

TO ALL KNOWN CREDITORS

14 October 2019

Ref: RHK/CL/KH/NH
Direct line: +44 (0) 20 7197 5327
Email:
InterservePlcAdministration@uk.ey.com

Dear Sirs

Interserve Plc (in Administration) (“the Company”)

High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD), Number BR-2019-000339

We write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”), to provide creditors with a report on the progress of the administration of the Company (“the Administration”).

On 15 March 2019 (“the Date of Appointment”), the Company entered into administration and Alan Michael Hudson and Robert Hunter Kelly were appointed as Joint Administrators.

This report covers the period from 15 March 2019 to 14 September 2019 and should be read in conjunction with our Joint Administrators’ Statement of Proposals dated 21 March 2019 (“the Proposals”).

Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

Summary of progress

Approval of the Proposals

The Proposals were issued to the creditors of the Company, of whose claim and address the Joint Administrators were aware, on 21 March 2019.

As detailed in the Proposals, we are of the opinion that the Company does not have sufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part (“the Prescribed Part”) under section 176A of the Insolvency Act 1986 (“the Act”). Consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, we did not seek a decision from the creditors of the Company on the approval of the Proposals.

As we did not receive any requests from creditors to seek a decision procedure, the Proposals were deemed to be approved on 4 April 2019.

Sale of business and assets

As creditors will recall from the Proposals, immediately following our appointment on 15 March 2019, we, as Joint Administrators, entered into a sale and purchase agreement (“the SPA”) pursuant to which we completed a sale of the Company’s business and substantially all of its assets and certain of its liabilities (“the Sale”) to a specially formed company, Montana 1 Limited, which was subsequently renamed Interserve Group Limited (“IGL” or “the Purchaser”).

The financial benefits to the Company from entering into the Sale, in respect of the release of secured, unsecured and contingent liabilities, exceeded £1.2bn.

A detailed explanation of the Sale was provided to creditors in the Proposals and our Joint Administrators’ Statement of Insolvency Practice 16 report, which were provided to creditors on 21 March 2019 and can be accessed at: www.ey.com/uk/interserveplcadministration.

The following assets were excluded from the Sale to the Purchaser:

- all records produced by or at the direction of us, as Joint Administrators, our staff, agents or representatives in connection with or which relate (in whole or in part) to the Administration or were generated or made for or during the Administration;
- all assets in the possession of the Company which were on loan, subject to lease, hire purchase, conditional sale, rental, contract hire or other agreements which do not pass title to the Company or of which it is for any reason bailee; and
- the Company’s shares (“the Al Binaa Shares”) in Al Binaa Contracting Company W.L.L. (“Al Binaa”) to the extent that certain pre-emption rights are exercised. An update on the sale of the Al Binaa Shares is included later in this report.

As a result of the Sale, all of the Company’s employees at the Date of Appointment were automatically transferred to the Purchaser under Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”). The rest of the former subsidiaries of the Company continue to trade on a business as usual basis under the new holding company, IGL.

Licences to occupy

On the Date of Appointment, we granted IGL temporary licences to occupy three of the Company’s leasehold properties. The temporary licences are intended to allow IGL a period of occupation whilst negotiations are undertaken with the landlord of each property by IGL regarding the continued occupation of the premises.

As at the date of this report, the Company’s lease for IGL’s registered office, Interserve House, has been assigned to IGL and the licences to occupy in respect of the other two leasehold properties have been extended for a further six months to 14 March 2020.

Since 15 March 2019, we have been invoicing IGL for licence fees in respect of its occupation of the leasehold properties and appropriate payments have been made to the landlords. The position is regularly being reconciled to ensure the Administration is not extending credit to IGL.

Al Binaa Shares

As the Al Binaa Shares are subject to pre-emption rights, they were excluded from the assets sold to IGL under the SPA.

As required by the shareholder agreement and in accordance with the provisions of the SPA, the Company put the offer made by IGL to the joint venture partner, Al-Darwish United Co W.L.L. ("Al Darwish"), giving it the opportunity to exercise its pre-emption rights in respect of the Al Binaa Shares.

Al Darwish did not respond in the contractually agreed time period to take up the pre-emption rights.

We are currently in the process of liaising with the Qatari tax authorities, where Al Binaa is registered, to obtain confirmation that the double tax treaty between Qatar and the United Kingdom applies such that the Company is not required to pay any non-resident capital gains tax due to the Qatari tax authorities.

We understand that the process of gaining tax clearance from the Qatari tax authorities can be complex and time consuming and we have engaged tax specialists based in the Middle East to advise on the process.

It is likely that the tax clearance and the transfer of the Al Binaa Shares to IGL will not complete before the one year anniversary of the Date of Appointment which would require us to seek an extension to the Administration. Creditors will be updated on the transfer of the Al Binaa Shares and any requirement to extend the Administration in the next Joint Administrators' report.

In the meantime, whilst tax clearance is sought, we are agreeing and finalising drafts of the documentation required to complete the transfer of the Al Binaa Shares to IGL, some of which will require Al Darwish or the Qatari authorities' consent.

Other matters

The Joint Administrators' Investigations

We have complied with our duties under Statement of Insolvency Practice 2 (Investigations by Office Holders) ("SIP 2") and the Company Directors' Disqualification Act 1986 ("CDDA").

Initial Assessment – SIP 2

During the period covered by this report, we considered information that has come to our attention through our work and reviewed responses received from directors in response to a questionnaire sent to them shortly after our appointment as Joint Administrators. We also invited creditors to bring any matters of concern to our attention.

We have a duty to consider what potential claims against third parties may exist as assets of the Company and the likely recoveries that could be made in respect of such claims. In connection with this, we also have to consider the likely costs involved in determining whether any claims exist and if there are any potential sources of funding available. Our work on this matter is ongoing.

CDDA

We have also made our confidential submission on the conduct of all persons who have been directors, shadow or de-facto directors of the Company during the three years prior to the Date of Appointment to the Insolvency Service.

Other Investigations

As widely reported in the media, the Company is subject to investigations by certain regulatory bodies, which commenced prior to the Date of Appointment. We have cooperated with information requests received to date from these regulatory bodies and continue to do so.

The investigations are:

- i) by the Financial Conduct Authority (“FCA”) into announcements made to the market by the Company between 15 July 2016 and 20 February 2017; and
- ii) by the Financial Reporting Council (“FRC”) into the statutory audit of the Company by Grant Thornton UK LLP for the years ended 31 December 2015, 2016 and 2017.

In June 2019, the FRC confirmed that it completed its review of the Company’s statutory accounts for the year ended 31 December 2017. We are unaware of any issues arising.

Receipts and payments account

A summary of our receipts and payments for the period from 15 March 2019 to 14 September 2019 is attached at Appendix 2 in respect of the Company. Notes to the account in Appendix 2 provide detail on the receipts and payments in the period.

This account does not reflect future estimated realisations or costs including our remuneration and disbursements.

Joint Administrators’ remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Rules. 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 Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to us.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Rules, respectively). Further information is provided in ‘A Creditors’ Guide to Administrators’ Fees’ referred to above.

The Rules require the basis of an administrator’s remuneration to be fixed (Rule 18.16) and in the event that there are insufficient funds for distribution to unsecured creditors, other than the Prescribed Part and there is no creditors’ committee, the basis of an administrator’s remuneration must be fixed by consent of the secured creditors (Rule 18.18(4a)) and the preferential creditors (if there are any).

A statement was made in the Proposals under the provision of paragraph 52(1) of Schedule B1 to the Act that there will be no funds available for the unsecured creditors of the Company, other than by virtue of the Prescribed Part. No creditors' committee has been formed and we have not been made aware of any preferential creditors to date.

Given the above, we are seeking agreement to our remuneration being charged on a time cost basis with the secured creditors of the Company. If approval is not received from the secured creditors, we will apply to court to have our remuneration fixed in accordance with Rule 18.23. The expense of this process would be met by the funding provided as part of the consideration for the Sale to meet the costs of the Administration.

During the period covered by this report, we have incurred time costs of £642,984. Of this sum £nil has been paid to date. Appendix 3 of this report provides an analysis of the time spent in comparison with the fee estimate dated 21 March 2019 and details of the work completed to date and expected to be undertaken during the Administration. Our remuneration is not currently expected to exceed the amount provided for in the fee estimate.

Joint Administrators' statement of expenses incurred

During the period covered by this report, we have incurred expenses and disbursements of £245,390.01 plus VAT, of which £172,545.28 has been drawn to date to pay legal costs and insurance. A detailed breakdown of expenses and disbursements incurred in the period is included at Appendix 4 of this report.

To date, expenses and disbursements in total have not exceeded the original estimate.

Pre-Administration costs

The Proposals stated that we would seek approval for the payment of unpaid pre-Administration costs totalling £164,660.40 plus VAT as an expense of the Administration of the Company.

We are seeking approval from the secured creditors to the payment of the unpaid pre-Administration costs. If approval is not received from the Company's secured creditors, we will apply to court in order to have our unpaid pre-Administration costs approved.

No amounts have yet been paid in respect of the pre-Administration costs.

Distributions to creditors

Secured creditors

As part of the Sale to the Purchaser, the Company was released from its liability in respect of a secured principal debt amount of £814m and approximately £202m of contingent secured liabilities owed to the Company's secured creditors. This reduced the Company's secured liabilities to approximately £65.15m (as at the Date of Appointment) and comprises accrued and capitalised cash and payment in kind ("PIK") interest under the Company's and the former Interserve group's cash and bonding facilities, certain "make-whole" amounts in respect of US private placement notes issued by the Interserve group and fees.

It is not currently anticipated that any distributions will be made to the Company's secured creditors in respect to their outstanding liability of approximately £65.15m.

Preferential creditors

All employees of the Company were transferred to the Purchaser, via TUPE, as a result of the Sale. In accordance with the SPA, all arrears of wages, holiday pay and employee pension deductions were required to be met by the Purchaser. As such, we are not expecting, and have not received to date, any preferential claims in the Administration of the Company.

Unsecured creditors

We continue to receive claims from non-preferential unsecured creditors of the Company. It is not possible to provide an accurate estimate of non-preferential unsecured creditor claims at this stage.

Distributions to the Company's non-preferential unsecured creditors will arise solely from the Prescribed Part. The Prescribed Part is a proportion of floating charge assets set aside for non-preferential, unsecured creditors (subject to a maximum amount of £600,000) pursuant to section 176A of the Act. The Prescribed Part applies to floating charges created on or after 15 September 2003.

As part of the consideration for the Sale, the Purchaser provided funding for the Administration, which included an amount equivalent to the maximum Prescribed Part of £600,000 for distribution to the Company's non-preferential unsecured creditors. The dividend amount of the Prescribed Part distribution is subject to associated costs and the quantum of admissible claims.

If there are creditors who wish to submit a claim form but have yet to do so, we would request that they return a proof of debt form, enclosed at Appendix 5, together with all back up documentation in support of their claim. Thereafter we will proceed to adjudicate on creditor claims in order to support a distribution from the Prescribed Part.

Remaining work

We will continue to deal with the Administration in line with the stated objectives outlined in the Proposals. Future tasks will include, but may not be limited to, the following:

- managing property payments under the two remaining licence to occupy agreements with IGL and dealing with leasehold property assignments, as required;
- progressing and concluding the transfer of the Al Binaa Shares;
- preparing and filing corporation tax and VAT returns;
- fulfilling statutory and reporting requirements of the Administration;
- receiving and reviewing claims from non-preferential unsecured creditors of the Company;
- distributing amounts due to non-preferential unsecured creditors under the Prescribed Part;
- seeking the approval of the basis of our remuneration;
- dealing with enquiries from creditors, members and other stakeholders, as required;

- commencing preparations to dissolve the Company, on completion of all matters required in the Administration, including distribution of the Prescribed Part to non-preferential unsecured creditors, at the appropriate time; and
- any such actions required to be undertaken by the Joint Administrators to fulfil the purpose of the Administration.

Extension to the initial period of appointment

Insolvency legislation currently provides for an administration to automatically come to an end after a period of 12 months. There will be a number of outstanding issues to resolve for the Company, including dealing with the remaining leasehold properties, as the licences to occupy terminate on 14 March 2020 (although they can be terminated earlier at the option of the Purchaser) and the resolution of all outstanding tax matters (including the post-appointment period and the transfer of the Al Binaa Shares). Therefore, we are likely to seek an extension, as appropriate, to the initial period of the Administration, with the consent of the creditors or by the Court.

We will seek consent from the secured creditors to extend the period of the Administration by 12 months to 14 March 2021 at the appropriate time prior to the automatic expiry of the Administration.

Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner. Should you have any queries regarding any of the matters outlined in this report, please contact my colleague Natalie Hamill on +44 (0)20 7197 5327.

Yours faithfully
for the Company



R H Kelly
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Robert Hunter Kelly and Alan Michael Hudson, who act as agents of the Company only and without personal liability. As licensed insolvency practitioners, Robert Hunter Kelly and Alan Michael Hudson are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

Robert Hunter Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and Alan Michael Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Association of Chartered Certified Accountants.

The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Interserve Plc (in Administration) (“the Company”)

Information about the proceedings, the Company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of Court:	High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)
Court reference:	BR-2019-000339
Registered name of the Company:	Interserve Plc
Registered office address of the Company:	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Registered number:	00088456
Country of incorporation (for a company incorporated outside the United Kingdom):	n/a
Date of appointment of the Joint Administrators:	15 March 2019
Details of any changes of Administrator:	None
Full names of the Administrators:	Robert Hunter Kelly Alan Michael Hudson
Office holder numbers:	8582 and 9200
Administrators' addresses:	Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds LS11 5QR Ernst & Young LLP, 1 More London Place, London SE1 2AF
Contact details:	+44 (0) 207 197 5327 InterservePlcAdministration@uk.ey.com
Name of alternative person to contact with enquiries about the case:	Natalie Hamill

Appendix 2

Interserve Plc (in Administration) ("the Company")

Joint Administrators' Summary of Receipts and Payments from 15 March 2019 to 14 September 2019

Statement of Affairs estimated to realise values ¹ £	Notes 2, 3	15 March 2019 to 14 September 2019 period and cumulative total £
RECEIPTS		
		1,184.49
		807,319.14
49,134.00	5	88,958.80
	6	903,314.56
	7	46,322.93
300,000.00		-
1,816,315.00		-
2,678,689.00		-
3,070,000.00		-
500,000.00		-
3,067,055.00		-
23,980,468.00		-
Total receipts		1,847,099.92
PAYMENTS		
	6	680,893.65
		1,176.00
	5, 7	135,267.73
		170,716.10
		653.18
		40.20
		988,746.86
		858,353.06
REPRESENTED BY:		
	8	893,654.05
		(35,300.99)
		858,353.06

Notes:

- 1 As explained in the Proposals, the financial benefits to the Company of entering into the sale to IGL was the release of liabilities totalling over £1.2bn rather than the receipt of cash sales consideration. Also, the Company's business and substantially all of its assets were transferred to IGL in the sale and therefore, with the exception of cash from the HSBC pre-appointment bank account which was forwarded to IGL, realisations from other assets noted in the Statement of Affairs have not been and are not expected to be, received by the Joint Administrators.
- 2 This receipts and payments account is shown net of VAT.
- 3 This receipts and payments account has been prepared on an cash basis and does not reflect future expected receipts and payments.
- 4 £807,319.14 has been drawn to date from the funding available to the Joint Administrators to meet the costs of the Administration. £600,000 related to the Prescribed Part, £206,819.14 for insurance and legal costs to June 2019, which have been paid, and £500 to maintain a buffer in the account to cover bank charges, etc.
- 5 Monies in the HSBC pre-Administration bank account at the Date of Appointment were transferred to the Joint Administrators and subsequently paid to IGL in accordance with the SPA, less £14 of bank charges.
- 6 Represents licence fee receipts from IGL and payments to landlords in respect of licences to occupy on three leasehold properties. Difference between total receipts and payments is due to the timing of payments which were made after 14 September 2019.
- 7 Rates refunds from Sandwell Borough Council, which were forwarded to IGL in accordance with the SPA.
- 8 All funds are held in interest bearing accounts.

Appendix 3

Interserve Plc (in Administration) ("the Company")

Joint Administrators' time costs for the period from 15 March 2019 to 14 September 2019 and a comparison with the fee estimate dated 21 March 2019

	Staff Grade							Fee estimate sent to all known creditors dated 21 March 2019			Estimated to complete			
	Partner	Director	Senior Manager	Manager	Executive	Analyst	Total Hours	Time Cost	Average Hourly Rate	Total hours	Time cost	Total hours	Time cost	
								(£)	(£)		(£)		(£)	
Accounting and Administration	2.0	9.1	11.0	31.7	70.3	100.3	224.4	55,822	248.8	124.0	42,820	345.3	(100.4)	(13,002)
Bank & Statutory Reporting	14.0	26.5	2.8	36.4	4.5	2.0	86.2	39,963	463.6	546.0	200,205	366.7	459.8	160,242
Creditors (Mandatory)	10.0	35.0	6.3	32.3	39.0	38.5	161.1	61,795	383.6	291.0	110,008	378.0	129.9	48,213
Debtors	-	-	-	1.3	-	-	1.3	524	403.0	90.0	30,201	335.6	88.7	29,677
Employee Matters	-	3.2	-	3.7	4.0	-	10.9	4,010	367.9	-	-	-	(10.9)	(4,010)
Immediate Tasks	2.0	29.5	6.3	22.5	20.0	-	80.3	37,456	466.5	306.0	105,998	346.4	225.7	68,542
Investigation/CDDA (Mandatory)	7.0	41.5	20.2	40.3	54.5	32.5	196.0	77,379	394.8	279.0	109,918	394.0	83.0	32,539
Job Acceptance & Strategy (M)	1.0	2.0	0.7	-	1.0	-	4.7	2,335	496.8	103.0	46,579	452.2	98.3	44,244
Legal Issues	7.0	25.5	1.9	-	-	-	34.4	20,738	602.9	66.0	41,548	629.5	31.6	20,810
Members	0.5	2.0	2.2	13.9	15.0	29.5	63.1	16,663	264.1	-	-	-	(63.1)	(16,663)
Other Assets (Mandatory)	2.0	54.5	-	9.4	27.4	-	93.3	49,603	531.7	221.0	82,636	373.9	127.7	33,033
Other Matters	10.0	35.5	25.7	62.0	2.0	-	135.2	67,419	498.7	498.0	187,871	377.3	362.8	120,452
Out of scope	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property	4.0	21.5	-	19.3	11.0	-	55.8	27,216	487.7	150.0	53,135	354.2	94.2	25,919
Public Relations issues	-	3.5	0.7	0.9	-	-	5.1	2,958	580.0	53.0	25,396	479.2	47.9	22,438
Statutory Duties	16.0	3.5	37.6	39.0	22.0	-	118.1	51,561	436.6	358.0	131,153	366.3	239.9	79,592
Trading (Mandatory)	-	1.5	-	-	-	-	1.5	1,009	672.8	-	-	-	(1.5)	(1,009)
VAT & Taxation	5.1	67.8	20.0	32.2	26.4	2.0	153.5	105,621	688.1	228.0	143,524	629.5	74.5	37,903
Prescribed Part Distribution	-	-	-	-	-	-	-	-	-	259.0	68,159	263.2	259.0	68,159
Data Preservation	-	2.0	9.5	5.2	-	60.5	77.2	20,912	270.9	-	-	-	(77.2)	(20,912)
Total Hours	80.6	364.1	144.9	350.1	297.1	265.3	1,502.1			3,572.0	1,379,151	386.1	2,069.9	736,167
Time Costs (£)	51,041	253,622	73,840	139,806	76,573	48,102		642,984						
Average Hourly Rate (£)	633.3	696.6	509.6	399.3	257.7	181.3		428.1						
Category 1 Disbursements (£)	1,529.09													
Category 2 Disbursements (£)	461.51													
Expenses (£)	2,094.69													
	4,085.29													

Notes

- Time is charged in 6 minute intervals.
- Specialists, such as tax professionals, have been engaged to provide advice, where required. Standard charge-out rates of these specialists are higher than the equivalent grade in the Restructuring team.
- Time costs include agreed 65% discount to all standard charge out rates (incl. specialist resource).

Category of work	Description of work completed / to be completed
Accounting and Administration	<ul style="list-style-type: none"> • Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost monitoring and reporting. • Monitoring internal systems and records in line with statutory requirements.
Bank and Statutory Reporting	<ul style="list-style-type: none"> • Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report. • Preparing reports to IGL, in accordance with the terms of the SPA, on the use of funding made available to the Joint Administrators to cover costs of the Administration.
Creditors	<ul style="list-style-type: none"> • Receipt and recording of creditor claims. • Correspondence with creditors.
Debtors	<ul style="list-style-type: none"> • Responding to queries in respect to debts due to the Company. • Receiving debts due to the Company and arranging payment of these monies to IGL, in accordance with the SPA.
Employee matters	<ul style="list-style-type: none"> • Writing to employees regarding TUPE related matters. • Dealing with any employee enquiries.
Immediate Tasks	<ul style="list-style-type: none"> • Completion of workstreams requiring immediate attention following appointment, in order to execute the strategy outlined in the Proposals.
Investigations	<ul style="list-style-type: none"> • Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2: "Investigations by Office Holders". • Making an online submission to the Director Conduct Reporting Service in accordance with the Company Directors Disqualification Act 1986.
Job Acceptance and Strategy	<ul style="list-style-type: none"> • Matters relating to the appointment and initial planning.
Legal Issues	<ul style="list-style-type: none"> • Dealing with any ad hoc legal issues which may arise in the Administration.
Members	<ul style="list-style-type: none"> • Corresponding and dealing with shareholder queries.
Other Assets	<ul style="list-style-type: none"> • Obtaining required consents, clearances and transferring ownership / managing the sale of the AI Binaa Shares. • Dealing with enquiries from lease providers / assignment of lease agreements, if required. • Liaising with the Company's banks to secure the release of cash held in pre-appointment bank accounts and cash in transit. • Realising value from any residual assets.
Other Matters	<ul style="list-style-type: none"> • Managing general queries and correspondence on behalf of the Company. • Dealing with general compliance obligations of the Administration. • Dealing with insurance enquiries, notifications and claims. • Review and execution of agreements to facilitate the transfer of IT, utilities, services and other supplier agreements, if novation is required. • Other ad hoc matters that arise in the course of the Administration.
Property	<ul style="list-style-type: none"> • Managing licences to occupy and assignment of leases, as appropriate. • Dealing with landlords, leasehold properties and the payment of rent and service charges, in connection with the licences to occupy.
Public Relations	<ul style="list-style-type: none"> • Agreeing and issuing statements to the press, as required, and dealing with enquiries from the media.
Statutory Duties	<ul style="list-style-type: none"> • Completion of statutory requirements of the Administration, including notifications to the creditors and members, advertising the appointment, letter to creditors pursuant to Statement of Insolvency Practice 16, and filing documents at Companies House.
VAT and Taxation	<ul style="list-style-type: none"> • Bringing tax affairs up to date. • Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists. • Completing application documentation regarding pre-appointment tax losses. • Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration. Preparing claims for VAT bad debt relief (if applicable).
Prescribed Part Distribution	<ul style="list-style-type: none"> • Adjudicating on claims from unsecured creditors and processing distributions (as applicable).
Data Preservation	<ul style="list-style-type: none"> • Imaging of books and records held on laptops and iPads held by the senior management of the Company.

Appendix 4

Interserve Plc (in Administration) ("the Company")

Summary of Joint Administrators' expenses incurred

Type of Expense	Per estimate sent to all known creditors dated 21 March 2019 (£)	Paid in period (£)	Incurred but not paid in period ³ (£)	Remaining balance of estimate (£)
Payments made from the estate which are not disbursements^{1,2}				
Insurance	50,000.00	1,176.00	-	48,824.00
Statutory advertising	1,000.00	-	174.96	825.04
Legal fees and disbursements	500,000.00	171,369.28	68,759.44	259,871.28
Travel, accommodation and subsistence	25,000.00	-	1,919.73	23,080.27
Category 1 disbursements²				
Specific penalty bond	1,280.00	-	1,280.00	-
Postage and printing ⁴	-	-	249.09	(249.09)
Category 2 disbursements²				
Copying, printing and postage	1,000.00	-	362.51	637.49
Mileage ⁴	-	-	99.00	(99.00)
Total	578,280.00	172,545.28	72,844.73	332,889.99

Notes:

- 1 Statement of Insolvency Practice 9 ("SIP 9") defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - a. Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment.
 - b. Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.
- 3 All costs incurred, except £68,759.44 of legal costs, have been paid by Ernst & Young LLP but not yet drawn and reimbursed from the funding made available to the Joint Administrators to pay the costs of the Administration.
- 4 £249.09 of Category 1 postage and printing costs have been incurred but were not forecast, however, this cost is within the estimate of Category 2 copying, printing and postage costs. £99.00 of Category 2 mileage costs were not in the Joint Administrators' initial forecast but are within the expenses estimate for travel, accommodation and subsistence.
- 5 Payment of pre-Administration costs are subject to specific approval and are not included in the above analysis.

Appendix 5

Interserve Plc (in Administration) (“the Company”)

Proof of debt form

Administration Proof of Debt
Rule 14.4, Insolvency (England and Wales) Rules 2016

Convocatoria para la presentación de créditos. Plazos aplicables
Výzva k přihlášení pohledávky. Závazné lhůty
Opfordring til anmeldelse af fordringer. Vær opmærksom på fristerne
Aufforderung zur Anmeldung einer Forderung. Etwaige Fristen beachten!
Nõude esitamise kutse. Järgitavad tähtajad
Πρόσκληση για αναγγελία απαιτήσεως. Προσοχή στις προθεσμίες
Invitation to lodge a claim. Time limits to be observed
Invitation à produire une créance. Délais à respecter
Invito all'insinuazione di un credito. Termine da osservare
Uzaicinājums iesniegt prasījumu. Termiņi, kas jāievēro
Kvietimas pateikti reikalavimą. Privalomieji terminai
Felhívás követelés bejelentésére. Betartandó határidők
Stedina għal preżentazzjoni ta' talba. Limiti taż-żmien li għandhom jiġu osservati
Oproep tot indiening van schuldvorderingen. In acht te nemen termijnen
Wezwanie do zgłoszenia wierzytelności. Przestrzegać terminów
Aviso de reclamação de créditos. Prazos legais a observar
Výzva na prihlásenie pohľadávky. Je potrebné dodržat' stanovené termíny
Poziv k prijavi terjatve. Roki, ki jih je treba upoštevati!
Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat
Anmodan att anmäla fordran. Tidsfrister att iaktta

Interserve Plc (in Administration) ("the Company")

Date of Administration: 15 March 2019

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 15 March 2019

Less: any payments made to you after 15 March 2019 in respect of the claim

Less: any trade or other discounts (except early payment discounts) under Rule 14.20

Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning of section 386, schedule 6, of the Insolvency Act 1986? If so, into which category of debt does it fall?

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Notes to Administration Proof of Debt Form:

1. Please attach a detailed statement of your account as at the date on which the Company entered Administration.
2. VAT bad debt relief may usually be claimed six months after the date of supply.
3. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
4. The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.