

# AM03

## Notice of administrator's proposals



Companies House

SATURDAY



A10 \*A8AKEB1U\* #135  
27/07/2019  
COMPANIES HOUSE

### 1 Company details

Company number 05512549

Company name in full Office Properties Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Alastair Paul

Surname Beveridge

### 3 Administrator's address

Building name/number 6

Street New Street Square

Post town London

County/Region

Postcode EC4A 3BF

Country United Kingdom

### 4 Administrator's name

Full forename(s) Catherine Mary

Surname Williamson

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number The Zenith Building

Street 26 Spring Gardens

Post town Manchester

County/Region

Postcode M2 1AB

Country United Kingdom

② Other administrator  
Use this section to tell us about  
another administrator.

## Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
  
All fields are mandatory unless specified or indicated by \*

### 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

### 2 Insolvency practitioner's name

Full forename(s) Deborah

Surname King

### 3 Insolvency practitioner's address

Building name/number 6

Street New Street Square

Post town London

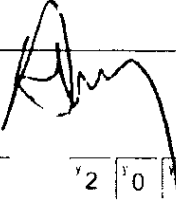
County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

# AM03

## Notice of Administrator's Proposals

6	Statement of proposals		
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals		
7	Sign and date		
Administrator's Signature	<div>Signature ✕</div>	✕	
Signature date	26/07/2019		

## AM03 Notice of Administrator's Proposals



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Michael Watkin
Company name	AlixPartners UK LLP
Address	The Zenith Building
26 Spring Gardens	
Post town	Manchester
Country/Region	
Postcode	M 2 1 A B
Country	United Kingdom
DX	
Telephone	0161 838 4500



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

# Administrators' Statement of Proposals

Office Properties Limited (formerly  
MWB Business Exchange Centres  
Limited)

In Administration

26 July 2019

## Contents

1. Why this report has been prepared.....	1
2. Summary of information for creditors .....	2
3. Background and circumstances leading to the Administration .....	4
4. <i>The objective of the Administration</i> .....	6
5. The Administration strategy and steps taken to date .....	7
6. Financial position and Administrators' receipts and payments .....	11
7. Estimated outcome for creditors .....	13
8. What happens next .....	14

## Appendices

Appendix A.	Statutory information
Appendix B.	Director's Statement of Affairs of the Company
Appendix C.	Administrators' Receipts and Payments Account for the Period 21 June 2019 to 19 July 2019
Appendix D.	Administrators' Trading Account for the Period 21 June 2019 to 19 July 2019
Appendix E.	Administrators' fees and pre-administration costs
Appendix F.	Administrators' details of time spent to date
Appendix G.	Additional information in relation to the Administrators' fees pursuant to SIP9
Appendix H.	Exit routes and discharge from liability

## 1. Why this report has been prepared

- 1.1 Alastair Beveridge, Deborah King and Catherine Williamson (the **Administrators**) were appointed on 21 June 2019.
- 1.2 In accordance with UK insolvency legislation, administrators are required to make a statement setting out their proposals for achieving the statutory purpose of an administration. This report and all appendices form the Administrators' proposals and covers the period 21 June 2019 to 19 July 2019 (the **Period**).
- 1.3 The purpose of this report is to provide statutory and financial information about the Company, the background to the Administration, the Administrators' proposed strategy, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.4 The administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
- Objective 1: rescuing the company as a going concern;
  - Objective 2: achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
  - Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.5 In this case the Administrators are pursuing the second statutory objective. Further details of how they intend to achieve that objective can be found in section 4 of this report.
- 1.6 The Company's creditors are responsible for approving the Administrators' proposals and fees. In this case it is proposed that the basis of the Administrators' fees and category 2 disbursements will be approved by the secured creditor only. Further details of the Administrators' fees and disbursements can be found at Appendices E to G.
- 1.7 *In this case, the Administrators intend to seek approval of their proposals via a deemed approval process and further details on this matter can be found in section 8 of this report.*
- 1.8 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.9 If you require a hard copy of this report or have any queries in relation to its contents or the Administration generally, please contact Melissa Fielding on 0161 838 4529, by email at [creditorreports@alixpartners.com](mailto:creditorreports@alixpartners.com), or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

## 2. Summary of information for creditors

### Estimated dividend for creditors

Description	Estimated debt £	Likely level of return £
Secured creditor	391,889	310,072
Preferential creditors	Nil	N/A
Unsecured creditors	3,410,241	52,842

#### Notes:

- 2.1 The estimated debt has been taken from the director's Statement of Affairs (SoA).
- 2.2 Funds available for distribution and dividend rates are detailed before taking into account the estimated costs of making the distribution.
- 2.3 The likely levels of returns are estimated and are subject to change.

### Secured creditor – Pathway Finance S.a.r.l.

- 2.4 The Company granted a legal charge, including a floating charge, to the secured creditor on 1 July 2013. At the date of appointment, the secured creditor was owed approximately £391,889 (excluding accrued interest and charges) under its security per the SoA.
- 2.5 The secured creditor has agreed to reduce the level of its exposure in consideration for entities within the Group purchasing certain of the Company's assets (**Credit Bids**). These Credit Bids are currently expected to total £310,072. Based on current estimates, it is expected that the secured creditor will suffer a shortfall against its lending.

### Preferential creditors

- 2.6 The Company did not have any employees. As such, there are not expected to be any preferential creditors.

### Unsecured creditors

- 2.7 The SoA indicates that there are unsecured creditors with claims totalling approximately £3,410,241.
- 2.8 Based on initial expectations, the Company's net property is could be approximately £250,000, after Administration costs. Arising from this, the value of the Unsecured Creditors' Fund (defined at paragraph 7.3) would be approximately £53,000, enabling a dividend of approximately one/two pence in the pound, before the costs of distribution.



- 2.9 In respect of preferential or unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.

### 3. Background and circumstances leading to the Administration

- 3.1 The Company operated within the IWG Plc (formerly Regus Plc) Group of companies (the **Group**).
- 3.2 The Company held commercial leases to the five sites (the **Properties**) listed below:
- 83 Baker Street, London, W1U 6AG (**Baker Street**)
  - John Eccles House, Oxford Science Park, Robert Robinson Avenue, Oxford, OX4 4GP (**Oxford**)
  - 3rd, 4th and 5th Floor, 33 Cavendish Square, London, W1G 0PW (**Cavendish Square**)
  - 6 Hays Lane, 47-49 Tooley Street, London Bridge, SE1 2QG (**Hays Lane**)
  - 27B Floral Street, 15-17 Long Acre, WC2E 9LH (**Floral Street**)
- 3.3 The Company provided serviced office space to customers on short and medium-term occupancy agreements. The Company's day to day operations were managed by IW Group Services (UK) Limited (**IWGS**).
- 3.4 The Company was incorporated on 19 July 2005 and was acquired by the Group in February 2013. Since the acquisition, the Group has supported the Company by providing equipment rental, data services and management services to the Company in respect of its real estate holdings. This support includes the central management of receipts and the provision of working capital loans, as required.
- 3.5 Originally holding around 10 leasehold interests and acting as guarantor of a further 14 leasehold interests within the Group, following the acquisition, a number of leases have been assigned within the Group and other leases were re-gearred. In addition, certain leases expired or were otherwise retained by landlords. As part of this process, significant dilapidations liabilities crystallised.
- 3.6 Trading from the remaining properties was loss making on a standalone basis but had historically been supported by the Group.
- 3.7 Dilapidation discussions took place between the Company and the various landlords as there was a significant variance between the landlords' and the Company's assessment of these claims. Whilst discussions were ongoing, in April 2019, AlixPartners was engaged to conduct contingency planning as, unless the dilapidations position could be agreed, the Group was not prepared to provide further support to the Company in light of the continued losses and significant contingent liabilities.

- 3.8 It became apparent that the Company was unable to meet its on-going liabilities as the dilapidations discussions continued. In order to preserve the position of the Company's creditors, the director of the Company took steps to place the Company into Administration and Alastair Beveridge, Deborah King and Catherine Williamson were appointed as Administrators on 21 June 2019.
- 3.9 Prior to the appointment, a special resolution to change the name of the Company from MWB Business Exchange Centres Limited to Office Properties Limited was agreed and passed by the members. The Registrar of Companies certified the change of name on 18 June 2019.

## **4. The objective of the Administration**

- 4.1 The first objective under the Administration regime is based on the survival of the Company through a Company Voluntary Arrangement (**CVA**) or Scheme of Arrangement (**Scheme**) under part 26 of the Companies Act 2006.
- 4.2 The Administrators consider that the first objective cannot be achieved. Whilst the Company receives the benefit of customer occupation, its trading activities are carried out by IWGS and have historically been loss making. As such, it is not *feasible for the Company to enter a CVA or Scheme*.
- 4.3 The Administrators are therefore pursuing the second statutory objective on the basis that they anticipate there will be enhanced asset realisations above that *which would be available in a winding up scenario*. The Administrators will achieve this objective by implementing the strategy outlined in section 5.
- 4.4 The Administrators anticipate that it will be possible to distribute to unsecured creditors by virtue of the *Unsecured Creditors' Fund*.
- 4.5 Details of the proposed exit routes to the Administration are provided in Appendix H.

## 5. The Administration strategy and steps taken to date

- 5.1 It is proposed that the Administrators continue to manage the affairs of the Company in order to achieve the objective of the Administration detailed in section 4.
- 5.2 The Administrators have secured funding from Pathway Finance S.a.r.l. (**Pathway**) and IWGS sufficient to allow a period of continued trading from the Properties following the appointment. This trading period has allowed the Administrators to review the realisation prospects in respect of each of the Company's assets in detail, and to implement the most appropriate disposal strategy. A summary of the realisations achieved to date, together with the *proposed strategy for the remaining Properties, is provided below.*
- 5.3 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators intend to take the following steps to fulfil their intended objective and duties. The detail provided is intended to provide users of this report with information to allow them to understand how the fee estimate and estimate of expenses provided at Appendix E was compiled, and the sensitivities that might be applicable to the Administrators' anticipated fees and expenses.

### Trading

- 5.4 The Administrators immediately took steps to communicate with the landlords of the Properties with a view to ensuring there was no disturbance to the trading of the business at each site. Negotiations with the landlords in relation to the leases have been commenced and steps have been taken by the Administrators to discharge the post appointment rental obligations.
- 5.5 The day to day operations at each site are being managed by IWGS under an operating agreement (on largely the same terms as the pre-appointment) to ensure consistency and minimal disruption to customers. IWGS will account to the Administrators for income and expenses incurred during the trading period at each site.
- 5.6 The trading period is expected to be loss making overall, with any loss being funded by Pathway. In the unlikely event of a surplus this would be paid to Pathway as an effective cost of providing the trading support. As a result, there will be no detrimental impact to the unsecured creditors.
- 5.7 Since appointment, the Administrators have also instructed IWGS to conduct health and safety inspections at all of the sites to ensure compliance with current regulations.

### Realisation of assets

#### Property

- 5.8 On appointment, Savills plc (**Savills**) was engaged to review the Company's lease portfolio and comment on the disposal prospects of each site. This was carried out with a view to establishing whether any premium could be achieved upon successful transfer to a third party.

5.9 The current status of each of the Properties is summarised below.

#### Baker Street

- 5.10 An assessment of the Baker Street site concluded that the features and location of the building would be attractive to third parties potentially interested in purchasing the Company's interest in the lease, and/or the Company's business operations at the site. However, rent for the property was considered to be above market average and required some capital expenditure (**Capex**) in the near term *before any marketing would become viable. The Company is not in a position to fund any Capex, or discharge its rental obligations so as to enable a protracted marketing period.*
- 5.11 The Administrators consented to Franchise International S.a.r.l (**Franchise**), another company in the Group, approaching the landlord. Franchise agreed alternative terms with the landlord in respect of a new lease to the site, and also offered to purchase the Company's business operations. With Pathway's support, the Administrators agreed to surrender the lease and simultaneously transfer the Company's Baker Street business to Franchise, in return for consideration totalling £260,682. Consideration is payable via a cash payment of £100,136 in *respect of a rent deposit and a Credit Bid reduction in the Company's secured creditor balance of £160,546.*
- 5.12 The combined actions resulted in a better return to the estate than would have been achievable on the open market, given the ongoing costs of holding the lease, the Capex requirement at the site and the additional costs of marketing that would need to be incurred. Savill's recommended approval of the transaction.

#### Oxford

- 5.13 The Oxford site has achieved high occupancy rates over recent months. Savill's advice suggested that *third parties could potentially be interested in purchasing the Company's interest in the lease, and/or the Company's business operations at the site. Additionally, rent at the property was considered to be slightly below market level, however a rent review is due in 2021 where it is typical for rents to be adjusted to market levels. The site also required some Capex before any marketing would become viable. As stated previously, the Company is not in a position to fund any Capex, or discharge its rental obligations so as to enable a protracted marketing period.*
- 5.14 A strategic analysis of the disposal options, in conjunction with advice from Savills, concluded that the highest value, if any could be realised, would be obtained from a sale to the Group. Franchise expressed an interest in the site and commenced negotiations with the landlord. Alternative terms were agreed in respect of a new lease to the site, and Franchise also offered to purchase the Company's business operations. Accordingly, the Administrators agreed to assign the lease and simultaneously transfer the Company's Oxford business to Franchise, in return for consideration totalling £149,526. The sale completed on 19 July 2019 and the consideration is payable via Credit Bid.

- 5.15 These actions resulted in a better return to the estate than would have been achievable on the open market, given the ongoing costs of holding the lease, the Capex requirement at the site, the potential increase in rent following the rent review and the additional costs of marketing that would need to be incurred.

#### Cavendish Square

- 5.16 *The Cavendish Square centre is well located in central London and the building has historically attracted high end corporate occupiers from the financial and property sectors. The Company leases three floors within the building which are in need of modernisation. In addition, there are only two years remaining on the lease.*
- 5.17 The Administrators have engaged in discussions with the landlord in respect of the lease. Pathway and IWGS have agreed to fund short-term rental payments whilst the Administrators try to ensure the discussions result in the highest return to the estate.

#### Hays Lane

- 5.18 An assessment of the Hays Lane site concluded its central London location could be attractive to third parties.
- 5.19 Pathway and IWGS have agreed to fund short-term rental payments whilst the Administrators continue to discuss options with respect to the lease with the landlord to ensure the highest return to the estate possible.

#### Floral Street

- 5.20 The Floral Street site is located near to Covent Garden in central London.
- 5.21 The Administrators and the landlord are in communications in respect of the lease. Pathway and IWGS have agreed to fund short-term rental payments at the site.

### **Administration (including statutory reporting)**

- 5.22 In addition to their duties relating to realising and distributing the assets of the Company, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include notifying the stakeholders of the appointment and preparing bi-annual reports to creditors advising of the progress of the Administration. The Administrators are responsible for liaising with HMRC to determine the final position in respect of corporation tax, VAT and other taxes that may be owed by or to the Company, and for filing tax returns for the duration of the Administration.
- 5.23 In order to ensure the matters of the Administration are being progressed sufficiently, the Administrators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.

- 5.24 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to, for example, protracted realisation of assets meaning additional periodic reports have had to be prepared and distributed to stakeholders.

## **Investigations**

- 5.25 The Administrators will conduct investigations into the conduct of the director and transactions entered into prior to the Company's insolvency, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations. Based on the outcome of the investigations, further steps may need to be taken, details of which will be provided in the next report to creditors. The Administrators' duty is to conduct an initial review to determine whether there are matters which require further investigation, and if so, whether there is a realistic prospect of recovering assets for the insolvent estate for the benefit of creditors.
- 5.26 The Administrators also have a duty to consider the conduct of those who have been directors of the Company at any time during the last three years, and to provide information to the Insolvency Service in respect of that conduct and the circumstances regarding the Company's insolvency. The Insolvency Service will use this information to assess whether there are matters that require them to take action against the directors to prevent them from controlling other companies. The information provided to the Insolvency Service is confidential and is not available to creditors.
- 5.27 A questionnaire is available on AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>) for completion by creditors to assist the Administrators in their investigations. If there are matters that you consider the Administrators should be aware of, please attach details to the questionnaire and return it to AlixPartners' offices at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB. This request forms part of the Administrators' statutory duties and does not imply any criticism of the director or former director.

## **Creditors (claims and distribution)**

- 5.28 The Administrators will provide updates to the secured creditor and deal with unsecured creditor correspondence, telephone calls and email queries. The Administrators will also agree the claims of unsecured creditors, calculate the dividend and make a distribution.
- 5.29 The SoA provides details of 101 unsecured creditors, with combined debts outstanding of £3,410,241. The Administrators will review each claim received and adjudicate it for dividend purposes based upon the supporting documentation provided.
- 5.30 The Administrators will consider creditors qualifying as a small debt to have automatically proved their debt. This rule applies to all creditors valued at £1,000 inclusive of VAT or less in the SoA. Further details are provided at paragraph 7.6.



## **6. Financial position and Administrators' receipts and payments**

### **Financial position**

- 6.1 The SoA of the Company, together with a list of creditors' names, addresses and details of their claims is attached at Appendix B.
- 6.2 The Administrators have the following observations to make in relation to the director's SoA:
- As is normal, the director's SoA is before provision for the costs of the Administration.
  - The director has incorrectly categorised Pathway as a preferential creditor. *Pathway holds floating charge security but is not a preferential creditor as defined by the Insolvency Act 1986.*
  - Whilst not calculated in the SoA, the Administrators consider that there may be an Unsecured Creditors' Fund available to unsecured creditors of approximately £52,842.
  - The rent deposit in respect of Baker Street has been received in the sum of £100,136.
  - *The Administrators expect to make additional realisations, above those referred to in the SoA, in respect of the sale of customer contracts.*
  - The Administrators are currently investigating the recoverability of the amounts due from the tenant of Greycote Place and the suppliers of the Company.
  - There are not expected to be any preferential creditor claims.
  - There are not anticipated to be sufficient funds available to enable a dividend to be paid to unsecured creditors, other than by virtue of the Unsecured Creditors' Fund.

### **Administrators' Receipts and Payments Accounts and Trading Accounts**

- 6.3 A summary of receipts and payments is attached at Appendix C.
- 6.4 IWGS will ultimately account to the Administrators in respect of the day to day trading at each of the sites. Trading figures for the period are not yet available on a cash basis.
- 6.5 The Administrators have provided an initial trading account, summarising the rental expenses incurred to the end of the Period, at Appendix D.
- 6.6 Ultimately, the Company's trading is expected to be loss making. The performance will not impact the Administration estate as IWGS and Pathway have agreed to fund any post-appointment trading losses for a short period whilst discussions with landlords are undertaken.
- 6.7 In addition, IWGS and Pathway have agreed to fund a portion of the wider Administration costs. The funding has been provided on a non-recourse basis and

will be utilised to discharge the Administrators' costs and expenses, to the extent that asset realisations are insufficient to do so. Any surplus funds provided will be repayable to the funding parties and not available to creditors.

## **7. Estimated outcome for creditors**

### **Secured creditor – Pathway Finance S.a.r.l.**

- 7.1 The Company granted a floating charge to the secured creditor on 1 July 2013. At the date of appointment, the secured creditor was owed £391,889 (excluding accrued interest and charges) under its security. It is estimated that the secured creditor is likely to suffer a shortfall.

### **Preferential creditors**

- 7.2 The Company did not have any employees. Therefore, the Administrators do not anticipate receiving any preferential claims.

### **Unsecured creditors**

- 7.3 Where there is a floating charge which was created on or after 15 September 2003, the 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'.
- 7.4 Based on present information, the Administrators estimate the value of the Company's net floating charge property to be approximately £250,000. This figure includes realisations achieved by way of Credit Bids. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £52,842.
- 7.5 The likely level of return for unsecured creditors can be found within section 2 of this report. Creditors are invited to submit details of their claims to this office, using the Proof of Debt form that can be downloaded from AlixPartners' creditor portal. Any claims received will be held on file until the Administrators are in a position to make a distribution.
- 7.6 If the amount owed according to the Company's records is less than £1,000 inclusive of VAT, creditors are not required to submit a proof in order to be entitled to any dividend paid in respect of that debt and no further action is required. However, if there is a difference between the amount creditors believe to be owed and the Company's records, or should you wish to participate in any dividends to be paid to creditors, a Proof of Debt form is required.

## **8. What happens next**

### **Approval of Proposals**

- 8.1 The Administrators think that the Company has insufficient property to enable a distribution to be made to its unsecured creditors other than via the Unsecured Creditors' Fund. As a result, the Administrators are not required to seek a decision from the unsecured creditors as to whether they approve the Proposals.
- 8.2 Creditors whose debts amount to at least 10% of the total debts of the Company may however request that approval of the proposals is given via a formal decision of creditors. *Any requests for a decision procedure must be made in writing on or before 9 August 2019.*
- 8.3 If creditors wish for such a decision to be made by a physical meeting of creditors, then the threshold required is either 10 creditors, 10% by value of creditors or 10% of the number of creditors. If you wish for a meeting to be held, you must notify us in writing on or before 9 August 2019.
- 8.4 If a decision is not requisitioned by creditors by this date the proposals will be deemed to have been approved.

### **Report**

- 8.5 The Administrators are required to provide a progress report within one month of the end of the first six-month period.

For and on behalf of  
Office Properties Limited



**Alastair Beveridge**  
Administrator

Encs

## Appendix A. Statutory information

### Company information

Company name	Office Properties Limited
Registered number	05512549
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	1 Burwood Place, London, W2 2UT
Trading addresses	Various, as detailed in paragraph 3.2
Trading name	MWB Business Exchange Centres Limited
Court details	High Court of Justice, Business and Property Courts of England and Wales
Court reference	4120 of 2019

### Appointor's information

Name	Address	Position
Timothy Sean James Donovan Regan	c/o 1 Burwood Place, London, England, W2 2UT	Director of the Company

Details of the Company's director, former director, and shareholder at the date of appointment are as follows:

	Date appointed	Date resigned	Number of shares held	Percentage of shareholding
<b>Director</b>				
Timothy Sean James Donovan Regan	22 March 2013	N/A	N/A	N/A
Celia Mary Barbara Donne	22 March 2013	10 January 2019	N/A	N/A
<b>Shareholder</b>				
IWG Group Holdings S.a.r.l.			1	100%

### Administrators' information

Name	Address	IP number	Name of authorising body
Alastair Paul Beveridge	AlixPartners, 6 New Street Square, London, EC4A 3BF	8991	Insolvency Practitioners Association
Deborah Janet King	AlixPartners, 6 New Street Square, London, EC4A 3BF	9639	Insolvency Practitioners Association
Catherine Mary Williamson	AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	15570	Insolvency Practitioners Association

The validity of the appointment has been confirmed by the Administrators' legal advisor, Pinsent Masons LLP.

The Insolvency Regulation Recast (EU) 2015/848 applies to the Administration. The proceedings are main proceedings as defined by article 3 of the Regulation. The Company is based in the UK.

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

## Appendix B. Director's Statement of Affairs of the Company

### Statement of affairs

Name of Company

Office Properties Limited - in Administration

Company number

5512549

In the

High Court of Justice, Business and Property Courts of  
England and Wales, Insolvency and Companies List (ChD)

Court case number

Statement as to the affairs of Office Properties Limited - in Administration

on the 21 June 2019

the date that the company entered administration

---

### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above company as at 21 June 2019, the date that the company entered administration

Full name

REJ REGAN

Signed



Dated

9<sup>th</sup> July 2019

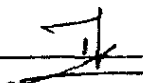




**A1 - Summary of Liabilities**

	Estimated to Realise £
<b>Estimated total assets available for preferential creditors (Carried from page A)</b>	108,474
<b>Liabilities</b>	
Preferential creditors:-	
Pathway Finance SARL	(391,889)
<b>Estimated deficiency/surplus as regards preferential creditors</b>	(283,415)
Estimated prescribed part of net property where applicable (to carry forward)	-
<b>Estimated total assets available for floating charge holders</b>	(283,415)
Debts secured by floating charges	-
<b>Estimated deficiency/surplus of assets after floating charges</b>	(283,415)
Estimated prescribed part of net property where applicable (brought down)	-
<b>Total assets available to unsecured creditors</b>	-
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Dilapidation claims	(2,675,000)
Other rent and service charge accruals	(39,124)
Other IWG Group Intercompany trade creditors	(373,944)
Other Trade creditors	(322,173)
<b>Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)</b>	(3,410,241)
Shortfall to preferential creditors	(283,415)
Shortfall to floating charge holder (brought down)	-
<b>Estimated deficiency/surplus as regards creditors</b>	(3,693,656)
Issued and called up share capital	(1)
<b>Estimated total deficiency/surplus as regards members</b>	(3,693,657)

Signature



Date

9<sup>th</sup> July 2019

**COMPANY CREDITORS**

Notes: You must include all creditors and identify all creditors under the purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Security given	01-Jul-13
Pathway Finance SARL	26, Boulevard Royal, Luxembourg, 2443, Luxembourg	591,689	Floating Charge over 22,541 of the company		n/a
Franchise International SARL	26, Boulevard Royal, Luxembourg, 2443, Luxembourg	155,864	None		n/a
Reger Holdings Plc	1 Barwood Place, London, England, W2 2UT	132,836	None		n/a
IV Group Services (UK) Limited t/a	1 Barwood Place, London, England, W2 2UT	45,599	None		n/a
Reger PLC (SA)	23 Grenville Street, St Helier, Jersey JE1 8PX	35,645	None		n/a
CB RICHARD ELLIS	107 CHEAPSIDE LONDON EC2V 8NY	900,317	None		n/a
EDF ENERGY	PAYMENT PROCESSING CENTRE PO BOX 3556 PLIMMOUTH PL3 3XQ	43,111	None		n/a
GVA CRAWLEY (PMAS)	GVA CRAWLEY LLP PO BOX 444 LONDON W1A 1PU	27,343	None		n/a
WEST END OFFICE AGENTS SOCIETY	100 JULIAN WOODGAR KNIGHT FRANK 20 MANOVER SQUARE LONDON W15 9LZ	15,000	None		n/a
JONES LANG LASALLE LIMITED	10 GRESHAM STREET EC2V 7JD	12,758	None		n/a
BDO STDY HOWARD LLP	55 BAKER STREET LONDON W1U 1TEU	11,400	None		n/a
VOXCLEVER LIMITED	ATBUM COURT THE RING BRACKNELL RG12 1BV	1,000	None		n/a
REYNOLDS PORTER CHAMBERLAIN LLP	TOVER BRIDGE HOUSE ST KATHARINE'S WAY LONDON E1W 1AA	6,300	None		n/a
ATA CONSULTANTS	INTERNATIONAL HOUSE 16 YARMOUTH PLACE MAYFAIR LONDON W1U 1BU	5,101	None		n/a
SAYLLS (UK) LTD	FIRST FLOOR OSPREY HOUSE TIERNEY ROAD HUNTINGDON PE28 6SE	4,111	None		n/a
LIBERTY PLC	CREDIT CONTROL DEPARTMENT ROBERT BUCKLE LONDON W1B 5AH	4,430	None		n/a
DEVELOPMENT SECURITIES (INVESTMENTS)	PORTLAND HOUSE STAG PLACE SW1E 5DS	4,150	None		n/a
PITNEY BOWES FINANCE LIMITED	PO BOX 6583 HARLOW ESSEX CM20 2FG	4,092	None		n/a
HUB CREATE	UNIT DC 206 THE CLARENCE CENTRE 6 ST GEORGES CIRCUS LONDON SE1 6FE	3,851	None		n/a
ASHTEAD PLANT HIRE CO LTD	192 DALTON AVENUE BIRCHWOOD PARK BIRCHWOOD WA3 6YE	3,804	None		n/a
MJ MAPPLE LLP	140 GREAT PORTLAND STREET 20 QUEENSMERE HIGH STREET LONDON W1W 5QZ	3,580	None		n/a
CANARY WHARF CAR PARKS LTD	ONE CANADA SQUARE CANARY WHARF LONDON E14 5AB	3,541	None		n/a
BT PLC	BT PAYMENT SERVICES LTD NEWCASTLE NE2 6AA	2,670	None		n/a
ESSEX ENGINEERING SOLUTIONS LTD	UNIT 2 QUEENSWAY HOUSE CANVEY ISLAND SS9 0RY	2,519	None		n/a
DRIVERS JONAS	6 GROSVENOR STREET LONDON W1X 0DU	2,500	None		n/a
ACE EUROPE	CLAINS DEPT 200 BROOKMILLAY GLASGOW G1 1RU	2,365	None		n/a
TORPEDO FACTORY GROUP	THE OLD TORPEDO FACTORY ST LEONARD'S ROAD LONDON NW10 6ST	2,181	None		n/a
UNITED UTILITIES WATER PLC	PO BOX 1062 DAWSON HOUSE GREAT SANKEY WARRINGTON W14 9HE	1,763	None		n/a
ASS - MRE SERVICE GROUP PLC	25 VILLOW LANE MITCHAM CRAY 4TS	1,745	None		n/a
EXPOTEL HOTEL RESERVATIONS	ST JAMES HOUSE WELLINGTON ROAD STOCKPORT SK4 2RZ	1,681	None		n/a
HILTON LONDON HEATHROW	SHIVA HOTELS HEATHROW LTD POTLE ROAD COUNBROOK SL3 0FF	1,642	None		n/a
CTIBLING SOLUTIONS LTD	UNIT 504 BLACKBURN BB1 3BL	1,560	None		n/a
SEMPLE FRASER	80 GEORGE STREET EDINBURGH EH2 3BU	1,457	None		n/a
BPP PROFESSIONAL EDUCATION	3 LONDON WALL BUILDINGS LONDON W1L LONDON EC6MPO	1,440	None		n/a
NET-WORX (2001) LTD	THE ENGINE HOUSE WHARF EBANK BUSINESS CENTRE EXLEY ROAD OTLEY LS21 2JP	1,432	None		n/a
HAMMERSMITH & FULHAM	REVENUE SERVICES DIVISION PO BOX 1453 LONDON W6 9JW	1,368	None		n/a
MAISON (MANCHESTER)	13 PICCADILLY MANCHESTER M1 1Z	1,175	None		n/a
INFOSERVE LTD	SOUTHSIDE AVIATION LEEDS BRADFORD INTERNATIONAL AIRPORT LEEDS LS19 7UG	1,066	None		n/a
BERKELEY INTERIORS	MORTIMER HOUSE 43 CHURCH ST THEALE BERKSHIRE RG7 5BX	974	None		n/a
TECHNOLOGY SERVICES	BEAUFORT HOUSE 15 ST BOTOLPH STREET LONDON EC4A 3DF	865	None		n/a
ADAPT SERVICES LTD	142-148 GOSWELL ROAD LONDON EC1V 0DU	843	None		n/a
ALL SEASONS MRE	UNIT 4 HAREWOOD FARM AND OVER DOWN LONDON ROAD FULLERTON SP11 7LJ	705	None		n/a
RAPID CLIMATE CONTROL	425 BECONTRÉE AVENUE ESSEX DAGENHAM RM8 3UH	670	None		n/a
INSTANT OFFICES LTD	55 NORTH WHARF ROAD PADINGTON LONDON W2 1LA	666	None		n/a
CFES LTD	SALDOESWORTH BUSINESS CENTRE OLDFHAM OL3 5DF	660	None		n/a
EUROPA HOUSE UK	EUROPA HOUSE BARCROFT STREET BURY BL9 5BT	600	None		n/a
MYDECO 3D LIMITED	NEWCOMBE HOUSE W11 3LG	564	None		n/a
WAGSTAFF	UNIT 15 ROSEMOUNT ROAD WEMBLEY LONDON HA9 4PE		None		n/a

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under the purchase, disposal, leasing or conditional sale agreements and contracts claiming retention of title over property in the company's possession.

Name of Creditor or Claimant	Address (with postcode)	Amount of Debt £	Details of any security held by creditor	Value of security given
PERINIS PAINTERS	100 PETERSTON ROAD HERDREVE BS14 9BZ	500	None	Nil
SOUTH EAST WATER LTD	PO BOX 208 BRISTOL BR37 7JH	490	None	Nil
CITYSPORT (UK) LTD	GROUND FLOOR RED CENTRAL 60 HIGH STREET REDHILL, SURREY RH1 1SH	482	None	Nil
M & S REWEAGENTS	96 CHANDOS PLACE WIGAN W18 7NS	458	None	Nil
CAMBRIDGE CITY COUNCIL	2ND FLOOR LION HOUSE CAMBRIDGE CITY COUNCIL CAMBRIDGE CB2 3JA	452	None	Nil
PRO ACTIVE MAINTENANCE	5 KIRKLEES GARTH PARSELY, PUDSEY LB9 5TQ	342	None	Nil
STINEY BOWES LTD	PO BOX 680 THE PINNACLES MARLOW BUCKS MK18 5LB	341	None	Nil
CLASS TELECOMMUNICATIONS	THE PRORY COACH HOUSE LEATHERHEAD KT22 6AR	301	None	Nil
BONTAGU EVANS	5 BOLTON STREET LONDON W1J 0BA	244	None	Nil
POUR DARS LOCK CO	71 MERSE GREEN ROAD SUTTON COLDFIELD B75 8BY	244	None	Nil
STOCKLAND MANAGEMENT (UK) LTD	STOCKLAND 151 WHIST GEORGE STREET GLASGOW G3 2JJ	274	None	Nil
DELPHIC HAND RECRUITMENT LTD	FIVE CUSTOM HOUSE THE QUAY, PERZANCE TR18 4AA	263	None	Nil
3JP CLEANING	19 THE GARDENS, BIRCHMANS PARK RD, F.A.	258	None	Nil
SKYLINE ELEVATORS LTD	2 VYDEHAM ROAD BASILDON SS15 6PX	258	None	Nil
MILLARSON (CHART SQUARE) LTD	18-21 CHARHOUSE SQUARE LONDON EC1M 6AH	210	None	Nil
CALDER CONFERENCES LTD	Unit 4 Woodside Court, Clayton Wood Rise, Letch, LE18 1RF	208	None	Nil
EVO TECHNOLOGIES	PO BOX 837 POTTESBORO, TELFORD TF9 7NR	202	None	Nil
HUTCHES AND CUSTOMS	COURTNEY COURT 119 GRANDE ROAD, MIDDLEBROUGH LS1 2JA	202	None	Nil
MWB MANAGEMENT SERVICES LTD	1 WEST GARDEN PLACE KENDAL STREET LONDON W2 2AG	156	None	Nil
BERLIGO	THE WATERFRONT 500 THAMES VALLEY PARK DRIVE READING RG6 1PT	180	None	Nil
OFFICE BROKER.COM LIMITED	518 ROBERT FELL MILL LANE FAZELEY TAMWORTH B78 1DD	168	None	Nil
CALLOW LOCALS LTD	117 LORSHIP LANE EAST DLE WACH B22 8UJ	141	None	Nil
THE PRINT FACTORY HOLDING 1981 LTD	SOUTH PORTWAY CLOSE ROUND SPINNEY NORTH HAMPTON MK5 8DH	141	None	Nil
HYRE INTELLIGENCE INTERNATIONAL LTD	UNIT 5 ACTION PARK ESTATE THE VALE ACTON W3 7QE	125	None	Nil
FIRST FASITE	53 LANEWOOD ROAD TRAFFORD PARK M17 1PZ	122	None	Nil
CHICKS 4 LUNCH	21A ST MARTIN WALK, DORRING RM4 1UT	116	None	Nil
FORTRESS MASTER LOCKSMITHS LTD	107 BERTON HILL LONDON SW2 1AA	111	None	Nil
BOC GASES	CUSTOMER SERVICE CENTRE PO BOX 12 PRESLEY ROAD MANCHESTER M20 2UT	102	None	Nil
MARTIN GAVEL LTD	CENTURION HOUSE CENTURION WAY, CLECHTON BD18 3DE	98	None	Nil
ATHENET INTERNET LTD	THE OLD BAKERY 61 HIGH STREET, BOTTINGDEAN BN2 7HB	88	None	Nil
SCREWFIX DIRECT	635-601, ACCOINTS DEPARTMENT HEAD AVE HOUNDSTONE BUSINESS PARK, UXTON BAZZ 8RY	84	None	Nil
CAPITAL REPAIRS LTD	CAPITAL HOUSE 231 IMPERIAL DRIVE RAYNERS LANE, MOOX HA2 7HE	83	None	Nil
MACAULAY & CO WINDOW CLEANERS	THE ANCHORAGE 20 ABERDUR ROAD BURTON ISLAND WY1 6EL	82	None	Nil
KRYTEL	THRESHOLDS BUSINESS PARK WYNNORTH ROAD PEERING, EBBEX COUSE	81	None	Nil
JIMMY GRYW	24 CASTLEFIELD CLOSE WEST DEURY, LIVERPOOL, L12 5JD	80	None	Nil
OF LINE LTD	UNIT 7-13 CHARMAN COURT CHORLEY BITE INDUSTRIAL ESTATE SK5 0RD	78	None	Nil
FIRST RESPONSE TRAINING	FIRST RESPONSE TRAINING & CONSULTANCY 9 HIGH STREET, PERISHORE	60	None	Nil
PHS GROUP LTD	WESTERN INDUSTRIAL ESTATE, CAERPHILLY CF83 1XH	60	None	Nil
BRAND BREWERY LTD	ST CLEMENTS HOUSE 27-28 CLEMENTS LANE, LONDON EC4M 7AE	60	None	Nil
CSH LINE	10A-10D MAIDSTONE ROAD, SUDUP DA14 5HB	55	None	Nil
DC LTD	10C HOUSE 78 OSWOLD ROAD, ATLEBURY MK17 8PL	55	None	Nil
DO NOT USE - HOT AV LTD	1007 6 BARNES WALLIS COURT WELINGTON ROAD, HIGH WYCOMBE, BUCKS HP12 3PS	45	None	Nil
JOHN PLANK LTD	SOUTHERNHOUSE ANTHONYS WAY MEDWAY CITY ESTATE, MEAT ME2 4DN	37	None	Nil
BANKS SUXLER LTD	5 CLIFFORD STREET YORK YO1 8RG	23	None	Nil
TRADE PAINTS	UNIT 3 EPSOM BUSINESS PARK, REMLAND EPPSON, SURREY KT17 1JF	21	None	Nil
Q WOODALL & SON LTD	174 GREAT RUFFOCK STREET, LONDON SE1 1PE	10	None	Nil
CHEESE LAUNDRY CO LTD	26 GRANGE LOAN, EDINBURGH EH9 1NR	8	None	Nil
EL NORTH'S PROPERTY INVESTMENTS LTD	Stratford House, 4 Bostonside Lane, London Bridge City, London, SE1 2JX	6	None	Nil
Hazzardson 35 UK Ltd	Hampton 35 UK Ltd, Box House, 20 Gledford Road, Ashtedrive	6	None	Nil

# COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under this purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of Creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Carroll & City Holdings Ltd	Go Mapping Corporate Services (BS) Ltd Kingston Chambers PO Box 173 Road Town Tortola Virgin Islands	1,000,000.00	None	n/a	n/a
Marston Commercial Property Inc Ltd	Marston Commercial Property Inc Ltd 28 Sandale Row, London W1S 1ER	375,000.00	None	n/a	n/a
The Royal London Mutual Insurance Society Limited	55 Gresham Street London EC2V 6DT	700,000.00	None	n/a	n/a
Rose 35 DBS Property Unit Trust	First Island House Peter Street St Helier JE	600,000.00	None	n/a	n/a
Residual	Quadrant House 4 Thermal Road London E1W 1YH	3,715,000			

<sup>1)</sup> Balance with MW Group Services (UK) Limited reflects £413,878 adjustment to correct intercompany errors erroneously booked in May '19 with other MWG group trading entities that are unconnected with Office Properties Limited (in administration).

Signature:  Date: 9 July 2019

[illegible]

Date 9<sup>th</sup> July 2019

## Appendix C. Administrators' Receipts and Payments Account for the Period period 21 June 2019 to 19 July 2019

	Period £
<b>Floating charge assets</b>	
Funding for asset realisation costs	340,800
Trading surplus/(Deficit)	407,104
Baker Street sale consideration	100,135
	<b>848,039</b>
Payments	
Agent's/valuer's fees	20,000
	<b>(20,000)</b>
<b>Total balance</b>	<b>828,039</b>
<b>Represented by</b>	
Floating current account	555,925
VAT receivable	59,765
	<b>828,039</b>

**Notes:**

The above is subject to small rounding differences.

\*The surplus arises due to timing differences between funding being received and costs being discharged. This balance is expected to unwind and result in a NIL balance post all trading.

## Appendix D. Administrators' Trading Account for the Period period 21 June 2019 to 19 July 2019

	Period £
Receipts	
Funding for trading	685,928
	<b>685,928</b>
Trading expenditure	
Cavendish Square property costs:	
Rent	149,573
Service charge	24,412
Car park	790
Baker Street property costs:	
Rent	66,740
Oxford property costs:	
Rent	33,431
Service charge	3,877
	<b>(278,824)</b>
<b>Trading surplus</b>	<b>407,104</b>

**Note:**

The Surplus is ultimately expected to be NIL once all accrued costs associated with trading have been settled.

The above is subject to small rounding differences.

## Appendix E. Administrators' fees and pre-administration costs

### Administrators' fees

The basis of the Administrators' fees may be fixed on one or more of the following bases, and different bases may be fixed for different duties performed by the Administrators:

- a percentage of the value of the assets with which they have to deal;
- by reference to time properly spent by them and their staff dealing with matters arising in the Administration; or
- as a set amount.

On this assignment it is proposed that the basis of the Administrators' fees shall be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

If creditors resolve to establish a committee, it shall be part of the committee's duties to determine the basis or bases of the Administrators' fees and authorise their disbursements.

Subject to the approval of the relevant creditors, it is proposed that the Administrators will draw fees when funds are available.

### Pre-administration costs

Pre-administration fees charged and expenses incurred by AlixPartners are as follows:

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Amount unpaid £
AlixPartners	Planning for the appointment as Administrators and assisting the Company in implementing its strategy	22,434	Nil	22,434

Detailed below is a Time Analysis for the pre-administration costs incurred by the Administrators.

Activity category	Hours incurred	Average rate per hour £	Total time cost £
Strategy and planning	42	517	21,617
Valuations of assets	2	355	817
<b>Total</b>	<b>44</b>	<b>509</b>	<b>22,434</b>

The costs incurred by AlixPartners were subject to an agreement dated 11 April 2019. They were engaged by the Group on a time cost basis. The work was performed prior to the Administration in order to ensure that the Administration strategy could be implemented effectively and has furthered the achievement of the objective of the Administration. Pre-administration costs are not included in the Fee estimate set out later in Appendix E.



Please note that the payment of unpaid pre-administration costs is normally subject to the approval of creditors or creditors' committee if one is established, separately to the approval of the Administrators' proposals. This approval will be the responsibility of the creditors committee, if one is appointed. Otherwise, it is proposed that approval will be sought from the secured creditors in accordance with rule 18.16 of the Insolvency (England and Wales) Rules 2016.

## Administrators' fee estimate

Details of the work that the Administrators envisage being required to achieve their selected objective, and to comply with the statutory and regulatory duties that are imposed upon them as a consequence of their appointment, are set out in section 5. The anticipated amount of work and the costs associated with it are set out below.

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	199	399	79,647
Realisation of assets	162	472	76,472
Administration (including statutory reporting)	80	390	31,212
Investigations	12	262	3,140
Creditors (claims and distribution)	104	226	23,528
<b>Total</b>	<b>557</b>	<b>384</b>	<b>213,999</b>

The above estimate is based on information which has been made available to the Administrators to date. Should any matters arise, such as investigatory matters and/or additional realisable assets, further time will be incurred dealing with such matters. Similarly, if the Administrators encounter any protracted realisations, further time will be incurred in finalising matters. If applicable, the Administrators will advise creditors in further communications.

## Administrators' disbursements

The below table details the anticipated category 1 disbursements which will be incurred by the Administrators.

	Anticipated cost £
<b>Category 1 disbursements:</b>	
Specific penalty bond	225
Statutory advertising	170
Storage	150
Stationery and postage	860
Telephone charges	50
<b>Total</b>	<b>1,455</b>

The Administrators require prior approval from the secured creditor to draw any category 2 disbursements and the request to draw these disbursements will be issued to the secured creditor with this report. Category 2 disbursements are described in Appendix G.

## Expenses of the Administration

The below table details the anticipated expenses which are expected to be incurred by third parties whilst dealing with the Administration.

	Anticipated cost £
Legal costs	30,000
Agent's fees	20,000
Insurance	9,000
Property holding costs	-
<b>Total</b>	<b>59,000</b>

## Trading position

The Administrators expect trading to be at a net loss. Should there be a trading profit, this will contribute towards the costs of IWGS operating the business and will be retained by IWGS. Conversely, the secured creditor and IWGS have agreed to fund any shortfall, therefore there will be no detrimental impact to the unsecured creditors in any event. A NIL trading result will be the eventual outcome.

## **Appendix F. Administrators' details of time spent to date**

Total time costs for the Period are £89,058. This represents 214 hours at an average rate of £416 per hour.

Activity category	Hours incurred	Blended rate per hour £	Time cost £
Trading	79	403	31,850
Realisation of assets	72	483	34,745
Administration (including statutory reporting)	61	358	21,856
Investigations	0.2	645	129
Creditors (claims and distribution)	2	239	478
<b>Total</b>	<b>214</b>	<b>416</b>	<b>89,058</b>

## **Appendix G. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9**

### **Policy**

Detailed below is AlixPartners' policy in relation to:

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

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

The Administrators' general approach to resourcing 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 managing director, a director or senior vice president, a vice president and a consultant. 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 Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, the Administrators advise that time spent by their treasury department in relation to specific tasks on an assignment is charged. The Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The Administrators have sub-contracted the Company's trading to IWGS under a bespoke management agreement, the terms of which are in line with those agreed by the Company prior to the appointment.

### **Professional advisors**

On this assignment the Administrators have used the professional advisors listed below. The 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
<i>Pinsent Masons LLP (legal advice)</i>	<i>Hourly rate and disbursements</i>
Savills plc (disposal advice)	Bespoke quoted fee (£20,000)
Aon plc (insurance)	Premium (risk based)

The 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.

## 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, such as postage, case advertising, invoiced travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Administrators and their staff.

Approval for category 2 disbursements will be sought as specified in section 1 of this report and may consist of business mileage for staff travel charged at the rate of 45 pence per mile.

## Charge-out rates

A schedule of AlixPartners' hourly charge-out rates for this assignment effective from 1 January 2019 is detailed below. Time is charged by the appointees and case staff in units of six minutes.

Description	£
Managing director	775-945
Director	645-775
Senior vice president	450-565
Vice president	325-425
Consultant	110-305
Treasury and support	120-315

## **Appendix H. Exit routes and discharge from liability**

### **Dissolution**

Based on present information, the Administrators think a dividend will be paid to the unsecured creditors, but only by virtue of the Unsecured Creditors' Fund. In this situation, the Administrators will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of the Company once the funds have been distributed. The Administrators will send copies of these documents to the Company and its creditors. The Administration will end following the registration of the notice by the Registrar of Companies.

### **Compulsory liquidation**

A liquidator of a company has certain powers such as the ability to disclaim onerous contracts or assets, that are not available to an administrator. If such powers become necessary, the Administrators may make an application to court to end the Administration and request that the court places the Company into compulsory liquidation. The Administrators will send notice of any such application to the Company and its creditors.

### **Discharge from liability**

The Administrators are seeking approval for their discharge from liability from the secured creditor. It is proposed that the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.