

AM03

Notice of administrator's proposals



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 8 2 6 3 7 1

Company name in full Regus G Limited

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

2 Administrator's name

Full forename(s) Steven

Surname Williams

3 Administrator's address

Building name/number Derby House

Street 12 Winckley Square

Post town Preston

County/Region

Postcode P R 1 3 J J

Country

4 Administrator's name ①

Full forename(s) David

Surname Acland

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

5 Administrator's address ②

Building name/number Derby House

Street 12 Winckley Square

Post town Preston

County/Region

Postcode P R 1 3 J J

Country

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

AM03 Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ^❶

☐ I attach a copy of the qualifying report

☐ I attach a statement of disposal

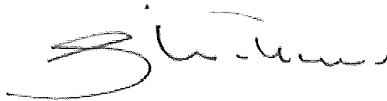
❶ As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's
Signature

Signature

X



X

Signature date

d 2

d 2

m 0

m 8

y 2

y 0

y 2

y 3

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

Joe Allen

Company name

FRP Advisory Trading Limited

Address

Derby House

12 Winckley Square

Post town

Preston

County/Region

Postcode

P R 1 3 J J

Country

DX

cp.preston@frpadvisory.com

Telephone

01772 440700



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 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

FRP

Regus G Limited (In Administration)
The Administrators' Proposals

22 August 2023

Contents and abbreviations



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The following abbreviations may be used in this report:	
FRP	FRP Advisory Trading Limited
The Company	Regus G Limited (In Administration)
The Administrators	Steven Williams and David Acland of FRP Advisory Trading Limited
The Insolvency Rules	The Insolvency (England and Wales) Rules 2016
CVL	Creditors Voluntary Liquidation
CVA	Company Voluntary Arrangement
SIP	Statement of insolvency practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs
Genesis / Secured Creditor	Genesis Finance S.A.R.L
IWG/Group	Wider IWG PLC Group
Management	The Directors of the Company
Pall Mall	First Floor, 100 Pall Mall, London, SW1Y 5NQ
Kings Cross	Third & Fourth Floor, Hamilton House, Mabledon Place, London, WC1H 9BD
AGA	Authorised Guarantee Agreement

1. Introduction and circumstances giving rise to the appointment of the Administrators

On 4 July 2023, the Company entered administration. Steven Williams and David Acland were appointed as Administrators.

This document, together with its appendices, forms the Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules. The proposals are deemed delivered two business days after they are dated.

Certain statutory information about the Company and the administration is provided at **Appendix A**.

Background information regarding the Company

The Company was incorporated on 23 May 2006 and is a wholly owned subsidiary of IWG Group Holdings S.A.R.L., forming part of the wider IWG Group. Other connected companies, which are relevant to the Administration, are:

- IWG Plc (a Jersey registered company) – the ultimate parent company.
- Genesis Finance S.A.R.L. ("Genesis") – provided Loan Financing to the Company, which is secured by way of a fixed and floating charge debenture.
- Franchise International S.A.R.L. – provided services under a Franchise Agreement to the Company.

The Company's principal activity was to offer serviced offices and other related services as part of the wider group offering.

Historically, the Company operated centres at Pall Mall and Kings Cross, prior to the leases for each premises being formally assigned to new IWG entities in 2017 (London Pall Mall Centre Limited) and 2021 (Tenter Street Centre Limited) respectively, with the Company being party to an Authorised Guarantee Agreement ("AGA") in respect of each centre.

The current directors are Richard Morris and Jonathan Prasad-Smith (appointed on 1 September 2014 and 3 July 2023 respectively).

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Events leading to the appointment of the Administrators

London Pall Mall Centre Limited entered into Administration on 25 March 2021 and a formal demand of £1,251,265.34 was received from the landlord of the premises in accordance with the AGA. At this stage, IWG approached the landlord with a view to agreeing a formal settlement, but were unable to reach agreement.

The directors of the Company initially engaged FRP on 19 July 2022 to:

- 1 Prepare an EOS, based on existing book values from the accounts, estimated realisable values and contingent landlord claims;
- 2 Provide a written report to include an executive summary of the Company's financial position, detailed notes and assumptions in relation to the EOS, to assist with the Landlord negotiations.

IWG utilised the EOS in negotiations with the landlord in a further attempt to agree a mutually acceptable settlement of the claim under the AGA, however no agreement was to be reached at this stage.

A subsequent winding-up petition was received from the landlord on 12 May 2023, with a hearing date of 5 July 2023. At this stage, IWG commenced final negotiations with the landlord to agree settlement. Negotiations progressed with the landlord and a settlement figure was agreed. A deadline of 3pm on 4 July 2023 was set to finalise the settlement agreement in view of the winding up petition hearing on 5 July 2023.

Appointment of the Administrators

Despite the agreed settlement (and payment being made to the landlord by IWG), the executed settlement agreement was not received from the landlords' solicitors by the deadline of 3pm on 4 July 2023, and therefore in response, Genesis, in its position as QFCH, took steps to preserve and control the position by appointing Administrators. The executed settlement agreement was later received from the landlord's solicitors at 4.45pm on 4 July 2023.

1. Introduction and circumstances giving rise to the appointment of the Administrators



Prior to our appointment as Joint Administrators we are required to consider any ethical and conflict issues in relation to the appointment and provided we are satisfied that there are no matters arising that would preclude us consenting to act we must provide a statutory statement and consent to act in which any prior relationship between the proposed Administrators and the Company is summarised, this statement is subsequently filed in Court. Following our appointment as Joint Administrators our duty of care is to all the Company creditors as officers of the Court and agents of the Company, taking over from the Board the responsibilities of managing the affairs, business and property of the Company.

On 4 July 2023, Genesis as holder of a qualifying charge over the Company appointed Steven Williams and David Acland of FRP Advisory Trading Limited as Administrators.

2. Conduct of the administration

FRP

The objective of the administration

The Administrators believe that objective (a) of the administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, cannot currently be achieved due to the unknown liabilities of the landlords (see below).

Based on current estimated realisations, the Administrators do not anticipate there will be sufficient funds to pay a distribution to the unsecured creditors (with the exception of a distribution of the prescribed part, if applicable). Consequently, objective (b), a better result for the Company's creditors as a whole than would be likely if the Company had been wound-up (without first being in administration), will not be achieved.

It is therefore currently envisaged that objective (c) will be achieved, to realise property in order to make a distribution to one or more secured and/or preferential creditors, however as explained below, we will also explore whether it is feasible to achieve objective (a) and rescue as a going concern.

The Administrators' actions

Details of work already undertaken or anticipated will be undertaken is set out in the schedule of work attached at **Appendix C**.

As detailed above, the Administrators believe that objective (a) of the administration, being to rescue the Company as a going concern, cannot currently be achieved due to the unknown liabilities of the landlords. Following appointment, correspondence was issued to both landlords, confirming the appointment of the administrators and requesting the details of any current liabilities. Whilst responses are awaited, should both landlords respond to confirm that no liabilities exist, the Administrators will consider whether objective (a) can be achieved by handing the Company back to the directors. In this instance, it is anticipated that all IWG connected entities, including Franchise and Genesis, will waive their rights to prove within the Administration and there are no other non-connected creditors in so far as we are currently aware.

Regus G Limited (In Administration)
The Administrators' Proposals

Administrators' future work

Following approval of the Administrators proposals the Administrators will continue to manage the affairs and business of the Company and conduct the Administration to achieve the purpose of the administration. Key matters to be undertaken include:

- Request and review responses from the landlords
- If positive responses are received from the landlords, the Administrators will seek to rescue the business as going concern by returning the Company to the directors
- If either landlord proves a debt within the administration, the Administrators will proceed with objective (c) by:
- Demanding the balance owed from IWGS
- Reviewing and reconciling the balance owed from Tenter Street Centre Limited and seeking to recover the same
- Investigating and, if appropriate, pursuing any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company
- Distributing realisations to the Secured Creditor
- Agreeing the claims of the unsecured creditors and distribute the Prescribed Part (if required)
- Ensure all statutory and compliance matters are attended to
- Pay all administration expenses and bring the administration to an end when deemed appropriate by the Administrators
- Seeking an extension of the administration if needed

2. Conduct of the administration

FRP

Receipts and Payments Account

A copy of the Administrators' receipts and payment account to date is attached as **Appendix B**. As creditors will note there have been no transactions to date.

The directors' Statement of Affairs

The directors of the Company have been asked to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the Insolvency Act 1986 and this is awaited. We have agreed an extension with the directors whilst the final balance sheet is prepared to ensure all transactions to the date of Administration are captured.

Details of the financial position of the Company at the latest practical date, prepared from information available to the Administrators and including a list of creditors' names and addresses is provided at **Appendix E**. As and when the directors' Statement of Affairs is received it will be filed with the Registrar of Companies.

Matters requiring investigation

The Administrators are required as part of their duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted. They are also required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Energy and Industrial Strategy on the conduct of the directors. If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact me as soon as possible.

The end of the administration

The administration will end automatically after twelve months from the date of appointment of the Administrators. This period can be extended with consent of the creditors for up to twelve months or longer by application to the Court as required.

If the Administrators believe that the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

If the Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter liquidation, the Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Administrators, or any successor office holder(s).

If the Administrators are of the view that it is appropriate for the creditors to consider the approval of a CVA the proposed supervisors are to be the Administrators or any

2. Conduct of the administration

FRP

successor office holder(s). Creditors may nominate different supervisors when considering whether to approve the CVA proposals.

In this administration it is currently proposed that the administrators will take the necessary steps to dissolve the Company as it is not currently anticipated there will be any funds available for distribution to unsecured creditors (other than the prescribed party), however should positive response be received from the landlords confirming that no claims are held, the Administrators will seek an early termination of the Administration and will send a notice to the Court and the Registrar of Companies in accordance with Paragraph 80 of Schedule B1 to the Insolvency Act 1986 to bring the Administration to an end. The 'live' company will be handed back to the Directors.

Decision of creditors

Based on information currently available, the Administrators believe that the Company has insufficient property to enable a distribution to be made to unsecured creditors, except potentially from the prescribed part if funds allow. This statement is made in accordance with Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986.

The Administrators are therefore not required to seek a decision from creditors as to whether they approve the Administrators' proposals pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986. The Administrators must however seek a decision from the creditors if requested to do so by creditors whose debts amount to at least 10% of the total debts of the Company. The request must contain the particulars prescribed by rule 15.18 of the Insolvency Rules and be made within eight business days of the date of delivery of this report, in accordance with the Insolvency Rules.

The expenses of seeking the decision shall be paid by the creditor or creditors requesting the decision, who will be required to lodge a deposit with the Administrators as security for this payment. The creditors may decide that the

expenses of seeking the decision should be paid as an expense of the Administration payable from the assets of the Company.

In accordance with the Insolvency Rules where the Administrators have not sought a decision of the creditors, the proposals set out below will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a decision of creditors within eight business days of the date of delivery of this report.

3. The Administrators’ remuneration, expenses and pre-appointment costs



Administrators’ remuneration

A schedule of the work to be undertaken during the administration is set out at **Appendix C** together with an estimated outcome statement which includes an estimate of the expenses likely to be incurred by the Administrators. Assumptions made in preparing the summary of work, estimated expenses and the fees estimate where a time cost resolution is proposed are set out in the schedule of work.

The Administrators’ remuneration will be drawn from the Company’s assets and it is proposed that it will be charged as a set amount. Further details of how this will be calculated is set out below. The basis of the Administrators’ remuneration has not yet been approved by creditors, and the Administrators have accordingly not drawn any remuneration in this case.

Should the Company subsequently be placed into liquidation and the Administrators appointed as liquidators, the basis agreed for the drawing of the Administrators’ remuneration will also be that utilised in determining the liquidators’ remuneration, in accordance with the Insolvency Rules.

Whichever fee basis is approved by creditors and utilised to calculate the level of remuneration that can be drawn by the Joint Administrator this will include all direct costs of providing professional services by the Joint Administrator and his/her staff in dealing with Regus G Limited (In Administration), but will exclude any expenses that may be paid to an associate or which have an element of shared costs (known as category 2 expenses), which require separate approval from creditors before they can be paid.

Where payments are to be made to associates of the office holder or their firm, creditors’ approval to such payments must be received prior to payment being remitted. We can confirm no payments are being made to associates of the office holder or their firm.

Where there is an element of costs being shared between this insolvency estate and other parties, and determination of how those costs are to be allocated is being decided by the office holder, creditors’ approval to such payments must be received prior to payment being remitted. We can confirm no shared costs are currently envisaged.

Remuneration charged as a set amount

It is proposed that the Administrators will charge a fixed fee of £20,000 in respect of the categories of work set out in the schedule of work attached at **Appendix C**. We anticipate that requesting the approval of our remuneration as a set amount will give certainty to creditors over the sum to be charged, reduces the administrative burden to provide detailed time recording information to creditors and represents a fair and reasonable reflection of the work it is anticipated will be undertaken by the Administrators.

Administrators’ disbursements and expenses

The Administrators’ disbursements are payments which are first met by the Administrators, and then reimbursed to the Administrators from the estate. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

Pre-administration costs charged or incurred by the Administrators

Attached at **Appendix D** is a statement of pre-administration costs charged or incurred by the Administrators of which £2,395.50 had not been paid when the Company entered administration.

We are seeking to obtain approval for the payment of this amount in accordance with the Insolvency Rules.

3. The Administrators' remuneration, expenses and pre-appointment costs



Creditors' ability to challenge the Administrators' remuneration and expenses

Creditors have a right to request further information from the Administrators and further have a right to challenge the Administrators' remuneration and other expenses under the Insolvency Rules following receipt of a progress report. Further details of these rights can be found in the Creditors' Guide to Fees which you can access by using the following link <https://www.frpadvisor.com/legal-and-regulatory-notice/information-creditors-insolvency-proceedings/> and select the one for administrations. Alternatively a hard copy of the relevant guide will be sent to you on request.

4. Estimated outcome for the creditors

FRP

Estimated Outcome Statement

We attach at **Appendix C**, an EOS which has been prepared from the information provided by the directors, advice received in connection with the value of the Company's assets, estimated sums due to creditors and an estimate of our remuneration and other expenses that may be incurred during the course of this administration. The assumptions made in preparing the EOS details are set out in the schedule of work.

Based on the information available to date and the assumptions made I set out below the anticipated the outcome for creditors:

Outcome for Secured Creditor

Genesis

As at the date of Administration, the indebtedness to the Genesis amounted to £2,077,595. The indebtedness is secured by way of a fixed and floating charge dated 31 December 2020.

It is currently anticipated that Genesis will incur a significant shortfall in respect of its indebtedness, however as detailed above, should both landlords provide confirmation that they hold no claims within the administration, Genesis may waive its right to prove within the Administration, in order for the Company to be rescued as a going concern.

Regus No1 S.a.R.L.

As at the date of appointment, there was no indebtedness due to Regus No1 S.a.R.L.

Lloyds TSB Bank plc

As at the date of appointment, there was no indebtedness due to Lloyds TSB Bank plc.

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Outcome for Preferential Creditors

There are no known preferential creditors.

Outcome for Secondary Preferential Creditors

From 1 December 2020 HMRC ranks as a secondary preferential creditor in respect of the following:

- VAT;
- PAYE (including student loan repayments);
- Construction Industry Scheme deductions; and
- Employees' NI contributions

There are no known secondary preferential creditor claims.

Outcome for Unsecured Creditors

Based on the assumptions made in the estimated outcome statement it is currently estimated that there will be sufficient funds available to make a distribution to unsecured creditors in due course from funds available under the prescribed part only. Based on the current estimate of the level of creditor claims this distribution is estimated at 32.74 pence in the £, however, as detailed above, should both landlords provide confirmation that they hold no claims within the administration, the connected IWG entities, being Regus Group Limited and Franchise may waive their right to prove within the Administration, in order for the Company to be rescued as a going concern.

Prescribed Part

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000.

4. Estimated outcome for the creditors

FRP

The prescribed part, based on net property currently estimated to be £356,719 has been calculated to be approximately £74,344. The prescribed part is available for all unsecured creditors and where there are only sufficient funds to enable a dividend to be paid to unsecured creditors from the prescribed part, this will be paid by the Administrators.

Appendix A

Statutory information about the Company and the administration



COMPANY INFORMATION:		ADMINISTRATION DETAILS:	
Other trading names:	N/A	Names of Administrators:	Steven Williams and David Acland
Date of incorporation:	23 May 2006		
Company number:	05826371	Address of Administrators:	FRP Advisory Trading Limited Derby House, 12 Winckley Square, Preston, PR1 3JJ
Registered office:	C/o FRP Advisory Trading Limited, Derby House, 12 Winckley Square, Preston, PR1 3JJ	Date of appointment of Administrators:	4 July 2023
Previous registered office:	1 Burwood Place, London, W2 2UT	Court in which administration proceedings were brought:	The High Court of Justice, Business & Property Courts
Business address:	N/A		
Directors:	Richard Morris & Jonathan Prasad-Smith	Court reference number:	CR-2023-003560
Company secretary:	N/A	Date of notice of intention to appoint Administrators presented to Court:	N/A
		Administration appointment made by:	Qualifying Floating Charge Holder/Creditor

The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

Appendix A

Statutory information about the Company and the administration

The directors have confirmed the Company's centre of main interest has been in the UK and accordingly the proceedings will be COMI proceedings as defined in the Insolvency Rules.

Extracts from the financial statements available are summarised below:

Period Ended	Turnover	Gross Profit/(Loss)	Net Profit/(Loss)	Dividend paid	P & L a/c c/fwd
	£'000	£'000	£'000	£'000	£'000
31/12/2021	1,050	(220)	(556)	-	(1,087)
31/12/2020	1,980	285	(162)	-	(531)
31/12/2019	3,093	1,380	759	-	(369)

Appendix B

Administrators' Receipts & Payments Account

FRP

**Regus G Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 22/08/2023**

S of A £		£	£
	FLOATING CHARGE CREDITORS		
(2,077,505.00)	Genesis Finance S.A.R.L	NIL	NIL
	UNSECURED CREDITORS		
(204,374.00)	Unsecured Creditors	NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
(2,281,881.00)			NIL
	REPRESENTED BY		NIL



Steven Williams
Joint Administrator

Appendix C

The Administrators’ remuneration, expenses and costs information



Regus G Limited - In Administration Estimated Outcome Statement as at 22 August 2023	Book Value	Administration
	£	£
ASSETS NOT SPECIFICALLY PLEDGED		
Tenter Street Centre Limited	1,159,900	Uncertain
IW Group Services (UK) Limited	392,995	392,995
	<u>1,552,895</u>	<u>392,995</u>
LESS ADMINISTRATION COSTS		
Administrators' Fees		(20,000)
Administrators' Disbursements:		(500)
Storage		(47)
Bordereau		(100)
Postage		(50)
Statutory Advertising		(185)
Pre-Administration Costs		(2,396)
Legal Fees - Faegre Drinker Biddle & Reath LLP		<u>(13,000)</u>
		<u>(36,277)</u>
Estimated Assets available for Preferential Creditors	1,552,895	356,719
LESS PREFERENTIAL CREDITORS	<u>Nil</u>	<u>Nil</u>
NET PROPERTY	1,552,895	356,719
LESS: PRESCRIBED PART	<u>(313,579)</u>	<u>(74,344)</u>
Estimated Available to Floating Charge Creditors	1,239,316	282,375
LESS FLOATING CHARGE CREDITORS		
Genesis Finance SARL	(2,077,505)	(2,077,505)
Regus No.1 SARL	-	-
Lloyds TSB Bank plc	<u>-</u>	<u>-</u>
ESTIMATED DEFICIENCY TO FLOATING CHARGE CREDITORS	(838,189)	(1,795,130)
PRESCRIBED PART	313,579	74,344
LESS DISTRIBUTION COSTS	N/A	(7,434)
LESS NON-PREFERENTIAL CREDITORS		
Landlord (Pall Mall)	-	(1)
Landlord (Kings Cross)	-	(1)
Regus Group Limited	(2)	(2)
Franchise International GmbH	<u>(204,372)</u>	<u>(204,372)</u>
ESTIMATED DEFICIENCY AS REGARDS NON-PREFERENTIAL CREDITORS	109,205	(137,467)
ISSUED SHARE CAPITAL		
Ordinary Shares of £1 each	(2)	(2)
ESTIMATED DEFICIENCY AS REGARDS MEMBERS	<u>(728,986)</u>	<u>(1,932,599)</u>
Dividend available for Non Preferential Creditors p/£	153.43	32.74

FRP Advisory Trading Limited ("FRP")

EXPENSES POLICY

Expenses are any payment from the insolvent estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Details of sums paid as either expenses or disbursements will be identified in the progress reports prepared during the course of an assignment and circulated to all creditors.

Category 1 expenses:

These are payments to independent third parties who are not an associate of the office holder and where there is specific expenditure directly referable to the appointment.

Category 1 expenses may include but are not limited to items such as case advertising, storage, bonding, company searches and insurance.

Category 1 expenses can be paid without prior approval.

Category 2 expenses:

These are payment to associates or which have an element of shared costs.

With the exception of mileage FRP do not charge category 2 disbursements. Mileage payments relate to the use of private vehicles for business travel, and are directly attributable to the estate. They are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred, at the time of this report this is 45p per mile.

Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration whether paid directly from the estate or as a disbursement.

SUBCONTRACTED WORK

In accordance with SIP9 your attention is drawn to work that may be subcontracted during the course of administering the insolvency process. Subcontracted work is defined as work that could otherwise be carried out by the office holder or their staff. The office holder would typically subcontract work where it was considered more efficient, beneficial to the estate and/or cost effective to do so.

The officeholder may use the services of Postworks for the purpose of mailing out correspondence, this is particularly cost effective where large mail outs are required to stakeholders. Postworks possesses the requisite resources and equipment to convert electronic correspondence to hard copy correspondence, where it is required to be sent in paper form. Postworks add our firm's branding, collates the correspondence, and subsequently posts it to the intended recipients in a timely and reliable fashion. The costs associated with this service are based upon the quantity of letters and reports required to be posted, and number of pages involved. This is significantly more efficient and cost-effective than utilizing our own resources. Postworks costs start from 4p per page plus Royal Mail standard rates. Total costs incurred will be included within the disclosure of category 1 expenses as set out above and included in our progress reports

In addition, other specialists may be used for example to assist with asset realisation, for example debt collection agents, where this maybe more cost effective and result in a better asset realisation compared to utilising the office holder's staff. Solicitors may be utilised to deal with routine filings at Court or the Registrar of Companies or other statutory bodies. In deciding whether to subcontract this work the office holder will assess whether the estate is receiving value for money when compared to that same work being undertaken by the office holder or their staff. Typically the estate will benefit where the office holder has decided to subcontract work to third parties in terms of costs of efficiency, the availability of resources as well as a potential increase in accuracy due to the use of standardised specialist procedures.

Regus G Limited (in Administration)**Schedule of Work**

The table below sets out a detailed summary of the work undertaken by the office holder to date and details of the work it is anticipated will be undertaken by the office holder throughout the duration of this assignment. Details of assumptions made in compiling this table are set out below. The fee basis for the different categories of work are set out in this table together with an estimate of the estimated fee for each category of work where this can be estimated.

Where work undertaken results in the realisation of funds (from the sale of assets; recoveries from successful actions taken against third parties), there may be a financial benefit to creditors should there be sufficient funds available to make a distribution to one or more class of creditor. In this case, work undertaken will include the scrutiny and agreement of creditor claims.

A proportion of the work undertaken by an Insolvency Practitioner is required by statute, including ensuring the appointment is valid, notifications of the appointment to third parties, regular reporting on the progress, notifying statutory bodies where required in relation to the conduct of the director, complying with relevant legislation and regulatory matters. This may not have a direct financial benefit to creditors but is substantially there to protect creditors and other stakeholders and ensuring they are kept informed of developments.

GENERAL ASSUMPTIONS IN COMPILING THIS SCHEDULE OF WORK

- The records received are complete and up to date
- There are no matters to investigate or pursue
- The work that may be undertaken by any subsequently appointed Liquidator has been excluded
- No financial irregularities are identified
- A committee of creditors is not appointed
- There are no exceptional queries from stakeholders
- Full co-operation of the directors and other relevant parties is received as required by legislation
- There are no health and safety or environmental issues to be dealt with
- The case will be closed within 18 months

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Schedule of Work

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken to date	ADMINISTRATION AND PLANNING Future work to be undertaken
	Regulatory Requirements	General matters
	<p>Completion of money laundering risk assessment procedures and Know your Client checks in accordance with the Money Laundering Regulations.</p> <p>Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as the Bribery Act, Data Protection Act.</p> <p>Considered if there were any environmental or health and safety issues to deal with and actioned them appropriately.</p> <p>Reviewed the General Data Protection Regulation ("GDPR") in the context of the Company and considered necessary actions where required.</p>	<p>Continued adherence to internal procedures and external requirements.</p> <p>Ongoing adherence to Money Laundering Regulations and any other regulations specific to the Company.</p> <p>Regularly reviewing the conduct of the case and the case strategy and updating as required by the insolvency practitioners' regulatory professional body to ensure all statutory matters are attended to and to ensure the case is progressing.</p>
	Ethical Requirements	
	Prior to the Joint Administrators' appointment, a review of ethical issues was undertaken and no ethical threats were identified.	Periodic ethical reviews will be carried out throughout the duration of the Administration.
	Case Management Requirements	
	<p>Determined case strategy and documented this.</p> <p>Setting up case specific paper and electronic files to be updated and maintained for the duration of the appointment. Filing all relevant</p>	Continue to monitor and document any proposed changes of strategy and implementation thereof.

Regus G Limited (in Administration)**Schedule of Work**

	<p>papers and correspondence received and maintaining a diary system to ensure all matters are discharged in accordance with legislation.</p> <p>Setting up and administering bank accounts for the purposes of the administration. Ensuring accounts are regularly reconciled to produce accurate and timely reports to all creditors when required. Processing and recording of all receipts and payments throughout the appointment on the Insolvency Practitioners System ("IPS") and providing internal and external reports as required.</p> <p>Notifying HMRC of the administration and bespoke correspondence with the VAT and other departmental offices to establish the final pre-appointment tax position for the Company and define new periods.</p> <p>Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating this to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee bases proposed.</p>	<p>Maintaining and developing the case specific paper and electronic files on behalf of the Administrators aside from other records pertaining to the Company directly.</p>
2	ASSET REALISATION Work undertaken to date	ASSET REALISATION Future work to be undertaken
	<p>One of the main purposes of an insolvency process is to realise the insolvency assets and to ensure a fair distribution of the proceeds to the creditors in the correct order of priority as set out by legislation.</p>	

Regus G Limited (in Administration)**Schedule of Work**

	Other Debtors <p>Upon appointment, the Company's records detailed the sum of £392,995 as being due from IWGS, together with the sum of £1,159,900 due from Tenter Street Centre Limited ("Tenter Street"). The Administrators will liaise with IWG and Tenter Street regarding the recovery of these balances.</p> <p>It is anticipated that the balance due from IWGS will be recoverable in full, however the recovery from Tenter Street is currently uncertain as a full reconciliation of the position is required.</p>	Other Debtors <p>Recover the balance due from IWGS.</p> <p>Request a full transaction report of the Tenter Street account, including current management information.</p> <p>Review the latest accounts and management information to assess the recoverability of the balance owed from Tenter Street, which will include an assessment of Tenter Street's ability to repay the balance owed.</p>
3	STATUTORY COMPLIANCE AND REPORTING Work undertaken to date <p>Dealing with all appointment formalities including notification to relevant parties, the Registrar of Companies and statutory advertising.</p> <p>Arranging for an insolvency bond to protect the assets available for creditors.</p> <p>Preparing and circulating the Administrators' Proposals.</p> <p>Establish the existence of any pension scheme and take appropriate action to notify all relevant parties and appoint independent trustees if required.</p>	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken <p>To obtain creditor approval for the basis on which the office holder's fees will be calculated.</p> <p>Provide statutory reports to various stakeholders at regular intervals and manage any queries arising therefrom. Copies of these reports are required to be filed at Court/Registrar of Companies.</p> <p>Place legal advertisements as required by statute which may include formal meetings of creditors and notices to submit claims.</p> <p>Dealing with post appointment VAT and Corporation Tax returns as required.</p> <p>Arrange for the Statement of Affairs to be filed at Companies House once received from the directors.</p>

Regus G Limited (in Administration)

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		<p>If both landlords confirm that they have no claims within the Administration, the Administrators may seek to rescue the business as a going concern. This will include formal requests to both Genesis, Regus Group Limited and Franchise (as connected creditors) to establish whether they waive their rights to rank as creditors within the Administration.</p> <p>To deal with the statutory requirements in order to bring the case to a close and for the office holders to obtain their release from office; this includes preparing final reports for stakeholders, statutory advertising and filing the relevant documentation with the Court/Registrar of Companies.</p>
4	TRADING (where applicable) Work undertaken to date	TRADING (where applicable) Future work to be undertaken
	N/A	N/A
5	INVESTIGATIONS Work undertaken to date	INVESTIGATIONS Future work to be undertaken
	<p>The Administrators have a duty to review the books and records and other information available to identify the assets that may be available to realise for the benefit of the insolvency estate.</p> <p>Furthermore, there may be antecedent or voidable transactions that are identified which if pursued could swell the funds available for the insolvency estate.</p> <p>All directors of the Company both current and those holding office within 3 years of the insolvency were requested to complete a questionnaire to assist in preparing the statutory return to the Department of Business Energy and Industrial Strategy ("DBEIS") in accordance with the Company Directors Disqualification Act.</p>	<p>The Administrators are required to submit their report to DBEIS within 3 months of their appointment.</p> <p>Information provided to DBEIS is confidential but can be used to assist DBEIS in identifying conduct that should be investigated further and could result in individuals being disqualified from acting as a director.</p> <p>The Administrators will consider information provided by all stakeholders that might identify further assets or lines of enquiry for the office holder to explore if benefit to the estate is possible.</p>

Regus G Limited (in Administration)

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		The Administrators will also consider whether any matters have come to light which require notification to the Secretary of State or National Crime Agency.
6	CREDITORS Work undertaken to date Secured Creditors Notifying the Secured Creditors of the Administration. General / Unsecured Creditors Contacting all known creditors to advise of the appointment and to provide proof of debt forms to enable claims to be lodged.	CREDITORS Future work to be undertaken Secured Creditors Secured creditors hold a mortgage or charge over assets of the insolvent estate, when that asset is sold during the insolvency the secured creditor will receive the proceeds that is subject to any valid security. Before making a payment to a secured creditor who holds a floating charge the office holder will need to ascertain if a prescribed part, (essentially a ring-fenced sum of money) must first be set aside for the benefit of the unsecured creditors. General / Unsecured Creditors If sufficient funds are available to make a distribution to the unsecured creditors the office holder will write to all known creditors to notify of the possibility of a distribution and requested submission of claims. To date the IP is aware of 4 potential creditors according to the information currently available. As required the office holder will advertise for claims and adjudicate on them if there are sufficient funds to make a distribution, either agreeing or rejecting, in full or in part. There is a statutory time limit to enable creditors whose claims have been rejected to appeal, once this time limit has passed the office holder will make a distribution to creditors. HMRC claims: Liaising with HMRC to establish any claim and seeking tax advice to minimise claims and maximise returns to creditors where appropriate.

Regus G Limited (in Administration)**Schedule of Work**

<p>Landlords The Administrators' have liaised with the Landlords to establish the position regarding current/future claims under the AGA.</p> <p><u>Pall Mall</u> As detailed in the body of the report, prior to the Administrators' appointment, a winding-up petition was received from the landlord on 12 May 2023, with a hearing date of 5 July 2023. Settlement negotiations progressed with the landlord and a settlement figure was agreed. A deadline of 3pm on 4 July 2023 was set to finalise the settlement agreement in view of the winding up petition hearing on 5 July 2023.</p> <p>Despite the agreed settlement (and payment being made to the landlord by IWG), the executed settlement agreement was not received from the landlords' solicitors by the deadline of 3pm on 4 July 2023, and therefore in response, Genesis, in its position as QFCH, took steps to preserve and control the position by appointing Administrators. The executed settlement agreement was later received from the landlord at 4.45pm on 4 July 2023.</p> <p>Following appointment, the Administrators have written to the landlord's solicitors requesting confirmation that in view of the previously agreed settlement, the landlord has no further claim within the administration. A response is awaited from the landlord's solicitor.</p> <p><u>Kings Cross</u> Following appointment, the Administrators issued correspondence to the Kings Cross landlord to establish whether they hold any current</p>	<p>Landlords The Administrators will continue liaise with the Landlords to determine whether they have any current and/or anticipate any future claims in the Administration.</p> <p><u>Pall Mall</u> Continue to liaise with the Pall Mall landlord to establish whether they have any claim within the Administration.</p> <p><u>Kings Cross</u></p>
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Regus G Limited (in Administration)

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	<p>claim or anticipate any future claim within the Administration, under the terms of the AGA.</p> <p>The Administrators understand that the rent payable to the landlord by Tenter Street Centre Limited is up-to-date, however confirmation has not yet been received from the landlord.</p>	
7	<p>LEGAL AND LITIGATION</p> <p>Work undertaken to date</p>	<p>LEGAL AND LITIGATION</p> <p>Future work to be undertaken</p>
	<p>The appointment was made by Genesis with the assistance of Faegre Drinker Biddle & Reath LLP ("Faegre") who conducted a full security review prior to preparing the relevant appointment documentation. The documents were filed in Court by Faegre and we do not anticipate any issues to be raised within the validity advice.</p>	<p>The Administrators will seek further legal advice as and when needed throughout the assignment, including advice on the validity of the Administrators appointment.</p>
	<p>TOTAL ESTIMATED FEES</p>	<p>FIXED FEE OF £20,000</p>

Appendix D

Schedule of pre-administration costs



Provider	Service	Fee charged £	Expenses incurred £	Total £	Amount paid £	Amount unpaid £	Who payments made by	Basis of fees charged	Date of letter of engagement under which fees charged	Parties to the agreement under which fees charged
FRP Advisory Trading Limited	Proposed Administrator	2,395.50	-	2,395.50	-	2,395.50	-	Time cost	3 July 2023	Company
TOTAL		2,395.50	-	2,395.50	-	2,395.50				

The pre-administration costs are the fees charged and the expenses incurred by the Joint Administrators and their advisors before the Company entered Administration but with a view to it doing so. Expenses incurred are direct expenses. These costs represent a fair and reasonable reflection of the work undertaken prior to the appointment of Joint Administrators and are further explained below.

FRP provided assistance to the Company on a number of matters including, but not limited to:

- Liaising with management to obtain the required information to understand the discussions held with the landlord to date and any settlement offers made;
- Liaising with management and Genesis regarding the filing of the Notice of Appointment in Court;
- Updating the EOS & written report to assist with the landlord negotiations;
- Providing recommendations to management and Genesis on an appropriate strategy to deal with any insolvency of the Company; and
- Liaising with management and Genesis regarding the strategy and potential outcome.

The payment of these unpaid costs as an expense of the administration is subject to approval in accordance with the Insolvency Rules and is not part of the proposals subject to approval in accordance with Paragraph 53 of Schedule B1 to the Insolvency Act 1986.

In addition to the pre-administration costs detailed above for which approval is being sought, the sum of £2,500 plus VAT was paid to FRP in relation to the prior formal engagement which commenced on 19 July 2022. The work in this regard included preparing an EOS and written report on the Company’s financial position.

Appendix E

Details of the financial position of the Company

Prepared in accordance with Rules 3.35 of the Insolvency (England and Wales) Rules 2016

FRP

FRP Advisory Trading Limited
Regus G Limited
Company Registered Number: 05826371
B - Company Creditors

Key	Name	Address	£
CB00	The Trustees of the National Education Union	Hamilton House, Mabledon Place, London, WC1H 9BD	1.00
CF00	Franchise Internatioal GmbH	c/o 1 Burwood Place, London, W2 2UT	204,372.00
CG00	Genesis Finance SARL	Route de Crassier 7, 1262 Eysins, Switzerland	2,077,505.00
CP00	Pembroke East International Limited	2nd Floor , O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, Virgin Islands, British, VG1110	1.00
CR00	Regus Group Limited	Regus 6th Floor, 2 Kingdom Street, London, W2 6BD	2.00
5 Entries Totalling			2,281,881.00

Signature _____