

# AM06

## Notice of approval of administrator's proposals



Companies House

WEDNESDAY



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A04

07/10/2020

#317

COMPANIES HOUSE

### 1 Company details

Company number 0 4 2 8 9 0 2 4

Company name in full Whittington Facilities Limited

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

### 2 Court details

Court name High Court of Justice, Business and Property Courts

of E & W, Insolvency and Companies List (Chd)

Court case number C R - 2 0 2 0 - 0 3 1 6 6

### 3 Administrator's name

Full forename(s) Matthew James

Surname Cowlishaw

### 4 Administrator's address

Building name/number Four Brindleyplace

Street Birmingham

Post town B1 2HZ


County/Region

Postcode

Country

AM06

Notice of approval of administrator's proposals

<b>5</b>	<b>Administrator's name ①</b>		
Full forename(s)	Matthew David		<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Smith		
<b>6</b>	<b>Administrator's address ②</b>		
Building name/number	1 New Street Square		<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	London		
Post town	EC4A 3HQ		
County/Region			
Postcode	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
Country			
<b>7</b>	<b>Date administrator(s) appointed</b>		
Date	<div> <div>d</div> <div>2</div> <div>d</div> <div>8</div> <div>m</div> <div>0</div> <div>m</div> <div>7</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> </div>		
<b>8</b>	<b>Date statement of proposals delivered to creditors</b>		
Date	<div> <div>d</div> <div>2</div> <div>d</div> <div>2</div> <div>m</div> <div>0</div> <div>m</div> <div>9</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> </div>		
<b>9</b>	<b>Date proposals were deemed to be approved</b>		
Date	<div> <div>d</div> <div>0</div> <div>d</div> <div>5</div> <div>m</div> <div>1</div> <div>m</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> </div>		
<b>10</b>	<b>Sign and date</b>		
Administrator's signature	Signature X  X		
Signature date	<div> <div>d</div> <div>0</div> <div>d</div> <div>6</div> <div>m</div> <div>1</div> <div>m</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> </div>		

## AM06

Notice of approval 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 **Narinder Aheer**

Company name **Deloitte LLP**

Address **Four Brindleyplace**  
**Birmingham**

Post town **B1 2HZ**

County/Region

Postcode

Country

DX

Telephone

**+44 121 632 6000**



### Checklist

We may return forms completed incorrectly or with information missing.

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



### Important information

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



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

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



**Whittington Facilities Limited ("WFL") &  
Whittington Facilities (Holdings) Limited  
("WFHL")  
(Both in administration)  
(together "the Companies")**

JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT  
TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT  
1986 (AS AMENDED) ("the Act").

**Whittington Facilities Limited**  
Court Case No. 3166 of 2020  
High Court of Justice,  
Business and Property Courts of E & W,  
Insolvency and Companies List (Chd)  
Company Number: 04289024

**Whittington Facilities (Holdings) Limited**  
Court Case No. 3134 of 2020  
High Court of Justice,  
Business and Property Courts of E & W,  
Insolvency and Companies List (Chd)  
Company Number: 04429126

Registered Office:  
c/o Deloitte LLP,  
Four Brindleyplace  
Birmingham,  
B1 2HZ

Matthew James Cowlshaw and Matthew David Smith ("the Joint Administrators") were appointed Joint Administrators of the Companies on 28 July 2020 by the directors. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Act, the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

22 September 2020



Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ  
UK  
Tel: +44 (0) 121 632 6000  
Fax: +44 (0) 121 695 5678  
[www.deloitte.co.uk](http://www.deloitte.co.uk)

**Whittington Facilities Limited & Whittington Facilities (Holdings) Limited (Both in administration)**

This Statement of Joint Administrators' Proposals ("the Proposals" or "our Proposals") has been prepared pursuant to paragraph 49 of Schedule B1 of the Act, which requires that we, as the Joint Administrators, provide creditors with details of our Proposals to achieve the purpose of the administrations.

We do not think that the Companies have sufficient property to enable a distribution to be made to unsecured creditors. As such we are not required to ask creditors to approve our Proposals unless requested to do so by creditors whose total debts amount to at least 10% of the total debts of the Companies.

If you would like to ask us to hold a decision procedure to consider our Proposals please complete a Form for Requisitioned Decisions which is available for download from the website set up for the administration at [www.ips-docs.com](http://www.ips-docs.com) and return it to us by post or email no later than 2 October 2020. Please note that a deposit of £1,000 will be required towards the costs of initiating the decision procedure; such deposit may be refunded as an expense of these proceedings under Rule 15.19(4) Insolvency (England & Wales) Rules 2016 ("the Rules"), if so decided by creditors.

In the event that a request for a decision procedure is not received by us within the above deadline, our Proposals will be deemed approved on 2 October 2020 and a notice to that effect will be filed at Companies House.

Please also note that hard copies of any of these documents will be provided free of charge on request.

We have also included the following information in this report:

- background of the Companies;
- the circumstances giving rise to the appointments of the Joint Administrators;
- the progress of the administrations to date; and,
- the Joint Administrators' Proposals for achieving the objective of the administrations

Yours faithfully








For and on behalf of the Companies

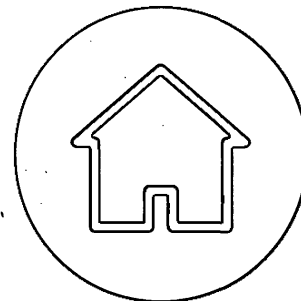
Joint Administrators

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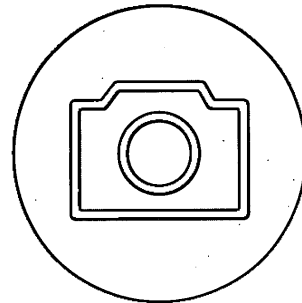
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	<b>Contents</b>	<b>2</b>
	<b>Key messages</b>	<b>3</b>
	<b>Background</b>	<b>5</b>
	<b>Post-appointment</b>	<b>9</b>
	<b>Remuneration and expenses</b>	<b>14</b>
	<b>Additional information</b>	<b>17</b>
	<b>Appendices</b>	<b>19</b>





## Key messages



## Key messages

### Joint Administrators of the Companies

Matthew James Cowlishaw  
Matthew David Smith  
Deloitte LLP,  
Four Brindleyplace  
Birmingham,  
B1 2HZ

### Contact details

Email: [naheer@deloitte.co.uk](mailto:naheer@deloitte.co.uk)  
Website: [www.ips-docs.com](http://www.ips-docs.com)  
Tel: +44 121 695 5250

Date Proposals delivered to  
creditors: 22 September 2020

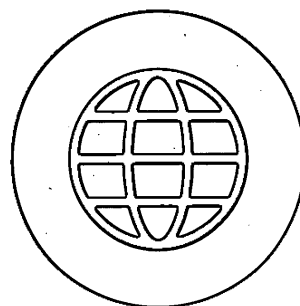


	Commentary
<b>Purpose of the administrations</b>	<ul style="list-style-type: none"><li>The purpose of the administrations is to achieve a better result for the Companies' creditors as a whole than via liquidation.</li></ul>
<b>Joint Administrators' strategy</b>	<ul style="list-style-type: none"><li>WFL was a company incorporated in 2001 to develop and construct a new building, refurbish an existing building and provide facilities management to both blocks at Whittington Hospital under a PFI contract agreed with the Whittington Hospital NHS Trust ("the Trust").</li><li>WFHL was a holding company and did not trade.</li><li>Further background and detail of the events leading up to the appointments are provided on pages 6-8.</li><li>The Joint Administrators' strategy is to ensure a smooth handover of the facilities management services to the Trust and pursue certain contractual claims as per the contractual framework (as detailed on page 10).</li></ul>
<b>Approval of the Proposals</b>	<ul style="list-style-type: none"><li>There is currently thought to be no prospect of any funds being returned to unsecured creditors of WFL, it is understood there are no unsecured creditors in WFHL. Therefore our Proposals will be deemed approved by creditors unless a decision procedure is requested under Rule 15.18. Please refer to page 1 for further details.</li><li>Please note that hard copies of any of these documents will be provided to you free of charge on request using any of the contact details provided to the left of this page.</li></ul>
<b>Estimated Timescale</b>	<ul style="list-style-type: none"><li>On current information it is not known whether the duration of the administrations will exceed the initial 12 month period.</li></ul>
<b>Estimated Costs</b>	<ul style="list-style-type: none"><li>We will seek to fix the basis of our fees by reference to our time costs incurred in attending to matters arising in the administrations with the consent of the secured creditors.</li><li>We have provided Fees Estimates showing a breakdown of our anticipated time costs and actual costs to date at Appendix C1.</li><li>We anticipate that disbursements of approximately £1.9k will be incurred over the duration of the appointments as detailed on page 25.</li></ul>
<b>Estimated Outcomes</b>	<p>On current information, in both WFL and WFHL we anticipate the following outcome for each category of creditor:</p> <ul style="list-style-type: none"><li>Secured creditors – The total level of recovery to the secured creditors is uncertain as it is dependent upon the outcome of contractual claims which are ongoing.</li><li>Preferential creditors – There were no employees in either company, therefore no preferential claims are expected.</li><li>Unsecured creditors – It is unlikely that there will be a return to unsecured creditors in WFL, including via the Prescribed Part. There are no unsecured creditors in WFHL.</li></ul>
<b>Proposals</b>	<ul style="list-style-type: none"><li>Our Proposals for managing the business and affairs of the Companies can be found on page 26.</li></ul>



## **Background**

<b>The Companies</b>	<b>6</b>
<b>Joint Administrators' appointment</b>	<b>7</b>
<b>Summary financials</b>	<b>8</b>



## Background The Companies

### Circumstances giving rise to the appointments of the Joint Administrators

#### Background

WFL entered into a 30 year PFI contract (the "Project Agreement") with the Trust in October 2002 to develop and construct, at Whittington Hospital, a new block ("A Block"), refurbishment of an existing block ("L Block") and provide facilities management to both blocks.

In January 2018 there was a small fire in a basement storeroom in Block A which resulted in smoke penetration into occupied areas of the hospital.

WFL has worked with its technical and fire safety experts in order to ensure the continued safe operation of the hospital.

It also commissioned surveys and reports on the hospital building in order to understand areas for improvement and rectification, and developed solutions to be implemented.

There had been various meetings between WFL and the Trust in different forums, including two formal mediation meetings, in order to resolve the issues around the extent and type of rectification required.

However, WFL and the Trust were ultimately not able to agree on a rectification programme or the continued payment of the UC while the programme of works were further developed and implemented.

WFHL is the holding company of WFL, its only material asset is shares held in its subsidiary.

### When decision to appoint was made

Given the cessation of cash inflows from the non-payment of the UC, the directors of WFL and WFHL concluded that the Companies would be unable to pay their debts as they fell due.

The directors held a board meeting on 29 June 2020 to consider placing the Companies into administration and filed notices of intention to appoint administrators on 1 July 2020 and 9 July 2020 for WFL and WFHL respectively.

In order to minimise the risk of any disruption to the facilities management services at the hospital, prior to placing the Companies into administration the directors and proposed administrators entered into negotiations with the Trust to terminate the Project Agreement and agree a managed handback of the services.

The negotiations with the Trust in relation to the termination of the Project Agreement and hand back process took longer than initially expected and had not concluded prior to the expiry of the first notices of intention to appoint administrators.

In order to provide further time for the handback discussions and minimise the risk of disruption to the provision of services at the hospital on insolvency of WFL and WFHL, the directors filed further notices of intention to appoint administrators on 14 July 2020 and 28 July 2020 for WFL and 23 July 2020 for WFHL.

These further notices of intention to appoint administrators provided additional time for further negotiation with the Trust, such that an agreed termination of the Project Agreement was able to be implemented by the Joint Administrators shortly after their appointment.

### Appointments of the Joint Administrators

Matt Cowlshaw and Matt Smith were appointed Joint Administrators of WFL and WFHL on 28 July 2020 by the directors of the Companies.



## Background

### Joint Administrators' appointment

#### Officers

As at the date of the Joint Administrators' appointment, the directors of the Companies were Mr Nigel Brindley, Mr Ian Gethin and Mr Mark Pearce; the Company Secretary duties were undertaken by Imagile Secretariat Services Limited.

#### Employees

As at date of appointment, the Companies did not employ any staff.

#### Involvement of Deloitte pré-appointment

Prior to the insolvency, the directors of WFL approached Deloitte to advise the company in relation to its financial position.

By way of an engagement letter dated 26 July 2019 Deloitte was engaged to provide advisory services to the Company to review cash flow, assess options, support the Company in its negotiations with key stakeholders and undertake contingency planning.



## Background

### Summary financials

#### Whittington Facilities Limited

##### Summary profit and loss account

£'000	Management Accounts for 7 months to 28/07/2020	Management Accounts for 12 months to 31/12/2019	Statutory Accounts for 12 months to 31/12/2018
Turnover	1,868	2,024	2,769
Cost of Sales	(2,265)	(2,993)	(1,708)
<b>Gross Profit</b>	<b>(397)</b>	<b>(969)</b>	<b>1,061</b>
Other Expenses	(972)	(3,348)	(561)
<b>(L)/EBIT</b>	<b>(1,369)</b>	<b>(4,317)</b>	<b>500</b>

#### Whittington Facilities Limited

##### Summary balance sheet

£'000	Management Accounts for 7 months to 28/07/2020	Management Accounts as at 31/12/2019	Statutory Accounts as at 31/12/2018
Finance Debtor	28,299	28,684	29,267
<b>Fixed assets</b>	<b>28,299</b>	<b>28,684</b>	<b>29,267</b>
Trade Debtors	1,964	882	1,900
Prepayments and accrued income	68	62	72
Other Debtors	1	-	3
Deferred tax asset	2,987	2,485	4,485
Cash at Bank	178	302	2,570
<b>Current Assets</b>	<b>5,198</b>	<b>3,731</b>	<b>9,030</b>
Bank Loans and Overdrafts	(24,460)	(24,751)	(25,415)
Trade Creditors	(1,234)	(214)	(314)
Accruals and Deferred Income	(3,608)	(2,754)	(1,750)
Corporation Tax and VAT	(105)	37	(40)
Taxation and Social Security	-	-	(146)
Redeemable Preference Shares	(41,281)	(40,955)	(40,363)
Derivative Financial Liability	(15,714)	(14,604)	(15,655)
<b>Total Liabilities</b>	<b>(86,402)</b>	<b>(83,241)</b>	<b>(83,683)</b>
<b>Net Assets</b>	<b>(52,905)</b>	<b>(50,826)</b>	<b>(45,386)</b>

#### Whittington Facilities (Holdings) Limited

##### Summary balance sheet

£'000	Statutory Accounts as at 31/12/2018
<b>Net Assets</b>	<b>-</b>
Share Capital	380
Retained Earnings	(380)
<b>Total Equity</b>	<b>-</b>

## Overview of financial information

Extracts from the management accounts of WFL for the six months to 30 June 2020, and audited accounts for 12 months to 31 December 2019 and 31 December 2018 are shown opposite.

As WFHL did not trade, no management accounts were prepared; we present statutory accounts for this entity opposite.

Please note that this information has not been verified by the Joint Administrators or by Deloitte.

### Profit and loss commentary

WFL incurred losses in FY19 and during the first six months of FY20 partly as a result of reduced revenue due to the Trust deducting amounts payable over disputed service failures in the execution of the Project Agreement.

This also resulted in WFL incurring a £2.5m expense in respect of the increased bad debt provision in FY19.

### Balance sheet commentary

WFL was balance sheet insolvent. Its principle asset was the finance debtor which took the form of rights to be enforced in the Project Agreement with the Trust.

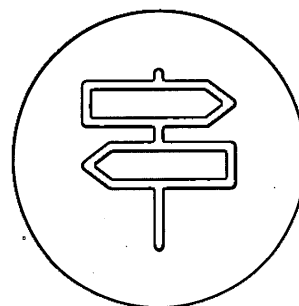
Holders of the redeemable preference shares are entitled to be paid a coupon at the London Interbank Offered Rate ("LIBOR") plus 0.7% on 30 June each year. The figures presented on the table opposite include accrued interest as at the end of the relevant period.





## Post-appointment

Purpose	10
Joint Administrators' Proposals	11
Outcome for creditors	12
Extensions & exit routes	13



## Post-appointment Purpose

### Appointments of the Joint Administrators

Matthew James Cowlshaw and Matthew David Smith, of Deloitte were appointed Joint Administrators of the Companies by the directors of the Companies on 28 July 2020, following the filing of Notices of Appointment of Joint Administrators by the Companies' directors.

### Purpose of the administrations

The Joint Administrators consider that the primary objective under paragraph 3(1)(a) of Schedule B1 to the Act, that is to rescue the Companies as a going concern, is unachievable.

The main asset of WFL was the Project Agreement and this has now terminated and the Joint Administrators are pursuing claims under the Project Agreement.

Accordingly the purpose of the administrations is to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies.

### How the affairs and business of the Companies have been managed and financed since appointment, and the Joint Administrators' intended strategy if their Proposals are approved

The Joint Administrators entered into an agreement with the Trust and Lloyds Banking Group ("LBG") to terminate the Project Agreement on 4 August 2020 (the "Termination Deed").

Following termination of the Project Agreement the only material assets of WFL are contractual claims.

The only material asset of WFHL is its shareholding in WFL.

The Companies had no material physical assets as at the date of the Joint Administrators' appointments.

The only asset of WFL is expected to be the contractual claim in respect of compensation on termination payable under the Project Agreement and the Termination Deed.

The Joint Administrators are working with a number of third parties and other advisors to maximise the recovery under this and other contractual claims.

### Receipts and Payment account

Receipts and payments accounts, detailing asset realisations achieved and costs paid up to 21 September 2020 are provided on page 21.



## Post-appointment Joint Administrators' Proposals

### The Joint Administrators' Proposals

Our Proposals for the administrations include:

- continuing to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses;
- assessing the affairs of the Companies and reviewing and reporting on the conduct of the directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Companies or their management;
- agreement of the claims of any secured, preferential and unsecured creditors against the Companies unless we conclude, in our reasonable opinion, that the Companies will have no assets available for distribution;
- distributing funds to any secured and preferential creditors, and to make distributions to unsecured creditors;
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administrations; and
- that, if the Companies are to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

We will seek specific approval from the appropriate body to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administrations.

Please refer to Appendix D for further details.



## Post-appointment Outcome for creditors

### Estimated outcome for creditors

#### Secured creditors

The Companies' records show that, as at the date of our appointment, Lloyds Banking Group ("LBG") were owed £41.1m in respect of the bank loan.

These amounts are secured by way of fixed and floating charges granted by the Companies on 8 October 2002.

WFL's facilities management provider, FES FM Limited, also had a charge dated 28 February 2011 over the lifecycle reserve bank account.

Based on currently available information, we do not expect there will be sufficient asset realisations to repay the secured creditors in full.

#### Preferential creditors

The Companies did not have any employees and therefore no preferential claims are expected.

#### Unsecured creditors

The directors' statement of affairs for WFL shows 13 unsecured creditors with estimated non-preferential claims totalling £43m.

There were no unsecured creditor claims in WFHL

As detailed above, it is unlikely that sufficient funds will be realised to enable a distribution to be made to unsecured creditors.

### Prescribed Part

As the floating charges that were created before the Prescribed Part provisions came into effect on 15 September 2003 the Prescribed Part provisions will not apply to this case.

#### Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received as this work will be performed only once the dividend prospects are certain.





## Post-appointment Extensions & exit routes

### Exit routes

In accordance with the provisions of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the court or with consent of the creditors.

There are several possible exit routes from administration. Based on current information, we consider the following exit routes may be appropriate:

- **Dissolution** – If there is no further property which might permit a distribution to the Companies' creditors, we may file notice to that effect with the Registrar of Companies and the Companies will be dissolved three months later.
- **Compulsory Liquidation ("WUC")** – where there is a possibility, but no certainty, of recoveries being made or matters such as property to disclaim or further enquiry, it may be appropriate to ask the court to end the administrations and to make an order to wind up the Companies.
- **Creditors' Voluntary Liquidation ("CVL")** – Where a distribution to unsecured creditors will be made, other than by virtue of the Prescribed Part, we may file a notice to that effect with the Registrar of Companies. The administrations will cease on the date that notice is registered and the Companies will be wound up.

Please note that if the Companies' are placed into CVL, the Joint Administrators (or any person appointed as a replacement office holder) propose to be appointed as Joint Liquidators. The creditors may nominate a different person to be liquidator(s) provided the nomination is made before the Proposals are deemed approved i.e. by 6 October 2020.

- Any creditors' committee appointed in the administration will become a liquidation committee and the basis of the Joint Administrators' remuneration fixed during the administration will apply in the liquidation.
- For the purposes of section 231 of the Act the liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

### Discharge of Joint Administrators' liability

Pursuant to paragraph 98 of Schedule B1 of the Act, the Joint Administrators' discharge of liability in respect of their actions as administrators takes effect at the specific time appointed by either the court, the creditors (either via the creditors' committee or by decision of the creditors) or, in specific circumstances, by the secured (and preferential) creditors.

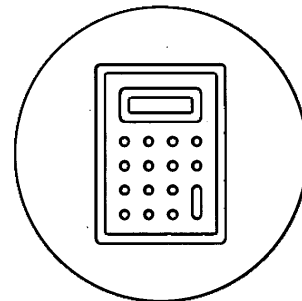
In this case, we will request approval from the secured creditors for us to be discharged from liability as at the date the Registrar of Companies registers the Joint Administrators' final progress report.





## Remuneration and expenses

Creditors' Guide to Administrators' Remuneration	15
Pre-administration costs	16



## Remuneration and expenses

### Creditors' Guide to Administrators' Remuneration

A Creditors' Guide to Administrators' Remuneration" is appended to SIP 9 and is provided on the administration website and also available for download at [www.deloitte.com/uk/sip-9-england-and-wales](http://www.deloitte.com/uk/sip-9-england-and-wales)

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on page 4 and this will be provided to you at no cost.

#### Basis of Administrators' remuneration

Pursuant to Rule 18.16 of the Insolvency Rules 2016 ("the Rules"), the basis of the Joint Administrators' remuneration may be fixed:

- as a percentage of the value of the property with which the Joint Administrators have to deal;
- by reference to time properly given by the insolvency practitioners and their staff in attending to matters arising in the administrations;
- as a set amount;
- or, any combination of the above.

There will be no funds available to the unsecured creditors. Therefore, in accordance with Rule 18.18(4) of the Rules and in the absence of a creditors' committee, we will seek to fix the basis of our fees by reference to our time costs incurred in attending to matters arising in the administrations with the consent of the secured creditors.

#### Fees Estimate

Fees Estimates are provided at Appendix C1 in which we have tried to provide you with as accurate an estimate as we can of our likely time costs for the duration of the appointments.

We have based these estimates on experience in other similar matters and the cost of work done to date and estimate that our time costs will be circa £500k for both administrations.

- WFL – £450,315
- WFHL – £50,209

Please refer to pages 23 and 24 for further details.

#### Joint Administrators' Expenses

As there are no funds in the estates at this stage, the costs of the administrations are being funded by cash made available by the secured creditors.

All costs are reviewed by the Joint Administrators and analysed in detail before payment is approved or made.



## Remuneration and expenses

### Pre-administration costs

#### Statement of Deloitte's fees for pre-administration restructuring advice

As set out on page 7, Deloitte was engaged by WFL to provide restructuring advice during the period prior to WFL being placed into administration. In relation to this work, Deloitte's total fees were £270k (plus VAT).

As part of the arrangement for Deloitte providing these advisory services, LBG agreed to extend facilities to WFL to enable our fees to be met by WFL in the event of WFL being placed into administration. The Bank agreed the same for certain other professional advisory fees. Asset realisations are not expected to be sufficient to repay LBG for the additional facilities made available for the payment of these fees.

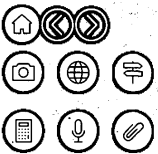
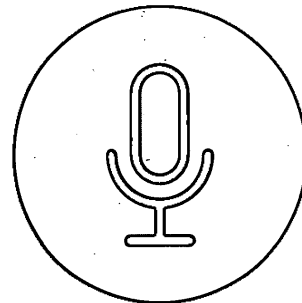
As at the date WFL entered administration, £135k (plus VAT) of Deloitte's advisory fees were outstanding and which have subsequently been settled by the LBG.

For the avoidance of doubt, these fees will not be claimed against the Companies nor have they been paid or claimed as pre-administration costs under Rule 3.1 of the Insolvency Act.





## Additional information



## Additional information

Case specific matters and Investigations

### EU Regulations

As stated in the administration appointment documents, Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

### Third party assets

Should you believe that you own or have a claim regarding items that may have been present at the Companies' premises at the date of our appointments please contact us as soon as possible.

### Investigations

As part of our duties, we are obliged shortly after our appointment to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment includes enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

In addition, we are required to consider the conduct of the directors and any person we consider to have acted as a shadow or de facto director in relation to their management of the affairs of the Companies and the causes of failure and we will submit a confidential report to the Insolvency Service, a division of the Department for Business, Energy and Industrial Strategy. Creditors who wish to draw any matters to our attention should contact us using the contact details given on page 4 as soon as possible.

### Website

In order to facilitate communication, all statutory reports, documents and notices will be posted on to a website which has been set up specifically for the Companies. The web address is [www.ips-docs.com](http://www.ips-docs.com).

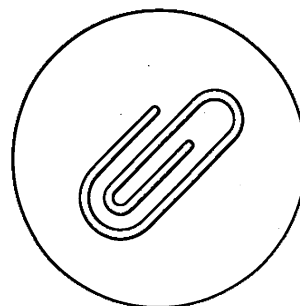
All documents will be retained on the website which will remain live until two months after the conclusion of the proceedings. Please contact Narinder Aheer using any of the contact details given below if you would like to be provided, free of charge, with a hard copy of documents posted, either now or in the future, to the address on the cover page.

**Please note that, other than notice of intended dividend, no further notice will be given to you when documents are uploaded to the website. It is thus important that you review the website regularly to check for updates, such as notices of decision procedures or our six monthly reports on progress.**



## Appendices

<b>Appendix A – Directors Statement of Affairs</b>	<b>20</b>
<b>Appendix B – Receipt and Payments accounts</b>	<b>21</b>
<b>Appendix C – Joint Administrator’s Remuneration</b>	<b>22</b>
<b>Appendix D – Joint Administrator’s Proposals</b>	<b>26</b>
<b>Important notice</b>	<b>27</b>



## Appendices

### Appendix A

#### Whittington Facilities Limited Directors' summary Statement of Affairs

£'000	Book value	Estimated to realise
<b>Assets subject to fixed charge</b>		
Financial Asset in the Form of rights to be enforced under the Project Agreement	30,263	Uncertain
Cash at Bank	178	-
Less: Amounts due to fixed charge holders	-	(41,118)
<b>Estimated surplus/(deficiency) to fixed charge holders</b>	<b>30,441</b>	<b>Uncertain</b>
<b>Assets subject to floating charge</b>		
Sundry Debtors and Prepayments	68	-
Deferred Tax Asset	2,987	-
Accrued Income	1	-
<b>Estimated total assets available for preferential creditors</b>	<b>3,056</b>	<b>Uncertain</b>
Preferential creditors	-	-
<b>Estimated deficiency / surplus to preferential creditors</b>		<b>Uncertain</b>
Estimated prescribed part of net property	-	-
<b>Estimated total assets available for floating charge holders</b>		<b>Uncertain</b>
Debt secured by floating charges	-	(41,118)
<b>Estimated deficiency / surplus after floating charges</b>		<b>Uncertain</b>
Estimated prescribed part of net property (brought down)	-	-
<b>Total assets available to unsecured creditors</b>		<b>Uncertain</b>
Unsecured non-preferential claims	-	(42,911)
<b>Estimated deficiency / surplus to creditors</b>		<b>Uncertain</b>
Called up share capital	-	(7,606)
<b>Estimated deficiency / surplus to members</b>		<b>Uncertain</b>

#### Whittington Facilities (Holdings) Limited Directors' summary Statement of Affairs

£'000	Book value	Estimated to realise
<b>Assets subject to fixed charge</b>		
Investment in Subsidiaries	380	-
Less: Amounts due to fixed charge holders	-	(41,118)
<b>Estimated surplus/(deficiency) to fixed charge holders</b>	<b>380</b>	<b>(41,118)</b>
<b>Assets subject to floating charge</b>		
None	-	-
<b>Estimated total assets available for preferential creditors</b>		
Preferential creditors	-	-
<b>Estimated deficiency / surplus to preferential creditors</b>		
Estimated prescribed part of net property	-	-
<b>Estimated total assets available for floating charge holders</b>		
Debt secured by floating charges	-	(41,118)
<b>Estimated deficiency / surplus after floating charges</b>		<b>(41,118)</b>
Estimated prescribed part of net property (brought down)	-	-
<b>Total assets available to unsecured creditors</b>		
Unsecured non-preferential claims	-	-
<b>Estimated deficiency / surplus to creditors</b>		<b>(41,118)</b>
Called up share capital	-	(380)
<b>Estimated deficiency / surplus to members</b>		<b>(41,498)</b>

#### Joint Administrators' comments

The Directors' statement of affairs are available online at [www.ips-docs.com](http://www.ips-docs.com), including a schedule of the names and addresses of all known creditors.

Included within the amounts shown in the WFL Statement of Affairs are unsecured creditor balances due to a number of suppliers against which the directors believe WFL has contractual counter claims. The value of these contractual counter claims are, however, uncertain and the directors have not attempted to value the claims in preparing the Statement of Affairs. The administrators are currently reviewing these contractual counter claims with the assistance of their legal advisors.

In accordance with the standard format of the statement of affairs, no provision has been made for the costs of the administration (including agents', legal and other professionals' fees).





## Appendices

### Appendix B

Whittington Facilities Limited			
Joint Administrators' receipts and payments account			
28 July 2020 to 1 September 2020			
£	SoA values	Notes	To date
<b>Receipts</b>			
Secured Creditor Funding		A	500,000
Contribution to Professional Arrears		B	542,305
Financial Asset (Rights to be Enforced Under the Project Agreement)	Uncertain		-
Cash at Bank			-
<b>Total receipts</b>			<b>1,042,305</b>
<b>Payments</b>			
Payment of Professional Arrears		B	192,997
Statutory Advertising			95
Bond			115
<b>Total payments</b>			<b>193,207</b>
<b>Balance</b>			<b>849,099</b>
<b>Made up of:</b>			
Balance held in interest bearing bank account		C	1,042,305
VAT Receivable		D	38,598
Trade Creditors		E	(231,805)
<b>Balance in hand</b>			<b>849,099</b>
<b>Whittington Facilities (Holdings) Limited</b>			
<b>Joint Administrators' receipts and payments account</b>			
<b>28 July 2020 to 1 September 2020</b>			
£	SoA values	Notes	To date
<b>Receipts</b>			
			-
<b>Total receipts</b>			-
<b>Payments</b>			
			-
<b>Total payments</b>			-
<b>Balance</b>			-

#### Notes to the receipts and payments account

A receipts and payments account is provided opposite, detailing the transactions since our appointments on 28 July 2020.

#### Notes to receipts and payments account

A - All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

B - Prior to our appointment certain professional fees we incurred, LBG provided funding of £542k to pay these arrears during the administration. To date £193k has been paid.

C - LBG has provided funding of £500k to assist the Joint Administrators whilst the claims are explored. During the report period £500k was received.

D - All sums shown above are shown net of VAT, which is recoverable and will be accounted for to H M Revenue & Customs in due course.

E - Contain in the balance in hand are funds of £231k owed in relation to professional fees incurred prior to our appointment which will be paid during the appointment.

#### Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.



## Appendices

### Appendix C1

#### Fees Estimate

For purposes of the Fees Estimate, the average rate per hour shown for each work activity is based on a blended rate calculated as a factor of the estimated time that each grade of staff will spend on that activity and their specific charge - out rate.

#### Time Costs to date

These are shown as the average rate per hour for each activity based on the actual time spent by each grade of staff at their specific charge - out rate.

#### Joint Administrators' Fees Estimate

Our Fees Estimates detailing the work that we anticipate will need to be undertaken on this case for the duration of the appointments together with estimates of the likely cost and amount of time that each part of that work will take to complete, are provided on the following pages.

The work anticipated to be undertaken has been categorised by activity which we hope is self explanatory. Please also refer to our Post Appointment Strategy on page 11 where we have talked in more detail about specific tasks on these cases.

We have also separately identified and grouped those work activities that are primarily administrative in nature (including tasks required for statutory, regulatory or compliance purposes) from activities which can be seen to directly add value to the case, such as asset realisation or dealing with claims.

#### Time costs incurred to date

As indicated on page 15, we intend to invite the secured creditors to fix our fees in relation to work completed in these cases on a time costs basis. An analysis showing our time costs for this work to 21 September 2020 and the average hourly charge for each category of work undertaken to 21 September 2020 is also provided in the Fees Estimate on the next page.

Please note that all partners and technical staff (including cashiers) assigned to each case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment is not recorded or recovered. The appropriate staff will be assigned to work on each aspect of the case based upon their seniority and experience, and having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Time is charged in six minute increments



## Appendices

### Appendix C1

#### Whittington Facilities Limited

#### Fees Estimate and Joint Administrators' time costs for the period 28 July 2020 to 21 September 2020

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs since Appointment		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	29.8	574	17,112	8.1	360	2,916
	Case supervision	70.4	497	34,954	2.8	822	2,260
	Case reviews	8.4	498	4,179	-	-	-
	Case closure matters	8.5	538	4,570	-	-	-
Statutory & compliance	Compliance & IPS diary	19.5	569	11,087	1.0	535	535
	Insurance	4.1	634	2,600	-	-	-
	General reporting	94.0	568	53,430	27.5	600	16,481
	Regulatory & other legislation	4.7	554	2,605	-	-	-
Initial actions	Appointment matters	18.0	863	15,540	18.0	738	13,280
	Securing assets	10.6	954	10,112	10.0	995	9,950
	Notifications	7.1	682	4,842	6.8	706	4,803
Investigations	CDDA reporting	30.5	577	17,585	-	-	-
	Investigations	63.6	634	40,305	-	-	-
Total of above categories		369.2	593	218,921	74.1	-	50,235
Taxation	Tax	23.7	646	15,308	0.3	480	120
	VAT	55.0	545	29,972	0.3	480	120
Asset realisations	Other assets	198.4	767	152,260	14.4	939	13,470
	Creditors	38.0	415	15,780	-	-	-
Correspondence	Shareholders	0.1	480	48	-	-	-
	Customers	13.0	516	6,710	-	-	-
Distributions	Secured creditors	15.8	704	11,122	-	-	-
Total fees estimate		713.2	631	450,120	89.0	719	63,944



## Appendices

### Appendix C1

#### Whittington Facilities (Holdings) Limited

#### Fees Estimate and Joint Administrators' time costs for the period 28 July 2020 to 21 September 2020

Activity		Anticipated Time and Costs per Fees Estimate			Actual Time and Costs since Appointment		
		Anticipated hours	Avg Rate £/h	Anticipated fees (£)	Hours incurred to date	Avg Rate £/h	Total time costs incurred to date (£)
Administrative activities	Cashiering	2.0	610	1,220	0.6	360	198
	Case supervision	12.2	606	7,397	0.5	360	180
	Case reviews	3.4	626	2,130	-	-	-
	Case closure matters	2.0	804	1,608	-	-	-
Statutory & compliance	Compliance & IPS diary	5.6	538	3,012	1.0	535	535
	Insurance	1.0	908	908	-	-	-
	General reporting	7.0	635	4,445	5.3	543	2,876
	Regulatory & other legislation	1.2	568	681	-	-	-
Initial actions	Appointment matters	12.1	614	7,432	12.0	610	7,320
	Notifications	8.3	505	4,195	8.3	476	3,952
Investigations	CDDA reporting	5.3	653	3,460	-	-	-
	Investigations	5.8	681	3,947	-	-	-
Total of above categories		65.9	614	40,433	27.7	-	15,061
Taxation	Tax	5.7	551	3,138	-	-	-
	VAT	6.3	630	3,970	-	-	-
Asset realisations	Other assets	1.5	867	1,300	-	-	-
	Creditors	0.8	480	360	-	-	-
Correspondence	Shareholders	0.1	480	48	-	-	-
	Customers	1.8	549	960	-	-	-
Total fees estimate		82.0	612	50,209	27.7	545	15,061



## Appendices

### Appendix C2

#### Disbursements

##### Disbursements

These are costs and expenses initially paid by us and for which we will seek reimbursement as and when funds permit.

We estimate that the following disbursements are likely to be incurred in relation to the administration.

##### Category 1 disbursements

These are payments made by us direct to third parties and for which no approval is required.

Our estimate of Category 1 disbursements is given below, all figures are shown excluding VAT.

##### Whittington Facilities Limited

##### Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period
Travel	250	-
Accommodation	500	-
Postage/Couriers	200	-
Specific Penalty Bond	230	230
<b>Total disbursements</b>	<b>1,180</b>	<b>230</b>

##### Whittington Facilities (Holdings) Limited

##### Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period
Postage/Couriers	200	-
Specific Penalty Bond	20	20
<b>Total disbursements</b>	<b>220</b>	<b>20</b>

##### Category 2 disbursements

These are costs and expenses which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can be drawn from the administration estate.

Our estimate of Category 2 disbursements is given below, all figures are shown exclusive of VAT.

##### Whittington Facilities Limited

##### Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period
Mileage	250	-
<b>Total disbursements</b>	<b>250</b>	<b>-</b>

##### Whittington Facilities (Holdings) Limited

##### Category 2 disbursements

£ (net)	Estimated per Proposals	Incurred in report period
Mileage	250	-
<b>Total disbursements</b>	<b>250</b>	<b>-</b>

Mileage is calculated by reference to the mileage properly incurred by the Joint Administrators and their staff, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred (currently up to 45p per mile).



## Appendices

### Appendix D

#### Joint Administrators' Proposals

Our Proposals for each Company will be deemed approved on 6 October 2020 unless a creditors' decision procedure is requisitioned in accordance with Rules 15.18 and 15.19 of the Rules 2016.

We will still need to obtain specific approval for the resolutions given below from the secured creditors in respect of each Company:

1. Approval that the basis of the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, plus VAT.
2. Approval that the Joint Administrators' category 1 disbursements and expenses and category 2 disbursements in respect of mileage as detailed on page 25 be approved and the Joint Administrators be authorised to draw both category 1 and category 2 expenses, (plus VAT where applicable) from the administration estate.
3. Approval that the Joint Administrators be discharged from liability per paragraph 98 of Schedule B1 of the Act immediately upon the registration of the Joint Administrators' final progress report by the Registrar of Companies.

A creditors' committee will not be formed unless we are requested to hold a decision procedure for purposes of forming a creditor's committee; please refer to page 1 of the Proposals for details of the procedure in this regard.

***Please note that if you wish to form a creditors' committee, you will also be expected to confirm your willingness to serve or be represented on the creditors' committee, including dealing with any business placed before the creditors' committee throughout the period of the administration and in any follow on liquidation should a creditors' committee be formed.***



## Appendices

### Important notice

#### Important Notice

This document has been prepared by the Joint Administrators solely to comply with their statutory duty under paragraph 49 of Schedule B1 of the Act to lay before creditors a statement of their Proposals for achieving the purpose of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This document has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Companies.

Any estimated outcomes for creditors included in this document are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this document for any purpose or in any context other than under paragraph 49 of Schedule B1 of the Act does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these Proposals.

The Joint Administrators act as agents of the Companies and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Deloitte LLP does not assume any responsibility and will not accept any liability to any person in respect of this document or the conduct of the administration.

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