

The Insolvency Act 1986

Administrator's progress report

Name of Company MWB Serviced Office Holdings Limited	Company number 04129282
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 9341 of 2012

We
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Joint Administrators of the above Company attach a progress report for the period


From

10 December 2012

To

9 June 2013

Signed


Joint Administrator

Dated

13 JUNE 2013

SATURDAY



A25

A2AL5GOY

15/06/2013

#289

COMPANIES HOUSE

MWB GROUP HOLDINGS PLC FOR THE PERIOD ENDING 15 MAY 2012
MWB MANAGEMENT SERVICES LIMITED FOR THE ENDING 27 MAY 2012
MWB SERVICED OFFICE HOLDINGS LIMITED FOR THE PERIOD ENDING 9 JUNE 2012

(ALL IN ADMINISTRATION)

("the Companies")

COURT CASE NO. 8769 of 2012
COURT CASE NO. 9083 of 2012
COURT CASE NO. 9341 of 2012

**SIX MONTHLY PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 2.47 OF
THE INSOLVENCY RULES 1986 AND THE INSOLVENCY (AMENDMENT) RULES 2010**

12 June 2013

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Philip Stephen Bowers and Neville Barry Kahn were appointed Joint Administrators of MWB Group Holdings Plc on 16 November 2012, MWB Management Services Limited on 28 November 2012 and MWB Serviced Office Holdings on 10 December 2012. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Administrators"	Philip Stephen Bowers and Neville Barry Kahn of Deloitte LLP
"the Companies"	MWB Group Holdings Plc, MWB Management Services Limited and MWB Serviced Office Holdings Limited (all in administration)
"Deloitte"	Deloitte LLP
"the Court"	High Court of Justice, Chancery Division, Companies Court
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)
"Secured Creditor"	Bank of Scotland Plc
"MWBBX"	MWB Business Exchange Plc
"MWBP"	MWB Property Limited
"MWBG"	MWB Group Holdings Plc (in administration)
"MWBM"	MWB Management Services Limited (in administration)
"MWBS"	MWB Serviced Office Holdings Limited (in administration)
"m"	Million
"Malmaison"	MWB Malmaison Holdings Limited
"the Company"	One of the Companies
"Pyrrho"	Pyrrho Investments Limited

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the administrations of the Companies since the Administrators' proposals were circulated to creditors on 11 January 2013 and the update to creditors provided in our letter of 15 March 2013.

Given the information previously provided to creditors in our first report, we have not included detailed background information in respect of the Companies and have focused on progress of the administrations subsequent to that report.

The Administrators' proposals, as approved following the meeting of creditors held on 25 January 2013, are detailed in section 2.1 below.

A schedule of statutory information in respect of the Companies is attached at Appendix 1.

1.2 Details of the appointment of the Administrators

MWBG

Philip Stephen Bowers and Neville Barry Kahn of Deloitte were appointed Joint Administrators of MWBG by the Court following the filing of a Notice of Appointment of Administrators by the directors of MWBG on 16 November 2012 pursuant to Paragraph 22 of the Act.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Companies Court (case number 8769 of 2012).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

MWBM

Philip Stephen Bowers and Neville Barry Kahn of Deloitte were appointed Joint Administrators of MWBM by the Court following the filing of a Notice of Appointment of Administrators by the directors of MWBM on 28 November 2012 pursuant to Paragraph 22 of the Act.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Companies Court (case number 9083 of 2012).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

MWBS

Philip Stephen Bowers and Neville Barry Kahn of Deloitte were appointed Joint Administrators of MWBS by the Court following the filing of a Notice of Appointment of Administrators by the directors of MWBS on 10 December 2012 pursuant to Paragraph 22 of the Act.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division, Companies Court (case number 9341 of 2012)

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

1.3 Electronic communication with creditors

In an effort to reduce the costs of the administrations, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.com/uk/mwb

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for at least 3 months after being uploaded to the site.

2. ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, the Companies had significant secured and unsecured creditor liabilities and, in order to rescue the Companies as a going concern, a restructuring of these creditors would have been required. Subsequent to discussions with certain creditors prior to the administrations and, due to the insufficient value placed on the assets of the Companies by third parties, in order to effect a restructuring of the Companies' substantial debt, the Administrators concluded that it was not possible to rescue the Companies as a going concern.

Consequently, the Administrators have performed their functions in relation to the Companies with the objective set out in Paragraph 3(b) of Schedule B1 of the Act, which is to achieve a better result for the Companies creditors as a whole than would be likely if the Companies were placed into Liquidation. This objective was effectively achieved through the sale of the shares in MWBBX, further details of which can be found in section 3.4 of this report.

The Administrators' proposals in order to achieve this objective, which, as noted above, were approved following the meeting of creditors held on 25 January 2013 are as follows:

- 1 the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, in respect of each Company, the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Administrators' remuneration to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Administrators' expenses,

- 7 that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors be asked to agree that the basis of the Administrators remuneration be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Administrators' expenses,
- 8 that, if a Creditors' Committee is not appointed at a meeting of creditors, the creditors shall fix the Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising during the administrations, calculated at the prevailing standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable,
- 9 that, if a Creditors' Committee is not appointed, the Administrators' Pre administration Costs as detailed in Appendix 4 of the Administrators' Proposals be approved and that the Administrators be authorised to draw their Costs, plus VAT, from the administration estate,
- 10 that, following the realisation of assets and resolution of all matters in the administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the administrations This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 11 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4.174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidations, and/or as a percentage of realisations and/or as a set fee As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 12 in the absence of Creditors' Committees, the creditors of each Company agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

2.2 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals

Proposal	Current status
1	The Administrators are continuing to manage the affairs of the Companies as detailed in the Administrators' proposals dated 11 January 2013
2	The Administrators are continuing their initial investigations into the conduct of the directors. Interim confidential reports were submitted to the Insolvency Service on 14 May 2013
3	The Administrators have agreed the Secured Creditor's claim and are in the process of quantifying the level of preferential creditors' claims. The preferential creditors are made up of the former employees of the Companies
4	The Secured Creditor's claim was settled by MWBP following the sale of shares in MWBBX. To date, no distributions to the preferential creditors have been made
5 & 6	No Creditors' Committee was formed
7, 8 & 9	The basis of the Administrators' remuneration was fixed by the creditors at the creditors meeting held on 25 January 2013. The Administrators' pre-appointment costs and expenses were also approved
10	It is likely that the Companies shall proceed to creditors' voluntary liquidation once the administrations are concluded to allow for a distribution to be made to the unsecured creditors of the Companies
11	No nominations for alternative Liquidators were received within the relevant time period
12	Further to the Administrators' proposals being approved at the creditors' meeting held on 25 January 2013, the Administrators will be discharged from liability upon the filing of their final report to creditors and vacating office

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report

3. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ESTIMATED OUTCOME

3.1 Introduction

Attached at Appendix 2 are abstract receipts and payments accounts for the Companies in administration covering the following periods

- MWB Group Holdings Plc – 16 November 2012 to 15 May 2013
- MWB Management Services Limited – 28 November 2012 to 27 May 2013
- MWB Serviced Office Holdings Limited – 10 December 2012 to 9 June 2013

The receipts and payments accounts have been prepared in accordance with SIP7 (E&W)

In this section, we have summarised the main asset realisations during the 6 month period and an estimation of the those assets yet to be realised, together with details of costs incurred but as yet remain unpaid

3.2 Asset realisations

MWBG

The sum of £101,417 has been received by way of an inter-company loan from MWB Management Services Limited in order to cover necessary expenses incurred throughout the administration period

Bank interest of £16 has been received during the period

MWBM

Funds held in MWBM's former bank account were realised totalling £186,338 together with bank interest totalling £417

The sum of £13,351 was received from HMRC in respect of VAT refunds due to MWBM

MWBS

The sum of £1,583,334 has been realised which relates to the repayment of an intercompany loan from MWBP to MWBS

Prior to the loan repayment as detailed above, the sum of £7,078 was received from MWBM in order to pay necessary costs incurred throughout the administration period. These funds will be repaid to MWBM accordingly

Bank interest has been received during the period totalling £1,905

3.3 Payments

MWBG

During the reporting period, wages were paid totalling £42,461. Payroll costs incurred associated with making the wage payments were also settled for the sum of £7,714

Storage costs have been paid in the sum of £96

Legal fees and consultancy fees have been paid totalling £18,111 and £21,589 respectively, further details of which can be found in section 7.3 of this report

MWBM

Inter-company loans have been made to MWBG and MWBS totalling £101,417 and £7,078 respectively in order to cover necessary costs incurred during the administration period. These loans are expected to be repaid to MWBM in full.

The sum of £4,998 has been paid in relation to the off-site storage of MWBM's books and records.

The sum of £292 has been paid in relation to MWBM's advertising requirements.

Bank charges have been incurred and paid totalling £20.

Legal fees and consultancy fees have been paid totalling £7,003 and £10,000 respectively, further details of which can be found at section 7.3 of this report.

MWBS

Costs in relation to hiring a venue for the creditors meeting held on 25 January 2013 have been paid in the sum of £694.

The sum of £139 has been paid in relation to MWBS's advertising requirements.

Administrators' fees and expenses and legal fees have been paid totalling £300,170, £776 and £724,852 respectively, further details of which can be found at section 7.1 and 7.3 of this report.

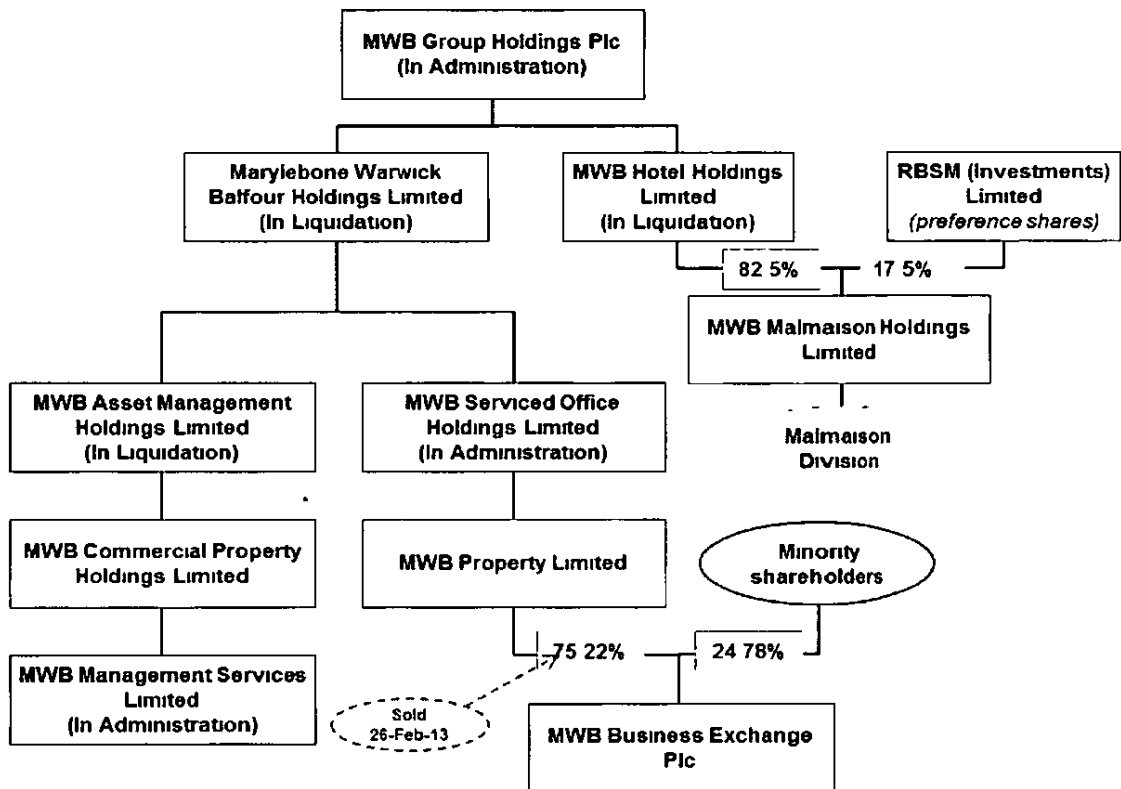
3.4 Estimated future realisations

MWBS

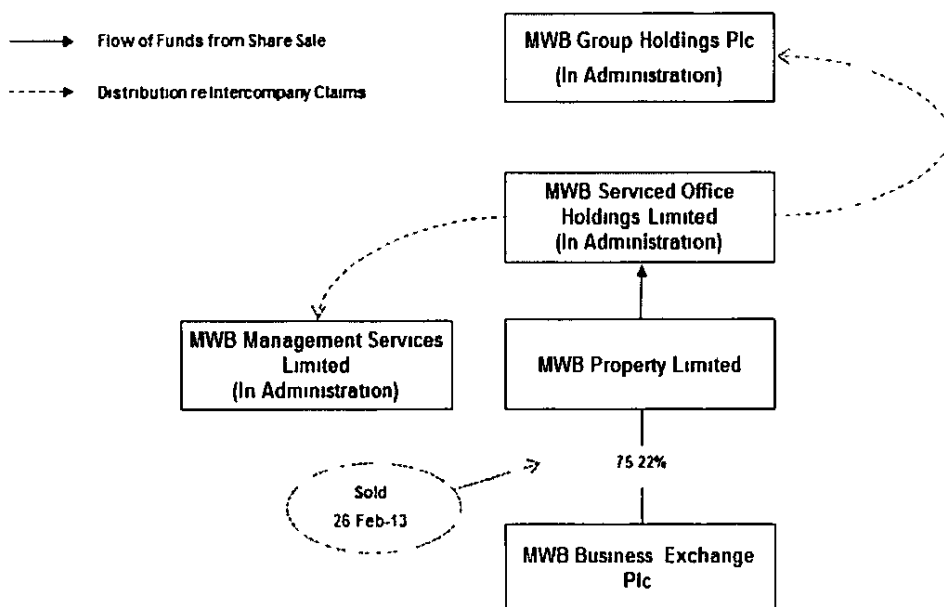
As can be seen from the group structure and illustrative flow of funds detailed below, the 75.22% shareholding in MWBBX, the profitable serviced office group listed on AIM, was held by MWBP. MWBP is a wholly owned subsidiary of MWBS and, therefore, the value recovered from the sale of the shares held by MWBP in MWBBX would be distributed up to MWBS by way of a dividend from MWBP.

As the sale of the shares held in MWBBX by MWBP has now been completed, funds are expected to be received by MWBS in due course. However, due to MWBP being subject to potential litigation proceedings as detailed below, the quantum and timing of any such distribution is not yet known.

Group Structure



Illustrative Flow of Funds



MWBG

Once funds are received by MWBS this will allow for a distribution to be made to the MWBG in relation to the intercompany balance due from MWBS

MWBM

Once funds are received by MWBS this will allow for a distribution to be made to the MWBM in relation to the intercompany balance due from MWBS

Litigation

As discussed in our letter dated 15 March 2013, subsequent to the unsuccessful offer submitted by Pyrrho Investments Limited ("Pyrrho") for the MWBBX shares, a petition was served on MWBP and MWBBX claiming loss as a result of various actions that were allegedly taken by current and former directors of BX

This petition was subsequently withdrawn however, instead, Pyrrho has put MWBP on notice that it will be serving a litigation claim on MWBP during June

Sale of Malmaison

As indicated in our letter of 15 March 2013, a sale process for the shares in MWB Malmaison Holdings Limited ("Malmaison") had been on-going for some time. The sale subsequently completed on 18 March 2013

The combined level of the secured debt and preference shares was significantly above the value of Malmaison and therefore there was no equity value to MWBG. Despite this, the purchaser paid £0.2 million to MWB Hotel Holdings Limited ("MWBHH", a direct subsidiary of MWBG) for the shares. In due course a proportion of these proceeds will be distributed via intercompany balances to MWBG from MWBHH (which is itself in liquidation)

3.5 Estimated outcome for creditors

The Secured Creditor has been repaid in full from the sale of the shares held in MWBBX, by MWBP

The preferential creditors of the Companies are estimated to be repaid in full and any net realisations will be made available to allow a distribution to be made to the unsecured creditors of the Companies

Further details regarding the distributions to all classes of creditor can be found within section 4 of this report

4 DISTRIBUTIONS TO CREDITORS

4.1 Secured creditors

The outstanding debt due to the Secured Creditor totalled £28,955,868 and is made up as follows

	£
Debt outstanding as at 5 March 2013	23,219,782
Advisors' fees	171,399
Fixed repayment fee	1,350,000
Redemption premium & maturity fee	4,214,687
Total	<u>28,955,868</u>

The Secured Creditor has been repaid in full from the sale of shares as referred to in previous sections of this report

4.2 Preferential creditors

The preferential claims of the Companies are yet to be adjudicated but are estimated to total approximately £19,200 each for both MWBG and MWBM

There are no preferential liabilities for MWBS

It is anticipated that there will be sufficient funds to enable the preferential creditors of MWBG and MWBM to be repaid in full

4.3 Prescribed Part

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors

As the Secured Creditor has been repaid in full from the realisations made on the sale of shares referred to earlier in this report, there will be no asset realisation subject to a floating charge. As such, the Prescribed Part shall not apply. Therefore, there is likely to be a distribution to the unsecured creditors in lieu of a Prescribed Part.

4.4 Unsecured creditors

As per the directors' Statement of Affairs, the unsecured creditors of MWBG, MWBM and MWBS as at the dates of the Administrators appointments totalled £244.3m, £29.7m and £116.3m respectively.

As the Secured Creditor has been repaid in full, it is anticipated that net realisations from floating charge assets will be available for a distribution to be made to the unsecured creditors, however, the quantum and timing of any such distribution is not yet known.

4.5 Claims process

Due to the possible distribution to the unsecured creditors of the Companies, you are requested to submit claims to the address on the front of this report, marked for the attention of Becky Withington

Please be advised that should you have already submitted a claim in the administrations of the Companies, there is no requirement for you to complete and submit a further proof of debt form

Proof of Debt forms are attached at Appendix 4

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Extensions to the initial appointment period

The Administrators do not anticipate that it will be necessary to seek an extension of the administrations beyond the end of the initial period of their appointment, however, this will be kept under review

5.2 Investigations

As part of the Administrators' statutory duties, investigations into the conduct of the Companies Directors are still on-going

In this regard, interim confidential reports were submitted to The Insolvency Service on 14 May 2013

5.3 SIP2 – Initial Assessment of Potential Recoveries

As part of our duties as Administrators, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency

5.4 Exit

As it is anticipated that there will be funds available to distribute to the unsecured creditors of the Companies, the Companies are expected to exit the administrations via creditors' voluntary liquidation

5.5 SIP13 (E&W) – Transactions with connected parties

In accordance with the guidance given in SIP13 (E&W), other than the stock holdings of various directors and previous directors as previously reported, we are not aware of any transactions with connected parties during the period of this report or in the two years prior to our appointment

5.6 EC Regulations

As stated in the Administration Order in respect of the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

6. PRE-ADMINISTRATION COSTS

MWBG

Included within the Administrators' report and proposals dated 11 January 2013 was a statement of pre-administration costs, in accordance with rule 2.33(2)(ka) of the Rules

These costs were approved as detailed below

	Amount approved (£)	Date approved	Date paid
Pre-appointment costs	24,012 50	25 January 2013	Not yet paid
Total	24,012.50		

The Administrators' pre-appointment costs incurred during the period 14 November 2012 to 15 November 2012, as detailed above, were approved at the meeting of creditors held on 25 January 2013

These costs are expected to be drawn from asset realisations as and when funds permit

7. ADMINISTRATORS' REMUNERATION AND EXPENSES

7.1 Administrators' Remuneration

7.1.1 Basis of Remuneration

The basis of the Administrators' remuneration was fixed on 25 January 2013 by the creditors at a meeting of creditors held on 25 January 2013 as follows

By reference to the time properly given by the Administrators and their staff in attending to matters arising in the administrations calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

Please note that this resolution was passed in respect of all three administrations of the Companies

7.1 2 Remuneration

MWBG

During the period 16 November 2012 to 15 May 2013, the Administrators have charged total remuneration of £425,698 made up of 734 hours at an average charge out rate of £580 across all grades of staff, this time is charged in six minute increments

The total charge for remuneration over the period of the Administrators' appointment is £425,698 as detailed at Appendix 3

MWBM

During the period 28 November 2012 to 27 May 2013, the Administrators have charged total remuneration of £75,491 made up of 150 hours at an average charge out rate of £504 across all grades of staff, this time is charged in six minute increments

The total charge for remuneration over the period of the Administrators' appointment is £75,491 as detailed at Appendix 3

MWBS

During the period 10 December 2012 to 9 June 2013, the Administrators have charged total remuneration of £412,208 made up of 511 hours at an average charge out rate of £806 across all grades of staff, this time is charged in six minute increments. Of this sum, a total of £300,170 has been drawn and paid as indicated in the receipts and payments account at Appendix 2. The majority of this time related to facilitating the sale of the MWBBX shares

The total charge for remuneration over the period of the Administrators' appointment is £412,208 as detailed at Appendix 3

The work has been categorised into the following task headings and sub categories

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashiering and accounting

- **Investigations** includes investigating the Company's affairs and in particular any antecedent transactions and also reporting on the conduct of its directors
- **Realisation of Assets** includes identifying, securing and insuring assets, sale of shares, and realisation of other fixed assets
- **Trading** includes planning, identifying strategy, preparation of trading forecasts and finalising trading
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims
- **Case specific matters** include VAT and taxation matters

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/sip-9-england-and-wales Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

Expenses

MWBG

The Administrators' direct expenses for the period of this report are as follows

Nature of expenses	Total Incurred £	Paid £	Outstanding £
Business Phone Use	45 67	-	45 67
Subsistence	73 29	-	73 29
Travel	400 75	-	400 75
Total	519 71	-	519.71

MWBM

No expenses have been incurred during the period for MWBM

MWBS

The Administrators' direct expenses for the period of this report are as follows

Nature of expenses	Total Incurred £	Paid £	Outstanding £
Business Phone Use	69 64	-	69 64
Subsistence	25 97	-	25 97
Travel	421 20	-	421 20
Entertainment	118 86	-	118 86
Total	635.67	-	635.67

7.2 Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2012 charge out rates as summarised below. Manager rates include all grades of assistant manager.

Grade	£ 2012 / 2013 (Sept-Aug 2013)
Partners/Directors	605 to 950
Managers	315 to 720
Assistants and Support Staff	190 to 305

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

7.3 Other professional costs

Clifford Chance LLP were instructed by the Administrators to advise on appropriate legal matters including the sale of the shares in MWBBX. In addition, CMS Cameron McKenna LLP have advised the Administrators on legal matters connect to the Companies subsidiaries. Saffron Hill Developments Limited were also instructed by the Administrators to provide consultancy services to the Company. The professional costs to date are summarised in the tables below. All professional costs are reviewed and analysed before payment is approved.

MWBG

	NET (£)	VAT (£)	TOTAL (£)
Legal Fees			
CMS Cameron McKenna LLP	18,110.97	3,615.46	21,726.43
	18,110.97	3,615.46	21,726.43
Consultancy Fees			
MAB Project Services	10,075.38	2,015.08	12,090.46
Saffron Hill Developments Limited	11,513.55	2,302.72	13,816.27
	21,588.93	4,317.80	25,906.73

MWBM

	NET (£)	VAT (£)	TOTAL (£)
Legal Fees			
CMS Cameron McKenna LLP	5,903 97	1,174 06	7,078 03
Clifford Chance LLP	1,098 75	219 75	1,318 50
	7,002.72	1,393 81	8,396 53
Consultancy Fees			
MAB Project Services	10,000 00	2,000 00	12,000 00
	10,000.00	2,000.00	12,000 00

MWBS

	NET (£)	VAT (£)	TOTAL (£)
Legal Fees			
Clifford Chance LLP	713,044 06	142,608 81	855,652 87
CMS Cameron McKenna LLP	11,807 94	2,348 12	14,156 06
	724,852.00	144,956 33	869,808.93

7.4 Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules.

7.5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

STATUTORY INFORMATION

Company Name	MWB Group Holdings Plc	MWB Management Services Limited	MWB Serviced Office Holdings Limited
Proceedings	In Administration	In Administration	In Administration
Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court
Court Reference	8769 of 2012	9083 of 2012	9341 of 2012
Date of Appointment	16 November 2012	28 November 2012	10 December 2012
Joint Administrators	Philip Stephen Bowers and Neville Barry Kahn Deloitte LLP 66 Shoe Lane London EC4A 3BQ	Philip Stephen Bowers and Neville Barry Kahn Deloitte LLP 66 Shoe Lane London EC4A 3BQ	Philip Stephen Bowers and Neville Barry Kahn Deloitte LLP 66 Shoe Lane London EC4A 3BQ
Registered office Address	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR
Company Number	06847877	03908960	04129282
Incorporation Date	29 January 2008	18 January 2000	18 December 2000
Company Secretary	City Group Plc	Filex Services Limited	Filex Services Limited
Bankers	Bank of Scotland Plc	Bank of Scotland Plc	Bank of Scotland Plc
Auditors	BDO LLP	BDO LLP	BDO LLP
Appointment by	Directors	Directors	Directors
Directors at date of Appointment	Michael Bibring Robert Burrow Richard Carnck David Marshall Eric Sanderson William Starn	Michael Bibring William Starn	Michael Bibring

Directors' Shareholdings

MWBG

The table below highlights the percentage of holdings of shares and 9 75% unsecured loan stock in the Company by certain directors and former directors as at 16 November 2012

Name	Shareholding (%)	9 75% Unsecured Loan stockholding (%)
M A Bibring	2 40	1 82
J Singh	1 24	0 00
R G Balfour-Lynn	10 02	4 55
D Marshall	1 22	0 00
A F Blurton	0 42	0 46

MWB Group Holdings Plc - In Administration
Summary Receipts & Payments Account for the period 16 November 2012 to 15 May 2013

	Statement of affairs	From 16 November 2012 to 15 May 2013
Receipts	£	£
Investment in MWB Holdings Limited	20,000,000	-
Bank loan	(20,000,000)	-
Intercompany Loan from Mgt Services	-	101,417
Bank Interest Gross	-	16
	<hr/>	<hr/>
	-	101,433
 Payments		
Wages & Salaries		42,461
Payroll deductions - Pension		1,611
Payroll costs		7,714
Legal Fees		18,111
Consultancy services		21,589
Storage Costs		96
Debit Interest		124
Provision - VAT Receivable		9,495
		<hr/>
		101,203
 Balance In Hand		<hr/> <hr/>
		230

MWB Management Services Limited - In Administration
Summary Receipts & Payments Account for the period 28 November 2012 to 27 May 2013

	Statement of affairs	From 28-Nov-12 to 27-May-13
	£	£
Receipts		
Cash at Bank	-	186,338
Bank Interest Gross	-	417
VAT Received from HMRC	-	13,351
	<hr/>	<hr/>
	-	200,106
 Payments		
Intercompany loan to MWBS		7,078
Intercompany loan to MWBG		101,417
Legal Fees		7,003
Consultancy Services		10,000
Storage Costs		4,998
Statutory Advertising		292
Bank Charges		20
Provision - VAT Receivable		3,452
		<hr/>
		134,259
 Balance In Hand		<hr/>
		65,847

MWB Serviced Office Holdings Limited - In Administration
Summary Receipts & Payments Account for the period 10 December 2012 to 9 June 2013

	Statement of affairs	From 28-Nov-12 to 27-May-13
	£	£
Receipts		
Loan from MWB Management Services Limited	-	7,078
Investment in MWB Property Limited	30,000,000	-
Repayment of Loan from MWB Property	-	1,583,334
Bank Interest Gross	-	1,905
	30,000,000 00	1,592,317
Payments		
Meeting Room Hire		694
Administrators Fees		300,170
Administrators Expenses		776
Legal Fees		724,852
Statutory Advertising		139
Provision - VAT Receivable		205,253
		1,231,883
Balance In Hand		360,434

MWB Group Holdings Plc
(In Administration)
Time costs for the period 16 November 2012 to 15 May 2013

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0 50	425 00	11 30	4 667 50	6 95	2,050 25	18 75	7,142 75	380 95
Case Supervision, Management and Closure	30 20	25,515 00	21 20	10 611 00	51 20	14,559 00	102 60	50,685 00	494 01
Initial Actions (e.g. Notification of Appointment, Securing Assets)	16 50	15,325 00	51 20	20 656 00	24 40	4,495 50	92 10	40,476 50	439 48
General Reporting	8 00	7 000 00	25 90	10 728 50	0 50	97 50	34 40	17,826 00	518 20
Liaison with Other Insolvency Practitioners	55 20	48,265 00	109 60	46,663 00	83 05	21,202 25	247 85	116,130 25	468 55
Investigations									
Investigations	24 60	22,247 50	23 90	11,080 50	35 25	7,806 25	83 75	41,134 25	491 16
Reports on Directors' Conduct	-	-	2 00	990 00	1 75	516 25	3 75	1,506 25	401 67
	24 60	22,247 50	25 90	12,070 50	37 00	8,322 50	87 50	42,840 50	487 32
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	46 40	40,600 00	20 00	12,560 00	60 50	9,506 25	126 90	62,666 25	493 82
	46 40	40,600 00	20 00	12,560 00	60 50	9,506 25	126 90	62,666 25	493 82
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	2 50	2 187 50	-	-	-	-	2 50	2,187 50	875 00
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	18 50	16 562 50	16 00	7 920 00	-	-	34 50	24,482 50	709 64
Third Party Assets	21 00	18,750 00	16 00	7,920 00	-	-	37 00	26,670 00	720 81
Creditors									
Employees	20 00	18 775 00	27 30	15,583 50	-	-	47 30	34,358 50	726 40
Preferential	-	-	-	-	-	-	-	-	-
Secured	10 00	9 500 00	-	-	-	-	10 00	9,500 00	950 00
Shareholders	10 00	9 500 00	20 00	7 950 00	-	-	30 00	17,450 00	581 67
Unsecured	45 50	40 562 50	51 10	26 944 50	5 00	1 200 00	101 60	68,707 00	676 25
	85 50	78,337 50	98 40	50,478 00	5 00	1,200 00	188 90	130,015 50	688 28
Other Matters Include									
Litigation	1 80	1,530 00	-	-	-	-	1 80	1,530 00	850 00
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	44 10	46 045 00	-	-	-	-	44 10	46,045 00	1,044 10
	45 90	47,575 00	-	-	-	-	45 90	47,575 00	1,038 49
TOTAL HOURS & COST	278 60	255,775 00	269 90	129,691 50	185 55	40,231 00	734 05	425,697 50	579 93

TOTAL FEES DRAWN TO DATE

0.00

MWB Management Services Limited
In Administration
Time costs for the period 28 November 2012 to 27 May 2013

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0 35	297 50	11 00	4 573 00	9 15	2 899 25	20 50	7,569 75	369 26
Case Supervision, Management and Closure	4 50	3 937 50	1 60	895 00	4 60	1 136 50	10 70	5,969 00	557 85
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	31 70	14 733 50	-	-	31 70	14,733 50	464 78
General Reporting	1 00	875 00	24 50	10 175 50	-	-	25 50	11,050 50	433 35
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	5 85	5,110 00	68 80	30,377 00	13 75	3,835 75	88 40	39,322 75	444 83
Investigations									
Investigations	-	-	-	-	1 60	472 00	1 60	472 00	295 00
Reports on Directors' Conduct	-	-	2 00	990 00	1 75	516 25	3 75	1,506 25	401 67
	-	-	2 00	990 00	3 35	988 25	5 35	1,978 25	369 77
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	1 00	875 00	-	-	-	-	1 00	875 00	875 00
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	9 50	8,312 50	-	-	-	-	9 50	8,312 50	875 00
	10 50	9,187 50	-	-	-	-	10 50	9,187 50	875 00
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-
Creditors									
Employees	-	-	10 80	4,266 00	-	-	10 80	4,266 00	395 00
Preferential	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	15 50	13,562 50	16 20	6,399 00	2 00	480 00	33 70	20,441 50	606 57
	15 50	13,562 50	27 00	10,665 00	2 00	480 00	44 50	24,707 50	555 22
Other Matters Include									
Litigation	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	-	-	-	-	1 00	295 00	1 00	295 00	295 00
	-	-	-	-	1 00	295 00	1 00	295 00	295 00
TOTAL HOURS & COST	31 85	27,860 00	97 80	42,032 00	20 10	5,599 00	149 75	75,491 00	504 11
TOTAL FEES DRAWN TO DATE									0 00

MWB Serviced Office Holdings Limited
(In Administration)

Time costs for the period 10 December 2012 to 9 June 2013

	Partners & Directors		Managers		Assistants & Support		TOTAL		Average Hourly Rate Cost (£).
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning									
Cashiering and Statutory Filing	0 10	85 00	3 20	1,358 00	5 40	1,593 00	8 70	3,036 00	348 97
Case Supervision, Management and Closure	-	-	10 50	5 112 50	6 85	1,996 25	17 35	7,108 75	409 73
Initial Actions (e.g. Notification of Appointment, Securing Assets)	-	-	23 00	9 085 00	-	-	23 00	9,085 00	395 00
General Reporting	1 00	875 00	20 70	8 324 50	2 50	737 50	24 20	9,937 00	410 62
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-
	1 10	960 00	57 40	23,880 00	14 75	4,326 75	73 25	29,166 75	398 18
Investigations									
Reports on Directors' Conduct	1 10	935 00	0 50	247 50	3 75	1,106 25	5 35	2,288 75	427 80
	-	-	1 00	495 00	1 25	368 75	2 25	863 75	383 89
	1 10	935 00	1 50	742 50	5 00	1,475 00	7 60	3,152 50	414 80
Trading									
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Realisation of Assets									
Book Debts	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	38 00	33 250 00	-	-	-	-	38 00	33,250 00	875 00
Plant and Equipment, Fixtures and Fittings and Vehicles	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	184 50	168 675 00	-	-	-	-	184 50	168,675 00	914 23
Third Party Assets	222 50	201,925 00	-	-	-	-	222 50	201,925 00	907 53
Creditors									
Employees	-	-	-	-	-	-	-	-	-
Preferential	-	-	0 50	247 50	-	-	0 50	247 50	495 00
Secured	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-
Unsecured	3 50	3 162 50	37 50	22 427 50	6 00	1,440 00	47 00	27,030 00	575 11
	3 50	3,162 50	38 00	22,675 00	6 00	1,440 00	47 50	27,277 50	574 26
Other Matters Include									
Litigation	48 50	45 700 00	-	-	-	-	48 50	45,700 00	942 27
Pensions	-	-	-	-	-	-	-	-	-
Tax and VAT	81 60	85 527 00	30 10	19,371 00	0 30	88 50	112 00	104,986 50	937 38
	130 10	131,227 00	30 10	19,371 00	0 30	88 50	160 50	150,686 50	938 86
TOTAL HOURS & COST	358 30	338,209 50	127 00	66,668 50	26 05	7,330 25	511 35	412,208 25	806 12

TOTAL FEES DRAWN TO DATE

300,170 00

Form 4.72

Form 4.25

PROOF OF DEBT - GENERAL FORM

In the matter of
MWB Group Holdings Plc - In Administration
and in the matter of The Insolvency Act 1986

Date of Administration 16 November 2012

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt 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)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Form 4.25

Form 4.72 PROOF OF DEBT - GENERAL FORM

**In the matter of
MWB Management Services Limited - In Administration
and in the matter of The Insolvency Act 1986**

Date of Administration 28 November 2012

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt 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)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Form 4.72

Form 4.25

PROOF OF DEBT - GENERAL FORM

In the matter of
MWB Serviced Office Holdings Limited - In Administration
and in the matter of The Insolvency Act 1986

Date of Administration 10 December 2012

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show - (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt 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)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	