

The Insolvency Act 1986

# Notice of move from administration to dissolution

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(s)  
and address(es) of  
administrator(s)

I / We (a) A M Hudson, A Swarbrick and C A LewisErnst & Young LLP, 1 More London Place, London, SE1 2AF

having been appointed administrator(s) of

(b) Insert name and  
address of registered  
office of company

(b) Midco 2 Limited1 More London Place, London, SE1 2AF

(c) Insert date of  
appointment

on (c) 16 June 2014by (d) The Company director (Martin Healy)

(d) Insert name of  
applicant / appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I / we attach a copy of the final progress report

Signed

CA Lewis

Joint / Administrator(s)

Dated

2 June 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

Robert Bellerby	
Ernst & Young LLP, 1 More London Place, London, SE1 2AF	
	Tel 0207 951 3924
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



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A24 19/06/2015 #58  
COMPANIES HOUSEA10 05/06/2015 #445  
COMPANIES HOUSE

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- ▶ 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 owned a property leasing company, Midco 1 Limited

Due to the nature of the Companies' operations, it was not possible to rescue the Companies as going concerns, in accordance with paragraph 3(1)(a) of Schedule B1 to the Act. Therefore the primary purpose of the Administrations was 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).

On the basis of information available pre-appointment it was not possible to conclusively determine whether the Companies did in fact have any assets. Therefore, it was considered prudent to place the Companies into administration rather than liquidation so as to allow the Joint Administrators time to examine the inter-company balances and potentially better preserve the value of any assets.

The decision to appoint the Joint Administrators was taken with the knowledge and consent of the secured creditor (Deutsche Bank AG (London)).

### **Summary of Steps Taken During the Administration**

Since the date of our appointment, our investigations have confirmed that the Companies do not have any assets. This is in line with the information provided by the Director of the Companies in the Statement of Affairs.

Therefore the steps taken during the administrations relate only to the fulfilment of the Joint Administrators' statutory obligations.

As the Companies have no property to enable a distribution to the creditors, it has not been possible to achieve the objective of the administrations as set out in the Proposals. Therefore, on 12 May 2015 the Administrators made an application to the Court, pursuant to paragraph 79 of Schedule B1 to the Insolvency Act 1986 ("the Act"), stating that it had not been possible to achieve the purpose of the Administrations and requesting that the Joint Administrators be permitted to dissolve the Companies pursuant to Paragraph 84 of Schedule B1 to the Act.

During a Court hearing at 10.30am on 22 May 2015 it was ordered that

- i) The Joint Administrators take steps to dissolve the Companies pursuant to Paragraph 84 of Schedule B1 to the Act,
- ii) Pursuant to Paragraph 79(2)(a) of Schedule B1 to the Act, the Joint Administrators' appointment as Joint Administrators of the Companies shall cease to have effect upon registration of the notice by the Registrar of Companies sent by the Administrators, pursuant to Paragraph 84 of Schedule B1 to the Act, and
- iii) The costs of and incidental to the application shall be paid as expenses of the Administration.

Note that the costs associated with the Court application will be paid from fixed charge realisations in the Orchid Pubs & Restaurants ("OPR") administration, with the consent of the secured creditor, Deutsche Bank AG (London).

## **Distributions to Creditors**

As there are no assets in the Companies, there have been no distributions to creditors

## **Receipts and Payments Account**

I enclose a receipts and payments account at Appendix 1 for the period from 16 December 2014 to 22 May 2015

This shows that there have been no receipts or payments during the period of this report

The only transaction in respect of each of the Companies since the start of the administration on 16 June 2014 is in respect of 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

## **Joint Administrators' Remuneration and Disbursements**

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 web site of the Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees' then 'Administrators Fees (November 2011)'), or is available in hard copy upon written request to the Joint Administrators

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.

Time costs incurred across the Companies between 16 December 2014 and 22 May 2015 totalled £110,269, against which the sum of £44,000 has been drawn. No further fees will be drawn. These time costs were incurred as a result of the Joint Administrators' investigations into the Companies' financial position and the fulfilment of the Joint Administrators' statutory and bank reporting obligations.

An analysis of the time spent is attached as Appendix 2 to this report. At Appendix 3 there is a statement of the Administrators' policy in relation to charging time and disbursements.

No disbursements have been incurred or drawn.

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 4.



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### The Outcome of the Administration

In accordance with the Court Orders dated 22 May 2015, as there are no assets to be realised or distributions to be made, the Companies will move from administration to dissolution. The administrations will come to an end on the date on which the notices are registered by Companies House and the Companies will be deemed to be dissolved three months later.

Should you have any remaining questions about the administrations, please do not hesitate to contact Robert Bellerby at this office.

Yours faithfully

Craig Lewis  
Joint Administrator

Enc Joint Administrators' Receipts and Payments Account  
Summary of Joint Administrators' Time-Costs and Category 2 Disbursements  
Form 2 35B

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.

**Orchid StructureCo 2 Limited (In Administration)**

Joint Administrators' Abstract of Receipts and Payments from 16 December 2014 to 22 May 2015

<i>Statement of Affairs Estimated to Realise Values</i>	<i>To 15 December 2014</i>	<i>In this Report Period £</i>	<i>Cumulative Total £</i>
<b><u>Receipts</u></b>			
<u>Fixed charge realisations</u>	-	-	-
<u>Floating charge realisations</u>	-	-	-
Balance on Administrators' trading account (see separate account attached)	-	-	-
	-	-	-
<b><u>Payments</u></b>			
	-	-	-
	-	-	-
Balance at bank at 22 May 2015	-	-	-

**Notes**

1 £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



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## Midco 2 Limited (in Administration)

### Joint Administrators' Abstract of Receipts and Payments from 16 December 2014 to 22 May 2015

<i>Statement of Affairs Estimated to Realise Values</i>	<i>To 15 December 2014</i>	<i>In this Report Period £</i>	<i>Cumulative Total £</i>
<b><u>Receipts</u></b>			
<u>Fixed charge realisations</u>	-	-	-
 <u>Floating charge realisations</u>	-	-	-
 Balance on Administrators' trading account (see separate account attached)	-	-	-
	-	-	-
<b><u>Payments</u></b>			
	-	-	-
	-	-	-
Balance at bank at 22 May 2015	-	-	-

#### Notes

1 £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



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## Midco 3 Limited (in Administration)

### Joint Administrators' Abstract of Receipts and Payments from 16 December 2014 to 22 May 2015

<i>Statement of Affairs Estimated to Realise Values</i>	<i>To 15 December 2014</i>	<i>In this Report Period £</i>	<i>Cumulative Total £</i>
<b><u>Receipts</u></b>			
<u>Fixed charge realisations</u>	-	-	-
<u>Floating charge realisations</u>	-	-	-
Balance on Administrators' trading account (see separate account attached)	-	-	-
	-	-	-
<b><u>Payments</u></b>			
	-	-	-
	-	-	-
Balance at bank at 22 May 2015	-	-	-

#### Notes

1 £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



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## Appendix 2

### Orchid StructureCo 2 Limited (in Administration)

#### Summary of Joint Administrators' Time-Costs and Category 2 Disbursements from 16 December 2014 to 22 May 2015

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Total hours this reporting period	Average Hourly Rate	Time Costs for period 16/12/2014 to 15/05/2015	Time Costs for the Administration to date
Statutory Duties		9.0	8.5	17.5	387.14	6,775.00	21,781.00
Bank & Statutory Reporting	1.0		5.0	6.0	350.83	2,105.00	7,871.00
Legal Issues	2.3			2.3	855.00	1,966.50	1,966.50
Accounting and Administration			0.5	0.5	250.00	125.00	905.00
Immediate Tasks							1,440.00
Investigation / CDOA							1,325.00
Members							855.00
<b>Grand total</b>	<b>3.3</b>	<b>9.0</b>	<b>14.0</b>	<b>26.3</b>	<b>417.2</b>	<b>10,971.50</b>	<b>36,143.50</b>
Average Hourly rate	855.00	480.00	288.43	417.17			
Time costs for reporting period	2,821.50	4,140.00	4,010.00	10,971.50			

#### Disbursements

No Category 1 or Category 2 Disbursements (as defined at Appendix 3) have been incurred or drawn



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## Midco 2 Limited (in Administration)

### Summary of Joint Administrators' Time-Costs and Category 2 Disbursements from 16 December 2014 to 22 May 2015

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Total hours this reporting period	Average Hourly Rate	Time Costs for period 16/12/2014 to 15/05/2015	Time Costs for the Administration to date
Statutory Duties		9.0	7.7	16.7	390.84	6,527.00	22,407.00
Bank & Statutory Reporting	1.0		3.0	4.0	401.25	1,605.00	7,456.50
Legal Issues	2.4			2.4	855.00	2,052.00	2,052.00
Accounting and Administration			0.5	0.5	250.00	125.00	830.00
Immediate Tasks							1,440.00
Investigation / CODA							1,325.00
Creditors (Mandatory)							427.50
<b>Grand total</b>	<b>3.4</b>	<b>9.0</b>	<b>11.2</b>	<b>23.6</b>	<b>436.8</b>	<b>10,309.00</b>	<b>35,938.00</b>
Average Hourly rate	855.00	460.00	291.25	436.82			
Time costs for reporting period	2,907.00	4,140.00	3,282.00	10,309.00			

### Disbursements

No Category 1 or Category 2 Disbursements (as defined at Appendix 3) have been incurred or drawn



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## Midco 3 Limited (In Administration)

### Summary of Joint Administrators' Time-Costs and Category 2 Disbursements from 16 December 2014 to 22 May 2015

Classification of work function	Partner / Director	Managers	Other Senior Professionals	Total hours this reporting period	Average Hourly Rate	Time Costs for period 16/12/2014 to 15/05/2015	Time Costs for the Administration to date
Statutory Duties		9.0	17.6	26.6	360.75	9,596.00	25,039.00
Bank & Statutory Reporting	1.0		3.0	4.0	401.25	1,605.00	7,456.50
Legal Issues	2.3			2.3	855.00	1,966.50	1,966.50
Accounting and Administration			1.5	1.5	170.00	255.00	960.00
Immediate Tasks							1,440.00
Investigation/CDDA (Mandatory)							1,325.00
Grand total	3.3	9.0	22.1	34.4	390.2	13,422.50	38,187.00
Average hourly rate	855.00	460.00	292.35	390.19			
Time costs for reporting period	2,821.50	4,140.00	6,481.00	13,422.50			

### Disbursements

No Category 1 or Category 2 Disbursements (as defined at Appendix 3) have been incurred or drawn



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## Policy for remuneration and disbursements

### Office Holders' Charging Policy for Fees

The secured creditor in OPR and Midco 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 Administration

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

All time spent by staff working directly on case-related matters was charged to a separate time code established for each case. Time was charged in units of six minutes. Each member of staff had a specific hourly rate, which was subject to change over time. The average hourly rate for each category of staff over the period is shown in Appendix 2.

**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") "

**IN THE HIGH COURT OF JUSTICE**

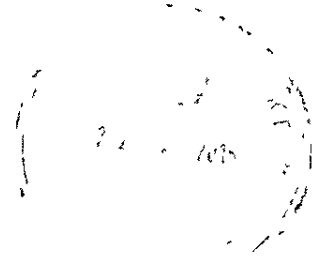
Nos. 4250 of 2014

**CHANCERY DIVISION**

**COMPANIES COURT**

**BEFORE Mr Registrar Briggs**

**DATE 22 May 2015**



**IN THE MATTER OF**

**MIDCO 2 LIMITED (IN ADMINISTRATION)**

**AND IN THE MATTER OF THE INSOLVENCY ACT 1986**

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**ORDER**

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**UPON THE APPLICATION** of Craig Anthony Lewis, Alan Michael Hudson and Angela Swarbrick (together, "**the Joint Administrators**"), who are the joint administrators of Midco 2 Limited ("**the Company**") by Application Notice dated 12 May 2015

**AND UPON** hearing Counsel for the Joint Administrators

**AND UPON** reading the written evidence filed

**IT IS ORDERED that**

- 1 The Joint Administrators take steps to dissolve the Company pursuant to Paragraph 84 of Schedule B1 to the Insolvency Act 1986 (the "**Act**")
- 2 Pursuant to Paragraph 79(2)(a) of Schedule B1 to the Act, the Joint Administrators' appointment as joint administrators of the Company shall cease to have effect upon registration of the notice by the Registrar of Companies sent by the Administrators pursuant to Paragraph 84 of Schedule B1 to the Act

- 3 The costs of and incidental to this application shall be paid as expenses of the administration

**DATED** this 22<sup>nd</sup> day of May 2015

22 May 2015