended)

4 49E Creditors' request for further information

- (1) If—
 - (a) within the period mentioned in paragraph (2)—
- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (iii)(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—
- (i) any unsecured creditor, or
- (ii) makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4 49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108
- (2) The period referred to in paragraph (1)(a) and (b) is—
 - (a) 7 business days of receipt of the progress report where it is required by Rule 4 108, and
 - (b) 21 days of receipt of the report or draft report in any other case
- (3) The liquidator complies with this paragraph by either—
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
- giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditors who asked for the information, may apply to the court within 21 days of—
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4 148C(2) by such further period as the court thinks just
- (6) This Rule does not apply where the liquidator is the official receiver

4.131 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge,
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation

Rules 4 49E and 4 131 are reproduced from the Insolvency (Amendment) Rules 2010 under the terms of Crown Copyright Guidance issued by HMSO

DTZ Holdings Plc (In Creditors Voluntary Liquidation) ("the Company")

Joint Liquidators' time costs for the period from 2 October 2012 to 1 October 2013

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours this reporting period	Average Hourly Rate	Time Costs for period 2/10/2012 to 01/10/2013
Bank & Statutory Reporting	0.5	1.8	0.4		2.7	472.22	1,275.00
Employee Matters		2.8	0.2	0.5	3.5	373.71	1,308.00
Immediate Tasks			24.8		24.8	235.00	5,828.00
Legal Issues	3.7	21.9		1.5	27.1	468.19	12,688.00
Members		8	7.6		15.6	330.26	5,152.00
Other Matters	0.9				0.9	810.00	729.00
Property		0.1			0.1	420.00	42.00
Statutory Duties	1.2	0	2	3.2	6.4	311.95	1,996.50
VAT & Taxation	0.2	6.7	4.8	2	13.7	443.86	6,080.92
Accounting and Administration	2.1	14.3	27.8	29.2	73.4	279.04	20,481.45
Creditors (Mandatory)	1.4	14.4	20.1	1.2	37.1	331.36	12,293.50
Job Acceptance & Strategy		2.1		1.7	3.8	332.76	1,264.50
Investigation/CDDA		6	11.4		17.4	298.79	5,199.00
Other Assets	0.9	1.6	2.9		5.4	385.65	2,082.50
Dealing with Final Administration Matters		6.5		1	7.5	386.67	2,900.00
Grand Total	10.9	86.2	102	40.3	239.4	331.33	79,320.37

Hours engagement to date	10.9	86.2	102	40.3	239.40
Average Hourly rates	821.79	442.59	241.87	187.12	331.33
Time costs engagement to date	8,957.50	38,151.00	24,671.00	7,540.87	79,320.37

SIP9 Analysis of Prescribed Part time costs for the period 2 October 2012 to 1 October 2013

Classification of work function	Manager	Other Senior Professionals	Total hours this reporting period	Average Hourly Rate	Time Costs for the period
Prescribed Part	15.4	27.4	42.8	301.57	12,907.00
Total	15.4	27.4	42.8	301.57	12,907.00

Liquidators' charging policy for remuneration

The secured creditor has determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the office holders and their staff in attending to matters arising. This resolution continues in to the Liquidation and is applicable to the Joint Liquidators and their staff.

The liquidators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the liquidators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the

current hourly rates used Please note that the current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report

Job title	01-Jul-12	01-Jul-13
Partner	810	850
Executive Director	775	815
Director	735	770
Assistant Director	610	645
Senior Executive	420	440
Executive	310	325
Assistant Executive	235	295
Business Trainee	170	180
Accounting & Treasury Execs	225	235

Please note that these rates are subject to annual review on 1 July

Disbursements

Statement of Insolvency Practice No 9 divides disbursements into two categories

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors In line with Statement of Insolvency Practice No 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn

To date Category 1 disbursements totalling £506 have been incurred by the Company, in respect of in relation to statutory advertising

Category 2 disbursements are charges made by the office holder's firm that include elements of shared or overhead costs Such disbursements are subject to approval from the secured creditor as if they were remuneration

It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn

No Category 2 disbursements have been incurred by the Company to date

**DTZ Holdings Plc
(In Creditor's Voluntary Liquidation) (the "Company")**

Summary of work carried out from 2 October 2012 to 1 October 2013

Non prescribed part

- 1 Dealing with final statutory matters pertaining to the Administration
- 2 Filing of statutory appointment documentation with The Registrar of Companies (Companies House) and Her Majesty's Revenue & Customs ("HMRC"),
- 3 Opening, reconciling and ongoing maintenance of liquidation bank account,
- 4 Maintenance of liquidation accounting records,
- 5 Writing to all current and former directors of the Company within the last three years regarding the re-use of company name and statutory investigations under the Company Directors Disqualification Act 1986 ("CDDA"),
- 6 Statutory CDDA investigation of directors including the preparation and filing of a report with the Department for Business, Innovation & Skill,
- 7 Reporting to creditors and members of the Company in relation to progress in the liquidation to April 2013,
- 8 Convening and holding a meeting of creditors to appoint a liquidation committee (if requested) and agree the basis of remuneration of the Joint Liquidators in relation to prescribed part costs and related administration matters in dealing with the meeting
- 9 Making initial enquiries in respect of the potential Escrow liabilities to manage and ascertain the ongoing position,
- 10 Dealing with all matters pertaining to the first Escrow (Strictly confidential and subject to common interest privilege) therefore we are not able to provide you with more details,
- 11 Making regular enquiries in respect of the second and final Escrow account and confirming the on-going position,
- 12 Correspondence with the Company's lawyers in relation to the first Escrow agreement and receipt of the first Escrow payment,
- 13 Settlement of the legal fees associated with the first Escrow
- 14 Declaring and paying a first dividend to the secured creditor, in the liquidation,
- 15 Reviewing and ensuring certain novation agreements as part of the pre-packaged sale of the business were executed and liaising with the purchaser of the Company regarding associated issues,
- 16 Liaising with United Group Europe Limited ("UGL") (the purchaser of the Company) regarding on-going matters of trade brought to the liquidators attention and associated ad hoc matters,

- 17 Dealing with correspondence from multiple shareholders of the Company, advising in respect of any value held in the Company's shares and any queries raised by them in respect of their shareholding,
- 18 Dealing with and responding to potential creditors of the Company and advising in respect of the validity of their claims,
- 19 Correspondence with HMRC regarding the Company being added to the negligible value share register,
- 20 Liaising with certain parties regarding the potential realisation of the Company's shareholding in Henderson Group plc and initial research into the value of the stock holding, and
- 21 Preparation of and filing the final corporation tax return for the final administration period 1 May 2012 to 1 October 2012

DTZ Holdings Plc
(In Creditor's Voluntary Liquidation) (the "Company")

**Summary of work carried out from 2 October 2012 to 1 October 2013 in respect of
the prescribed part**

- 1 Preparation and circulation of a letter to creditors inviting them to lodge claims against the Company and giving notice of the intended dividend,
- 2 Advertising for creditor claims,
- 3 Adjudication of claims received from the unsecured creditors in the Administration and Liquidation periods Including telephone, email and written correspondence with creditors regarding their claims,
- 4 Review of complex claims received from certain unsecured creditors and liaising with professionals regarding such claims and adjudicating accordingly,
- 5 Correspondence with creditors whose claims have been agreed, disputed or rejected,
- 6 Calculating the sum available for a the first interim dividend and the calculation of an appropriate provision for future dividends, and
- 7 Declaring and paying the first interim dividend to unsecured creditors with agreed claims and issuance of letters and payment from the portion of monies set aside under the prescribed part