

The Insolvency Act 1986

Administrator's progress report

Name of Company Midco 2 Limited	Company number 05988151
In the High Court of Justice, Chancery Division [full name of court]	Court case number 4249 / 2014

(a) Insert full name(s)
and address(es) of
administrator(s)I / We (a) Alan Hudson, Craig Lewis and Angela SwarbrickErnst & Young LLP, 1 More London Place, London, SE1 2AF

Joint Administrators of the above company attach a progress report for the period

from

to

(b) Insert date

(b) 16 June 2014(b) 15 December 2014

Signed

CA Lewis

Joint Administrator

Dated

14 January 2015**Contact Details:**

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

Alex Reed	
Ernst & Young LLP, 1 More London Place, London, SE1 2AF	
	Tel 0207 951 6370
DX Number	DX Exchange

FRIDAY



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16/01/2015
COMPANIES HOUSE

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Companies House, Crown Way, Cardiff, CF14 3UZ

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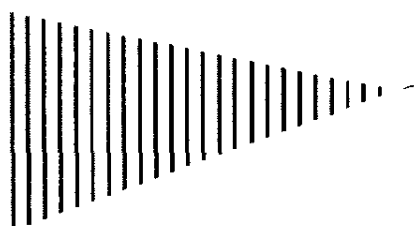
**Orchid StructureCo 2 Limited
Midco 3 Limited
Midco 2 Limited
- all in Administration**

Joint Administrators' six monthly progress report

In accordance with Rule 2.47 of the Insolvency Rules 1986

14 January 2015

Ernst & Young LLP



**Building a better
working world**

FRIDAY



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16/01/2015

#216

COMPANIES HOUSE

Abbreviations

the Act	The Insolvency Act 1986
the Companies	Orchid StructureCo 2 Limited - In Administration Midco 3 Limited - In Administration Midco 2 Limited - In Administration
DB or the Bank	Deutsche Bank AG
the Joint Administrators	Alan Michael Hudson, Angela Swarbrick and Craig Anthony Lewis
Midco 1	Midco 1 Limited
Midco 2	Midco 2 Limited - In Administration
Midco 3	Midco 3 Limited - In Administration
M&B	Mitchells & Butler Plc
Orchid Group or the Group	Orchid StructureCo 2 Limited - In Administration Orchid Pubs Holdings Limited - In Creditors' Voluntary Liquidation Orchid Pubs & Dining Limited Orchid Pubs & Restaurants Limited - In Administration Midco 3 Limited - In Administration Midco 2 Limited - In Administration Midco 1 Limited
OPD	Orchid Pubs & Dining Limited
OPH	Orchid Pubs Holdings Limited - In Creditors' Voluntary Liquidation
OPR	Orchid Pubs & Restaurants Limited - In Administration
the Proposals	Joint Administrators Proposals dated 8 August 2014
the Rules	The Insolvency Rules 1986
StructureCo 2	Orchid StructureCo 2 Limited - In Administration

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1. Introduction

On 16 June 2014 the Companies entered Administration and Alan Hudson, Angela Swarbrick and Craig Lewis were appointed to act as Joint Administrators

I write in accordance with Rule 2.47 of the Insolvency Rules 1986, to provide creditors with a report on the progress of the Administrations. This report covers the period from 16 June 2014 to 15 December 2014, and should be read in conjunction with the Joint Administrators Proposals dated 8 August 2014

Certain statutory information relating to the Company and the appointment of the Joint Administrators is provided at Appendix G.

This report relates to Orchid StructureCo 2 Limited (In Administration), Midco 3 Limited (In Administration) and Midco 2 Limited (In Administration) ("the Companies"). A separate report has been prepared for the administration of Orchid Pubs & Restaurant Limited (In Administration)

1.1 Orchid StructureCo 2 Limited – In Administration

Chancery Division of the High Court of Justice (Companies Court) (No. 4251 of 2014)

Registered office address: c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

Orchid StructureCo 2 Limited, registered number 07937851, entered administration on 16 June 2014, and AM Hudson, A Swarbrick and CA Lewis of Ernst & Young LLP, 1 More London Place, London SE1 2AF were appointed to act as Joint Administrators. The appointment was made by the company's Director under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by any of them

1.2 Midco 3 Limited – In Administration

Chancery Division of the High Court of Justice (Companies Court) (No. 4250 of 2014)

Registered office address: c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

Midco 3 Limited, registered number 06769442, entered administration on 16 June 2014, and AM Hudson, A Swarbrick and CA Lewis of Ernst & Young LLP, 1 More London Place, London SE1 2AF were appointed to act as Joint Administrators. The appointment was made by the company's Director under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by any of them

1.3 Midco 2 Limited – In Administration

Chancery Division of the High Court of Justice (Companies Court) (No. 4249 of 2014)

Registered office address: c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

Midco 2 Limited, registered number 05988151, entered administration on 16 June 2014, and AM Hudson, A Swarbrick and CA Lewis of Ernst & Young LLP, 1 More London Place, London SE1 2AF were appointed to act as Joint Administrators. The appointment was made by the company's Director under the provisions of paragraph 22(2) of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by any of them

2. Summary of progress since the appointment of Administrators on 16 June 2014 and our Proposals dated 8 August 2014

A structure chart is provided at Appendix H, illustrating the ownership structure and operating subsidiaries within the Group prior to the Joint Administrators' appointment

The Companies are non-trading entities which do not trade or employ any staff. The activities of the Companies are summarised below:

- Orchid StructureCo 2 Limited (in Administration) - a wholly owned subsidiary of Orchid StructureCo 1 Limited, which since incorporation has operated as a holding company and has not traded
- Midco 3 Limited (in Administration) - A wholly owned subsidiary of Orchid StructureCo 2 Limited, which since incorporation has operated as an investment and holding company
- Midco 2 Limited (in Administration) - A wholly owned subsidiary of Midco 3 Limited, which operates as an intermediate holding company which owns a property leasing company, Midco 1 Limited

Due to the nature of their operations, the Companies do not have any tangible assets

The Companies formed part of the wider Orchid Group which owned and operated 222 managed pubs and restaurants across the UK, employing approximately 4,829 people. The Group's property portfolio consisted predominantly of freehold and long leasehold interests (158) held by Midco 1, combined with a smaller number of leasehold interests (64) held by OPR.

As highlighted in our Proposals, the primary purpose of the Administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration). To date, due to the nature of the Companies, this has involved ensuring that the statutory duties of the Administrations have been complied with.

The Director has submitted a Statement of Affairs for each of the Companies. As anticipated, this confirms that there are no assets in the Companies. Further information relating to the Statement of Affairs is available in section 3 of this report.

As the Companies have no property to enable a distribution to the creditors, it has not been possible to achieve the objective of the administration as set out in the Proposals. Therefore, the Administrators anticipate that they will apply to the Court, pursuant to paragraph 79 of Schedule B1 to the Act, stating that the purpose of the Administrations cannot be achieved. We anticipate that the Court will then authorise the dissolution of the Companies.

3. Statement of Affairs

The director has now submitted a Statement of Affairs for each of the Companies as at 16 June 2014. These are attached at Appendix B, C and D.

We provide below, for further information, an indication of the current position with regard to the different classes of creditors for each of the Companies. These have been compiled by the Companies' management and have not been subject to independent review or statutory audit

3.1 Secured creditors

As at 16 June 2014, Midco 3 had total secured indebtedness (excluding interest) of £265,213,741 owed to Deutsche Bank, who is the only secured lender to the Companies. The secured debt is in line with the amount reported in the Proposals.

As there are no assets in Midco 3, no distributions will be made to the secured creditor

As noted in the Proposals, StructureCo 2 and Midco 2 have no secured indebtedness to the Bank

3.2 Preferential creditors

As there are no employees in any of the Companies, the Director of the Companies anticipates no preferential claims

3.3 Non-preferential creditors

As the Companies did not trade, the Director of the Companies anticipates no non-preferential claims.

3.4 Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Act. The Prescribed Part applies to floating charges created on or after 15 September 2003

The Companies have no assets and therefore the Director of the Companies anticipates no distribution of a Prescribed Part

4. Receipts and payments account

I enclose a receipts and payments account for each of the Companies at Appendix A for the period 16 June 2014 to 15 December 2014. Please note this does not reflect any future realisations or costs

The only transaction in respect of each of the Companies during the period of this report is the payment of the Joint Administrators' fees, for time spent complying with the relevant statutory duties associated with the administrations of the Companies

The secured lender has agreed to pay the relevant administration and professional fees from realisations in OPR, where it is also a secured creditor. As the fees were paid from the OPR administration bank account, there are no associated cash transactions in the receipts and payment accounts of the Companies.

5. Administrators remuneration and disbursements

5.1 Administrators Remuneration

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the website of the Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees'), or is available in hard copy upon written request to the Joint Administrators.

In accordance with Rule 2.106(5A) of the Rules as a creditors' meeting was not requisitioned in any of the Companies, and no creditors' committee was formed following receipt of the Proposals.

The Joint Administrators' remuneration for the administration work carried out in OPR and Midco 3 has been fixed by the secured creditor (the Bank) on the basis of time properly given by the Administrators and their staff in dealing with matters arising in the Administrations. A funding agreement is in place between the Bank (as secured creditor in OPR and Midco 3) and the Joint Administrators of OPR, in which it is agreed that the Bank will pay the fees associated with the Administration of the Group's subsidiaries from realisations in OPR.

5.2 Analysis of Administrators' fees

Attached at Appendix E is a statement of the Administrators' policy in relation to charging time and a detailed analysis of time spent and charge out rates, for each grade of staff for the various areas of work carried out to 15 December 2014, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No 9.

Orchid StructureCo 2 Limited

To date, the Administrators have incurred time costs of £25,172, against which fees of £14,500 have been drawn.

Midco 3 Limited

To date, the Administrators have incurred time costs of £24,764.50, against which fees of £14,500 have been drawn.

Midco 2 Limited

To date, the Administrators have incurred time costs of £25,629, against which fees of £15,000 have been drawn.

Since the start of the Administration, our time has been spent on the following matters:

- Reporting to Deutsche Bank AG,
- Completion of the CDDA investigation and report as legally required by the Insolvency Service and DBIS,
- Statutory duties, and
- Other matters arising out of the Administrations.

5.3 Disbursements

Attached at Appendix E is a statement of the Joint Administrators' policy for charging disbursements and a detailed analysis of Category 1 and Category 2 disbursements (i.e. those paid to the Joint Administrators' firm).

The secured creditors have approved the Joint Administrators' proposal that they be entitled to draw Category 2 disbursements

To date, there have been no Category 1 or Category 2 disbursements incurred in any of the Companies

5.4 Right to request information

In certain circumstances, creditors are entitled to request further information regarding the Administrators' remuneration or expenses, or to apply to court on the grounds that the costs are considered to be excessive (Rules 2.48A and 2.109 of the Insolvency Rules 1986). Further information is provided in Appendix F.

6. Other matters

6.1 Future conduct of the Administrations

The Joint Administrators will continue to act in accordance with the Proposals. This work will include inter alia.

- Dealing with statutory reporting and compliance obligations, and
- Finalising the Administrations including payment of all Administration liabilities.

6.2 Exit from the Administrations

At the time of writing the Proposals, it was anticipated that the Administration would end either through dissolution or through a liquidation process.

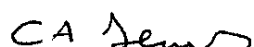
As the Companies have no property to enable a distribution to the creditors, it has not been possible to achieve the objective of the administration as set out in the Proposals. Therefore, the Administrators anticipate that they will apply to the Court, pursuant to paragraph 79 of Schedule B1 to the Act, stating that the purpose of the Administrations cannot be achieved. We anticipate that the Court will then authorise the dissolution of the Companies.

6.3 Future reports

We will report to all creditors again in six months' time or at the conclusion of the Administration, whichever is the sooner.

Should you have any queries, please do not hesitate to contact my colleague Tom McDonald on 020 7951 7658.

Yours faithfully
for the Companies



CA Lewis
Joint Administrator

Alan Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Association of Chartered Certified Accountants. Angela Swarbrick and Craig Lewis are licensed in the United Kingdom to act as insolvency practitioners by The Institute of Chartered Accountants in England and Wales.

The affairs, business and property of the Companies are being managed by the Joint Administrators, A Hudson, A Swarbrick and C Lewis who act as agents of the Companies only and without personal liability.

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

Appendix A Joint Administrators' receipts and payments account for the period from 16 June 2014 to 15 December 2014

Orchid StructureCo 2 Limited (in Administration)

Receipts & Payments to 15 December 2014

Statement of Affairs estimate to realise value		Fixed Charge	Floating Charge	Total
		£	£	£
	RECEIPTS			
		<hr/>	<hr/>	<hr/>
		-	-	-
	PAYMENTS			
		<hr/>	<hr/>	<hr/>
		-	-	-
	Balances in Hand	<hr/>	<hr/>	<hr/>
		-	-	-

Note - £14,500 of fees in relation to the Structureco 2 Administration have been paid from fixed charge realisations in OPR, under the terms of the funding agreement between the Bank and the Joint Administrators of OPR

Midco 3 Limited (in Administration)

Receipts & Payments to 15 December 2014

Statement of Affairs estimate to realise value		Fixed Charge	Floating Charge	Total
		£	£	£
	RECEIPTS			
		-	-	-
	PAYMENTS			
		-	-	-
	Balances in Hand	-	-	-

Note - £14,500 of fees in relation to the Midco 3 Administration have been paid from fixed charge realisations in OPR, under the terms of the funding agreement between the Bank and the Joint Administrators of OPR

Midco 2 Limited (in Administration)

Receipts & Payments to 15 December 2014

Statement of Affairs estimate to realise value		Fixed Charge	Floating Charge	Total
		£	£	£
	RECEIPTS			
		-	-	-
	PAYMENTS			
		-	-	-
	Balances in Hand	-	-	-

Note - £15,000 of fees in relation to the Midco 2 Administration have been paid from fixed charge realisations in OPR, under the terms of the funding agreement between the Bank and the Joint Administrators of OPR

Appendix B Statement of Affairs - Orchid StructureCo 2 Limited

Rule 2 29

Form 2 14B

Statement of affairs

Name of Company Orchid StructureCo 2 Limited	Company number 07937851
In the High Court of Justice, Chancery Division Companies Court	Court case number 4251 / 2014

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Orchid StructureCo 2 Limited

c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

(b) Insert date

on the (b) 16 June 2014, 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 named company as at (b) 16 June 2014, the date that the company entered administration.

Full name

~~Mark~~ MARN WILLIAM OLIVER HEAL

Signed

Marn Heald

Dated

17th January 2015

A - Summary of Assets

	Book Value (£)	Estimated to Realise (£)
Assets		
Assets subject to fixed charge.		
None		NIL
Assets subject to floating charge		
Uncharged assets		
Estimated total assets available for preferential creditors		NIL

Signature Martin Fleahy Date 13th January 2015

A1 - Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	NIL
Liabilities	£	
Preferential creditors -	£ NIL	
Estimated deficiency/surplus as regards preferential creditors	£	NIL
Estimated prescribed part of net property where applicable (to carry forward)	£ NIL	
Estimated total assets available for floating charge holders	£	NIL
Debts secured by floating charges	£ NIL	
Estimated deficiency/surplus of assets after floating charges	£	NIL
Estimated prescribed part of net property where applicable (brought down)	£ NIL	
Total assets available to unsecured creditors	£	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ NIL	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	NIL
Shortfall to floating charge holders (brought down)	£ NIL	
Estimated deficiency/surplus as regards creditors	£	NIL
Issued and called up capital	£ 250,002	
Estimated total deficiency/surplus as regards members	£	(250,002)

Signature

Winston Ho

Date

13th January 2015

ACM01803

COMPANY CREDITORS

Note You must include all creditors and identify all creditors under hire-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.

[illegible]

Signature Wesley Stach

Date 13th January 2015

DOI: 10.1002/for

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
Orchid Structure Co 1	Red Hill, Buryfield Lane, Pk. School	250,002	250,002	£1 Ordinary Shares
LLP	Wentworth Lane AL2 1WZ			
TOTALS		250,002	250,002	

Signature

Wentworth

Date

18th January 2015

400071803

Appendix C Statement of Affairs - Midco 3 Limited

Rule 2.29

Form 2.148

Statement of affairs

Name of Company Midco 3 Limited	Company number 08769442
In the High Court of Justice, Chancery Division, Companies Court	Court case number 4250/2014

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a) Midco 3 Limited

c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

(b) Insert date

on the (b) 18 June 2014, 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 named company as at (b) 18 June 2014, the date that the company entered administration

Full name

MARTIN WILLIAM OLIVER HEATH

Signed

Martin Heath

Dated

13th January 2015.

A - Summary of Assets

Assets

Assets subject to fixed charge.

Share in Midco 2 Limited

Assets subject to floating charge

Uncharged assets

Estimated total assets available for preferential creditors

Book Value (£)	Estimated to Realise (£)
1	NIL
1	NIL

Signature

Winston Pigg

Date

19th January 2015

ACB/01/002

A1 - Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	NIL
Liabilities		
Preferential creditors:-	£ NIL	
Estimated deficiency/surplus as regards preferential creditors	£	NIL
Estimated prescribed part of net property where applicable (to carry forward)	£ NIL	
Estimated total assets available for floating charge holders	£	NIL
Debts secured by floating charges	£265,213,741	
Estimated deficiency/surplus of assets after floating charges	£	(265,213,741)
Estimated prescribed part of net property where applicable (brought down)	£ NIL	
Total assets available to unsecured creditors	£	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ NIL	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	NIL
Shortfall to floating charge holders (brought down)	£265,213,741	
Estimated deficiency/surplus as regards creditors	£	(265,213,741)
Issued and called up capital	£ 2	
Estimated total deficiency/surplus as regards members	£	(265,213,743)

Signature

Maxine O'Leary

Date

13th January 2015

COMPANY CREDITORS

Note. You must include all creditors and identify all creditors under hire-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

[illegible]

Signature Wesley Flaherty

Date: 13th January 2015

Contributors

1

1

Was. 100

13th January 2015

Discussion

Appendix D Statement of Affairs - Midco 2 Limited

Rule 2 29

Form 2 14B

Statement of affairs

Name of Company Midco 2 Limited	Company number 05988151
In the High Court of Justice, Chancery Division, Companies Court	Court case number 4249/2014

(a) Insert name and
address of registered
office of the company

Statement as to the affairs of (a) Midco 2 Limited
c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF

(b) Insert date

on the (b) 18 June 2014, 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 named company as at (b) 18 June 2014, the date that the company entered
administration

Full name

MARTIN WILLIAMS OLIVER HEALY

Signed

Martin Healy

Dated

15th January 2015

A - Summary of Assets

	Book Value (£)	Estimated to Realise (£)
Assets		
Assets subject to fixed charge:		
Shares in Under 1 Ltd		NIL
Assets subject to floating charge		
Uncharged assets		
Estimated total assets available for preferential creditors		NIL

Signature

Martin Pugh

Date _____

15th January 2015

ADAM0001

A1'- Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	NIL
Liabilities		
Preferential creditors:-	£ NIL	
Estimated deficiency/surplus as regards preferential creditors	£	NIL
Estimated prescribed part of net property where applicable (to carry forward)	£ NIL	
Estimated total assets available for floating charge holders	£	NIL
Debts secured by floating charges	£ NIL	
Estimated deficiency/surplus of assets after floating charges	£	NIL
Estimated prescribed part of net property where applicable (brought down)	£ NIL	
Total assets available to unsecured creditors	£	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ NIL	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	NIL
Shortfall to floating charge holders (brought down)	£ NIL	
Estimated deficiency/surplus as regards creditors	£	NIL
Issued and called up capital	£65,246,483	
Estimated total deficiency/surplus as regards members	£	(65,246,483)

Signature

Markus Pich

Date

13th January 2015

COMPANY CREDITORS

Note You must include all creditors and identify all creditors under hire-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

[illegible]

Signature Walter Phillips Date 13th January 2015

ENTER: 000000

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
MIDCO 3 LTD	Park Hill, Bingley Lane, Park Street	65,246,483	65,246,483	A1 Ordinary Shares
	Headford Lane A22 2WZ			
TOTALS		65,246,483	65,246,483	

Signature MansuetiDate 13th January 2015

ACKNOWLEDGED

Appendix E Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

Administrators' charging policy for remuneration

The secured creditor in OPR and Midco 3 has determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the Administrators and their staff in attending to matters arising in the Administrations

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

All time spent by staff working directly on case-related matters is charged to a separate time code established for the case. Time is charged in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown below, as are the current hourly rates used. The current hourly rates are higher than the average rates, since hourly rates have increased over the period covered by this report.

Restructuring

Staff Grade	Hourly rate effective from	
	1 July 2013 (£)	1 July 2014 (£)
Partner	850	895
Executive Director	815	855
Assistant Director	595	625
Senior Executive	440	460
Executive	295-325	310-340
Analyst and Support	180-295	190-310

Transaction Tax

Staff Grade	Hourly rate effective from	
	1 July 2013 (£)	1 July 2014 (£)
Partner	1170	1290
Executive Director	1170	1290
Assistant Director	835-945	945-1045
Senior Executive	705	775
Executive	435-520	480-570
Analyst and Support	110-315	160-305

Orchid StructureCo 2 Limited – In Administration

Joint Administrators time costs for the period 10 June 2014 to 15 December 2014

Classification of work function	Partner / Executive Director	Assistant Director / Senior Executive	Executive	Assistants & Support	Total hours this reporting period	Average hourly rate	Time Costs for period
Accounting & Administration	-	-	3 2	-	3 2	243 75	780 00
Bank & Statutory Reporting	2 2	6 0	4 5	-	12 7	454 02	5,766 00
Immediate Tasks	-	-	6 0	-	6 0	240 00	1,440 00
Investigation / CDDA	-	-	5 3	-	5 3	250 00	1,325 00
Members	1 0	-	-	-	1 0	855 00	855 00
Statutory duties	0 7	18 5	9 0	20 4	48 6	308 77	15,006 00
Grand Total	3 9	24 5	28 0	20 4	76 8	327 76	25,172 00

Average hourly rate	855 00	448 67	244 82	195 59	327 76
Time costs for reporting period	3,334 50	10,992 50	6,855 00	3,990 00	25,172 00

Midco 3 Limited - In Administration

Joint Administrators time costs for the period 10 June 2014 to 15 December 2014

Classification of work function	Partner/ Executive Director	Assistant Director / Senior Executive	Executive	Assistants & Support	Total hours this reporting period	Average hourly rate	Time Costs for period
Accounting & Administration	-	-	2 9	-	2 9	243 10	705 00
Bank & Statutory Reporting	2 3	6 0	4 5	-	12 8	457 15	5,851 50
Immediate Tasks	-	-	6 0	-	6 0	240 00	1,440 00
Investigation / CDDA	-	-	5 3	-	5 3	250 00	1,325 00
Statutory duties	0 7	18 5	9 0	22 7	50 9	303 40	15,443 00
Grand Total	3 0	24 5	27 7	22 7	77 9	317 90	24,764 50
Average hourly rate	855 00	448 67	244 77	195 02	317 90		
Time costs for reporting period	2,565 00	10,992 50	6,780 00	4,427 00	24,764 50		

Midco 2 Limited – In Administration***Joint Administrators time costs for the period 10 June 2014 to 15 December 2014***

Classification of work function	Partner / Executive Director	Assistant Director / Senior Executive	Executive	Assistants & Support	Total hours this reporting period	Average hourly rate	Time Costs for period
Accounting and Administration	-	-	2 9	-	2 9	243 10	705 00
Bank & Statutory Reporting	2 3	6 0	4 5	-	12 8	457 15	5,851 50
Creditors	0 5	-	-	-	0 5	855 00	427 50
Immediate Tasks	-	-	6 0	-	6 0	240 00	1,440 00
Investigation/CDDA	-	-	5 3	-	5 3	250 00	1,325 00
Statutory Duties	0 7	18 5	9 0	25 0	53 2	298 50	15,880 00
Grand Total	3 5	24 5	27 7	25 0	80 7	317 58	25,629 00

Average hourly rate	855 00	448 67	244 77	194 56	317 58
Time costs for reporting period	2,992 50	10,992 50	6,780 00	4,864 00	25,629 00

Administrators' charging policy for disbursements

Statement of Insolvency Practice No.9 ("SIP 9") published by R3 (The Association of Business Recovery Professionals) divides disbursements into two categories

Category 1 disbursements

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without approval from the Creditors' committee or the general body of creditors. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

To date, no Category 1 disbursements have been incurred.

Category 2 disbursements

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the secured creditors as if they were remuneration.

It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn.

To date, no Category 2 disbursements have been incurred.

Appendix F Creditors' request for further information regarding an Administrators' remuneration or expenses - Rule 2.48A Insolvency Rules 1986

Creditors' request for further information regarding an administrators' remuneration or expenses - Rule 2.48A, Insolvency Rules 1986

1) If-

(a) within 21 days of receipt of a progress report under Rule 2.47-

(i) a secured creditor, or

(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

(b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

 makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either-

(a) providing all of the information asked for, or

(b) so far as the administrator considers that-

(i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or

(iii) the administrator is subject to an obligation of confidentiality in respect of the information,

 giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of-

(a) the giving by the administrator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just "

**Creditors' claim that remuneration is excessive - extract from Rule 2.109
of the Insolvency Rules 1986**

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

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

(a) the remuneration charged by the administrator,

(b) the basis fixed for the administrator's remuneration under Rule 2.106, or

(c) expenses incurred by the administrator,

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

(1B) The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report") "

Appendix G Statutory Information

Orchid StructureCo 2 Limited

Company Information

Company Name	Orchid StructureCo 2 Limited
Registered Office Address	c/o Ernst & Young LLP 1 More London Place London SE1 2AF
Registered Number	07937851
Trading Name(s)	n/a
Trading Address(es)	Park Mill Burydell Lane Park Street St Albans AL2 2EZ

Details of the Administrators and of their appointment

Administrators	AM Hudson, A Swarbrick and C A Lewis
Date of Appointment	16 June 2014
By Whom Appointed	The appointment was made by the company's Director
Court Reference	High Court of Justice, Chancery Division, Companies Court, 4251 of 2014

Any of the functions to be performed or powers exercisable by the administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	250,001	250,001	250,001	250,001

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Martin William Oliver Healy	Director	24 February 2012	-	-
Richard King	Director	24 February 2012	11 June 2014	-
Jonathan Rufus Hall	Director	24 February 2012	11 June 2014	-

Midco 3 Limited

Company Information

Company Name	Midco 3 Limited
Registered Office Address	c/o Ernst & Young LLP 1 More London Place London SE1 2AF
Registered Number	06769442
Trading Name(s)	n/a
Trading Address(es)	Park Mill Burydell Lane Park Street St Albans AL2 2EZ

Details of the Administrators and of their appointment

Administrators	A M Hudson, A Swarbrick and C A Lewis
Date of Appointment	16 June 2014
By Whom Appointed	The appointment was made by the company's Director
Court Reference	High Court of Justice, Chancery Division, Companies Court, 4250 of 2014

Any of the functions to be performed or powers exercisable by the administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	2	2	2	2

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Martin William Oliver Healy	Director	11 June 2014	-	-
Jonathan Rufus Hall	Director	9 December 2008	11 June 2014	-
Andrew James Trigwell	Director	6 February 2013	11 June 2014	-

Midco 2 Limited

Company Information

Company Name	Midco 2 Limited
Registered Office Address	c/o Ernst & Young LLP 1 More London Place London SE1 2AF
Registered Number	05988151
Trading Name(s)	n/a
Trading Address(es)	Park Mill Burydell Lane Park Street St Albans AL2 2EZ

Details of the Administrators and of their appointment

Administrators	A M Hudson, A Swarbrick and C A Lewis
Date of Appointment	16 June 2014
By Whom Appointed	The appointment was made by the company's Director
Court Reference	High Court of Justice, Chancery Division, Companies Court, 4249 of 2014

Any of the functions to be performed or powers exercisable by the administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	65,246,482	65,246,482	65,246,482	65,246,482

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Martin William Oliver Healy	Director	11 June 2014	-	-
Jonathan Rufus Hall	Director	17 January 2007	11 June 2014	-
Andrew James Trigwell	Director	6 February 2013	11 June 2014	-

Appendix H Group Structure

