

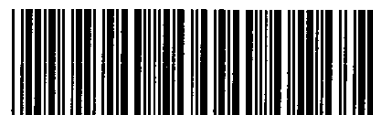
AM10

Notice of administrator's progress report



Companies House

THURSDAY



A8WS9W2R

A04

16/01/2020

#197

COMPANIES HOUSE

1 Company details

Company number 0 5 5 1 2 5 4 9

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) Catherine

Surname Williamson

3 Administrator's address

Building name/number The Zenith Building

Street 26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country

4 Administrator's name ①

Full forename(s) Alastair

Surname Beveridge

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

5 Administrator's address ②

Building name/number 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country

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

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d	2	d	1	m	0	m	6	y	2	y	0	y	1	y	9
To date	d	2	d	0	m	1	m	2	y	2	y	0	y	1	y	9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

C. M. M. M.

X

Signature date

d	1	d	5	m	2	m	1	y	2	y	0	y	1	y	9
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AM10

Notice of administrator's progress report



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 **Melissa Fielding**

Company name **AlixPartners UK LLP**

Address **The Zenith Building**

26 Spring Gardens

Post town **Manchester**

County/Region

Postcode **M 2 1 A B**

Country

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 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 or email 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

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
- LIQ2, LIQ3, 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

Administrators' Progress Report for the period 21 June 2019 to 20 December 2019

Office Properties Limited (formerly
MWB Business Exchange Centres
Limited)

In Administration

15 January 2020

Contents

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3. Progress of the Administration	4
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Appendices

Appendix A.	Statutory information
Appendix B.	Receipts and Payments Account for the period 21 June 2019 to 20 December 2019
Appendix C.	Trading Receipts and Payments Account for the period 21 June 2019 to 20 December 2019
Appendix D.	Administrators' fees and pre-administration costs
Appendix E.	Administrators' expenses and disbursements
Appendix F.	Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9
Appendix G.	Exit routes and discharge from liability

AlixPartners
The Zenith Building
26 Spring Gardens
Manchester M2 1AB

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

1. Why this report has been prepared

- 1.1 As you will be aware Alastair Beveridge, Deborah King and Catherine Williamson (the **Administrators**) were appointed on 21 June 2019.
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 21 June 2019 to 20 December 2019 (the **Period**) and should be read in conjunction with all previous reports.
- 1.3 This report has been prepared in accordance with rule 18.2 of the Insolvency (England and Wales) Rules 2016.
- 1.4 The purpose of this report is to provide statutory and financial information about the Company and to provide an update on the progress of the Administration, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.5 As a reminder, 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.
- 1.6 In this case the Administrators are pursuing the second statutory objective. Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.7 Details of the Administrators' fees and disbursements incurred are provided at Appendices D to F.
- 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 the contents of this report or the Administration generally, please contact Melissa Fielding on 0161 838 4500, by email at 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	391,889
Unsecured creditors	3,410,241	101,798

Notes:

The estimated debt has been taken from the director's Statement of Affairs (**SoA**).

Funds available for distribution are detailed before taking into account the estimated costs of making the distribution.

The likely levels of returns are estimated and are subject to change.

Secured creditor – Pathway Finance S.a.r.l. (Pathway)

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 £391,889 (excluding accrued interest and charges) under its security per the SoA.

The secured creditor has agreed to reduce the level of its exposure in consideration for entities within the Regus group (the **Group**) purchasing certain of the Company's assets (**Credit Bids**). These Credit Bids are currently expected to total £310,072. A summary of the Credit Bids received to date is listed below.

Description	Amount £
Baker St - Novation Payment (Customers)	160,546
Oxford - Assignment Premium	75,000
Oxford - Novation Payment (Customers)	74,526
Total	310,072

Based on current estimates, there may be sufficient realisations to enable the secured creditor to be paid in full.

Preferential creditors

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

Unsecured creditors

The SoA indicates that there are unsecured creditors with claims totalling £3,410,241. To date, two claims have been received in the Administration totalling £337,762.

Based on initial expectations, the Company's net property could be approximately £493,988, after Administration costs. Arising from this, the value of the Unsecured Creditors' Fund (defined at paragraph 5.3) would be approximately £101,798, enabling a dividend of approximately 2-3 pence in the pound, before the costs of distribution.

In respect of 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, regardless of the size of their claims.

For further information please refer to section 5 of this report.

3. Progress of the Administration

- 3.1 Attached at Appendices B and C are the Administrators' Receipts and Payments Account and Trading Receipts and Payments Account for the Period.
- 3.2 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices D and E have been incurred, as well as the sensitivities that might be applicable to the Administrators' anticipated fees and expenses over the remainder of the Administration.

Trading

- 3.3 As at the date of appointment, 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**)
 - 27B Floral Street, 15-17 Long Acre, WC2E 9LH (**Floral Street**)
 - 6 Hays Lane, 47-49 Tooley Street, London Bridge, SE1 2QG (**Hays Lane**)
- 3.4 Following the Administrators' appointment, steps were immediately taken 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.
- 3.5 The day to day operations continued to be managed by IW Group Services (UK) Limited (**IWGS**) under an operating agreement (on largely the same terms as pre-appointment) to ensure consistency and minimal disruption to customers.
- 3.6 The trading period has not yet been finalised and is still 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 of continuing to trade. In addition, IWGS and Pathway agreed to fund a portion of the wider Administration costs and this funding has been provided on a non-recourse basis. The amount provided was fixed 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.

Realisation of assets

Property

- 3.7 The current status of each of the Properties is summarised below:

Baker Street

- 3.8 As previously reported, another entity within the Group 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 International S.a.r.l. (**Franchise**), in return for consideration totalling £260,682. Consideration was payable via a cash payment of £100,135 in respect of a rent deposit and a Credit Bid reduction in the Company's secured creditor balance of £160,546.
- 3.9 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 capital expenditure requirement at the site and the additional costs of marketing that would need to be incurred.

Oxford

- 3.10 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 has been paid via Credit Bid.
- 3.11 These actions resulted in a better return to the estate than would have been achievable on the open market in the circumstances.

Cavendish Square

- 3.12 Similar to the Oxford site, a strategic analysis of the disposal options, in conjunction with advice from Savills Plc, concluded that the highest value would be obtained from a sale within the Group. Franchise commenced negotiations with the landlord, having expressed an interest in the site and 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 Cavendish Square business to Franchise, in return for consideration totalling £206,129 which was paid in cash.
- 3.13 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 and the additional costs of marketing that would need to be incurred.

Floral Street

- 3.14 The Company remains in occupation of the Floral Street property and is continuing to trade from this site. It was anticipated that the best outcome would be achieved via an assignment of the lease to another entity within the Group. To

date it has not been possible to agree an assignment of the lease however discussions are ongoing with the landlord. Due to the sensitive nature of these discussions, an update will be provided in the Administrators' next report.

Hays Lane

- 3.15 The Company remains in occupation of the Hays Lane site and is continuing to trade from the property. Franchise has expressed a desire to take an assignment of the lease and negotiations with the landlord are currently ongoing. Rent and other liabilities under the lease continue to be funded by Pathway/IWGS at no cost to the estate.

Other realisations

- 3.16 The Company's funds are held in interest-bearing accounts. Bank interest totalling £1,080 was received in the Period.

Administration (including statutory reporting)

- 3.17 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 HM Revenue & Customs 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.
- 3.18 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.
- 3.19 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, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors (claims and distribution)

- 3.20 Details of the estimated outcome for creditors can be found in section 5.

4. Investigations

- 4.1 The Administrators conducted investigations into the conduct of the directors 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 upon the outcome of the investigations, there were no matters identified that required further action.

5. Estimated outcome for creditors

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

- 5.1 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. During the Administration, the debt due has been reduced as a result of payments via Credit Bids, totalling £310,072. There may be sufficient realisations to enable the secured creditor to be paid in full.

Preferential creditors

- 5.2 The Company did not have any employees. Therefore, the Administrators have not received any preferential claims.

Unsecured creditors

- 5.3 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**'.
- 5.4 Based on present information, the Administrators estimate the value of the Company's net floating charge property to be approximately £493,988. This figure includes realisations achieved by way of Credit Bids. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £101,798.
- 5.5 In the event that there are sufficient funds available to repay the secured creditor in full, there will also be a dividend available to unsecured creditors over and above the Prescribed Part.
- 5.6 Based on current information, unsecured creditors are estimated to be £3,410,241. To date, two claims have been received in the Administration totalling £337,762.
- 5.7 As previously advised, 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 decisions made by creditors, a Proof of Debt form is required.

6. Outstanding matters

Unrealised assets

- 6.1 The Administrators need to finalise the assignment/surrender of the lease in respect of both Floral Street and Hays Lane.

Other matters

- 6.2 Once all assets have been realised within the Administration, the Administrators will finalise the tax position of the Company, agree the unsecured claims received and make payment of the dividend.

7. What happens next

Creditors' rights

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

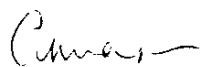
Extension

- 7.3 The Administration is due to end automatically on 20 June 2020, however the Administrators anticipate that all matters will be finalised by this date. An extension of the Administration is therefore not currently anticipated.
- 7.4 The secured creditor approved on 27 August 2019 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.

Next report

- 7.5 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration, or earlier if the Administration has been finalised. For details of the proposed exit route, please see Appendix G.

For and on behalf of
Office Properties Limited



Catherine Williamson
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 3.3
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

Administrators' information

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

Extension of Administration

The Administration is due to end automatically on 20 June 2020, however the Administrators anticipate that all matters will be finalised by this date. An extension of the Administration is therefore not being sought at this time.

Appendix B. Receipts and Payments Account for the period 21 June 2019 to 20 December 2019

Statement of Affairs £		Period £
	Receipts	
100,000	Sale consideration:	
	Baker Street	100,135
	Cavendish Square	206,129
	Funding for asset realisation costs (non-recourse)	340,800
	Trading surplus	53,404
	Bank interest	1,080
		701,549
	Payments	
	Administrators' pre-appointment fees	22,434
	Administrators' fees	169,685
	Legal fees	67,122
	Legal disbursements	141
	Agent's/valuer's fees	20,000
	Category 1 disbursements:	
	Specific penalty bond	225
	Statutory advertising	87
	Stationery, postage and photocopying	318
	Bank charges	30
		(280,042)
	Balance of floating charge assets	421,507
	Total balance	421,507
	Represented by	
	Floating current account	259,007
	VAT receivable	162,500
		421,507

Notes:

The above is subject to small rounding differences.

Excludes consideration paid by way of Credit Bids, details of which are provided in Sections 2 and 3.

Appendix C. Trading Receipts and Payments Account for the period 21 June 2019 to 20 December 2019

	Period £
Post-appointment Funding for costs	2,300,419
	2,300,419
Trading expenditure	
Rent:	
Cavendish Square	563,398
Baker Street	66,740
Floral Street	600,750
Hays Lane	620,650
Oxford	33,431
Property service charge:	
Cavendish Square	212,365
Floral Street	8,702
Hays Lane	130,812
Oxford	3,877
Car park - Cavendish Square	1,149
Insurance - Hays Lane	5,141
	(2,247,015)
Trading balance	53,404

Notes:

The above is subject to small rounding differences.

The trading position is ultimately expected to be loss making once all accrued costs associated with trading have been settled. However, any loss will be funded by Pathway therefore there will not be an impact on the Administration estate.

IWGS account to the Administrators in respect of the trading at each of the sites and the Company's trading is still expected to be loss making overall. IWGS collects the licence fee income and discharges day to day costs and expenses at each site. The performance will not impact the Administration estate as IWGS and Pathway have agreed to fund any post-appointment trading losses for the period while the discussions with the landlords were/are undertaken and concluded. Only the funding from IWGS and rental and property costs paid through the Administration estate are reflected in the table above.

In addition, IWGS and Pathway agreed to fund a portion of the wider Administration costs and this funding has been provided on a non-recourse basis. This 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.

Appendix D. Administrators' fees and pre-administration costs

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<https://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy, please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with insolvency legislation. On 27 August 2019, the secured creditor approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

To date, fees of £169,685 have been drawn. Disbursements of £630 have been drawn.

Administrators' fee estimate

The fee estimate was originally provided when the basis of the Administrators' fees was approved. A copy of that estimate of the anticipated amount of work and the costs associated with it is 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
Total	557	384	213,999

The above estimate was based on information available to the Administrators at the time the approval of their fee basis was sought.

Administrators' details of time spent to date

The Administrators' time costs for the Period are £180,624. This represents 442 hours at an average rate of £408 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Trading	113	415	50,262
Realisation of assets	129	439	60,385
Administration (including statutory reporting)	185	301	65,504
Investigations	12	481	3,973
Creditors (claims and distribution)	3	271	500
Total	442	408	180,624

Should any matters arise, such as 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 future communications.

Details of the progress of the Administration to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in Section 3.

Based upon the current position, the Administrators believe that the fee estimate previously provided remains valid.

Pre-administration costs

The pre-administration costs were disclosed in the Administrators' statement of proposals dated 26 July 2019. The costs, totalling £22,000, were paid in full on 14 August 2019.

Appendix E. Administrators' expenses and disbursements

Expenses of the Administration

The estimate of expenses anticipated to be incurred by the Administrators from third parties whilst dealing with the Administration and trading on the business was provided to creditors in the Administrators' proposals; a copy of that estimate is set out below.

	Anticipated cost £
Legal costs	30,000
Agent's fees	20,000
Insurance	9,000
Total	59,000

Current position of Administrators' expenses

An analysis of the costs paid to date, together with those incurred but not paid as at the end of the Period is provided below.

	Paid in the Period £	Incurred but not paid £	Total anticipated cost £
Legal costs*	67,263	-	87,000
Agent's fees	20,000	-	20,000
Insurance	Nil	-	1,300
Total	87,263	-	108,300

*The legal costs incurred are expected to be higher than anticipated due to the protracted nature of the negotiations with certain of the landlords of the Properties. Although the majority of the sites have now been dealt with, further legal costs are still expected to be approximately £20,000. These costs are in respect of finalising the positions with respect to Floral Street and Hays Lane.

Administrators' estimate of trading position

The Administrators still anticipate trading to be at an overall 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. However, a loss-making trading result will be the eventual outcome, although there will not be an impact on the estate as the loss will be funded.

Administrators' disbursements

A copy of the analysis of anticipated disbursements previously provided is set out below. The actual expenses may be found in the receipts and payments account in Appendix B.

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

Appendix F. 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 their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director, a director or senior vice present, 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, time spent by treasury staff in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

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
Pinsent Masons LLP (legal advice)	Hourly rate and disbursements
Savills plc (disposal advice)	Bespoke quoted fee (£20,000)
Aon plc (insurance)	Premium (risk based)
IWGS (trading)	Responsibility and risk for trading is borne by IWGS, and their fees are paid from the trading surplus, if any, avoiding liability to the estate and incentivising IWGS to return the properties to profitability and hence enhance their potential for sale

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 eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include business mileage for staff travel - charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 January 2020 is detailed below, together with the charge out rates for 2019. Time is charged by the appointees and case staff in units of six minutes.

Description	2019 £	2020 £
Managing director	775-945	785-970
Director	645-775	670-740
Senior vice president	450-565	470-575
Vice president	325-425	350-445
Consultant	110-305	120-325
Treasury and support	110-305	120-325

Appendix G. Exit route and discharge from liability

Dissolution of the Company

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 Administrators will end following the resignation of the notice by the Registrar of Companies.

Discharge from liability

The secured creditor approved on 27 August 2019 that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.