

Statement of Administrators’ Revised Proposals

In accordance with paragraph 54 of Schedule B1 to the Insolvency Act 1986, we, Robert Hunter Kelly and Alan Michael Hudson, the Joint Administrators of Interserve Plc, make to the creditors of the Company the following revised proposals for achieving the purpose of the administration (the “Administration”).

We are seeking a decision by ‘deemed consent’ on the approval of these revised proposals. Creditors will be deemed to have consented to the approval of the proposals at 23:59 GMT on 15 December 2021 (“the decision date”) unless, before this time, at least 10% in value of creditors, who would be entitled to vote in a qualifying decision procedure, have objected to approval and their objections have been made in accordance with the procedure set out in Appendix A.

This statement is accompanied by notice of the decision, at Appendix A, which includes steps to be taken by creditors if they wish to participate in the process, and an invitation to creditors to establish a creditors’ committee.

This statement is also accompanied at Appendix B by notice pursuant to Rule 3.57 of the Insolvency (England and Wales) Rules 2016 of the Joint Administrators’ intention (1) to apply for an order of the English court ending the Administration and moving to compulsory liquidation and (2) to seek appointment as Joint Liquidators in such winding up.

Court information

Court name: High Court of Justice Business and Property Courts of England and Wales

Court case number: BR-2019-000339

Company information

Company name: Interserve Plc

Registered number: 00088456

Country of incorporation:
(if outside the UK) n/a

Registered office address: 1 More London Place, London, SE1 2AF

Trading name(s): Interserve Plc

Details of the Administrators and of their appointment

Joint Administrators: Robert Hunter Kelly and Alan Michael Hudson

Date of appointment: 15 March 2019

By whom appointed: High Court of Justice Business and Property Courts of England and Wales

Directors and secretary and their shareholdings

The table below lists the directors and secretary of the Company at the date of appointment and their shareholdings at that date.

Name	Director or Secretary	Shareholding	Date appointed
Andrew John McDonald	Secretary	14,902	7 June 2018
Anne Kathleen Fahy	Director	8,000	1 January 2013
Charles Nicholas Pollard	Director	7,723	26 June 2018
Debra Jayne White	Director	640,030	1 September 2017
Gareth Maitland Edwards	Director	21,350	1 February 2017
Glyn Anthony Barker	Director	93,970	1 January 2016
Mark Argent Whiteling	Director	30,000	1 October 2017
Nicholas Robin Salmon	Director	5,000	1 August 2014
Russell John King	Director	3,000	1 September 2014

Summary of the original proposals as approved by creditors on 4 April 2019 (the "Proposals")

A summary of the Proposals is as follows:

- The Joint Administrators proposed the achievement of objective (b) of paragraph 3 of Schedule B1 to the Insolvency Act 1986, namely 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). This was achieved through completion of a sale of substantially all of the Company's business and most of its assets, including the equity ownership of almost all of the Company's directly owned subsidiaries, to a specially formed company, Montana 1 Limited, which post-transaction changed its name to Interserve Group Limited ("IGL") (the "Sale"). The Sale enabled objective (b) to be achieved as the financial benefits from entering the transaction included the release of secured, unsecured and contingent liabilities of the Company exceeding £1.2bn, which otherwise would not have been achieved.
- The Joint Administrators indicated that the Company had insufficient property to enable a distribution to be made to the unsecured creditors, other than by virtue of the Prescribed Part less any associated costs.
- In respect of remuneration and expenses:
 - Remuneration was fixed on the basis of time properly given by the Joint Administrators and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 21 March 2019.
 - Category 2 disbursements were approved by the secured creditors and preferential creditors (where applicable) in accordance with the statement of expenses included in the fee estimate dated 21 March 2019.
 - Approval for payment of unpaid pre-Administration costs totalling £164,660.40 plus VAT as an expense in the Administration was obtained as part of the Proposals.
- The Joint Administrators proposed, if required, to extend the period of the Administration by the consent of the secured creditors and preferential creditors (where applicable) or by an order of the court to enable the Joint Administrators to complete their work to achieve the purpose of the administration.
- In respect of ending the Administration, the Joint Administrators proposed that if the Company had no property which might permit a distribution to its creditors, they send a notice to that effect to the Registrar of Companies. Upon registration of the notice, the Joint Administrators'

appointment in respect of the Company would cease and the Company would be deemed to have been dissolved three months after the registration of the notice. Therefore, should the Company have no other property to permit a distribution, dissolution would be the only agreed way to end the Administration.

Reasons for the proposed revision(s)

Additional tasks that were stated in the Proposals in order to achieve objective (b) included selling the shares held by the Company in Al Binaa Contracting Company W.L.L. ("Al Binaa") (the "Al Binaa Shares"). The sale of the Al Binaa Shares and the distribution of the Prescribed Part are the major outstanding events left to be concluded in the Administration. There is a likely prospect that the sale of the Al Binaa Shares will not be completed by 14 March 2022 (when the Administration is due to end), due to reasons outside of the Joint Administrators' control.

As noted above, the Proposals contained dissolution as the only exit route from the Administration. Exiting the Administration through dissolution would result in uncertainty for the value to be recovered for the secured creditors in relation to ownership of the Al Binaa Shares which would not, at that stage, have transferred to IGL and mean that potential returns from any future sale of the Al Binaa Shares would not be achieved. However, exiting the Administration and moving to compulsory liquidation would enable the completion of the sale of the Al Binaa Shares. Additional benefits from moving to compulsory liquidation include:

- Reduced costs in relation to having to make further applications to Court for additional extensions to the Administration, as the liquidators can, subject to funding, stay in office as long as required to conclude the sale of the Al Binaa Shares;
- Avoiding a situation where the Court may not grant additional extensions to the Administration; and
- Reduced ongoing costs in relation to statutory reporting requirements in comparison to the Administration. Compulsory liquidations have annual, rather than six-monthly, reporting requirements.

Details of proposed revision(s) to the Proposals

It is proposed that the following revisions should be made to section 2.7 of the Proposals:

1. The Administration is expected to cease to have effect by application by the Joint Administrators in accordance with paragraph 79 of Schedule B1 to the Insolvency Act 1986 for the Court to permit the Company to enter into compulsory liquidation, provided that this application (and the related relief in paragraphs 2 to 3 below) is contingent on the Joint Administrators having agreed with IGL such amendments to their funding arrangements as the Joint Administrators require to enable them, as relevant, to accept an appointment as joint liquidators should the Court grant the relief requested pursuant to such application.
2. In conjunction with the above application, the Joint Administrators will invite the Court to make an order winding up the Company under paragraph 79(4) of Schedule B1 to the Insolvency Act 1986, thereby avoiding the costs and expenses involved in presenting a winding up petition. In the alternative (and in the event the court is not minded to make a winding up order without a petition first being presented), the Joint Administrators will make an application to the Court for a winding up order to be granted in accordance with Section 124 of the Insolvency Act 1986, with the intention of putting the Company into compulsory liquidation.
3. It is proposed that the liquidators will be Robert Hunter Kelly and Alan Michael Hudson of Ernst & Young LLP in accordance with section 140 of the Insolvency Act 1986 and that any act

required or authorised under any enactment to be done by the liquidators may be done by either or both of them.

4. It is proposed that the Joint Administrators seek an order of the Court granting the statutory discharge from liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986 and, further, relief from the Court under paragraph 79 of Schedule B1 to the Insolvency Act that such discharge takes immediate effect upon their appointment as Joint Administrators ceasing to have effect.

Joint Administrators' assessment of the impact of the proposed revisions upon creditors

The revisions will allow time to complete the sale of the AI Binaa Shares, in an orderly manner without the requirement to incur further cost for further Court applications for future extensions to the Administration.

There will be no impact to preferential creditors as all the employees of the Company were transferred to IGL, pursuant to TUPE, thereby eliminating preferential creditor claims.

There will be no impact to unsecured creditors as these revisions will still enable distributions to take place from the Prescribed Part, less any associated costs. The Prescribed Part distribution is to be made prior to ceasing the Administration, as referred to in the Proposals.

Summary of Joint Administrators' receipts and payments

A summary of the Joint Administrators' receipts and payments to 29 November 2021 is attached as Appendix C.

Notice of application for order ending the Administration

A notice to the Company's creditors of the Joint Administrators' intention, as set out above, to: (1) seek an order ending the Administration, pursuant to paragraph 79 of Schedule B1 to the Insolvency Act 1986, and placing the Company into compulsory liquidation; and (2) seek appointment as Joint Liquidators in a winding up of the Company is attached as Appendix B.

Signed:



Date: 1 December 2021

Robert Hunter 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 Insolvency Practitioners Association.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), 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.

Appendix A

Notice to creditors of deemed consent

Paragraph 51 of Schedule B1 to the Insolvency Act 1986 and Rules 3.38, 15.7 and 15.8 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 (in Administration)
Other trading names(s) or styles(s) of the Company:	n/a
Any other registered name in the 12 months prior to administration:	n/a
Registered number:	00088456
Registered office address:	1 More London Place, London, SE1 2AF
Principal trading address (if different from above):	n/a
Full names of the Joint Administrators:	Robert Hunter Kelly and Alan Michael Hudson
Date on which the Company entered administration:	15 March 2019
Date of appointment of the Joint Administrators:	15 March 2019
Joint Administrators' addresses(es):	Ernst & Young LLP 1 Bridgewater Place, Water Lane, Leeds LS11 5QR and 1 More London Place, London, SE1 2AF
Telephone number:	+44 (0)20 7806 9465
Name of alternative person to contact with enquiries about the case:	Jai Bhalla

NOTICE IS HEREBY GIVEN that the Joint Administrators of the above-named company are seeking approval of their revised proposals dated 1 December 2021 by deemed consent.

Creditors will be deemed to have consented to the approval of the revised proposals unless by the end of 15 December 2021 ("**the decision date**"), at least 10% in value of creditors, who would be entitled to vote in a qualifying decision procedure, have objected to approval and their objections have been made in accordance with the procedure set out below.

Objections

Any creditor wishing to object to the proposed decision to approve our revised proposals – including any creditor who has opted out from receiving notices about the administration - must deliver to me, at the above address, a notice stating that the creditor so objects. The notice must be delivered to me at the above address not later than the end of **the decision date** together with a proof in respect of the creditor's claim which complies with the requirements of Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016 failing which the objection will be disregarded.

Please note that creditors whose debts may be treated as small debts in accordance with Rule 14.31(1) of the Insolvency (England and Wales) Rules 2016 must still deliver a proof of claim if they wish to object.

It is my responsibility, as Joint Administrator convening the deemed consent procedure, to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made.

If the threshold is met the deemed consent procedure will terminate without a decision being made on the revised proposals and if a decision is sought again on the same matter it will be sought by a decision procedure.

Requests for a physical meeting to be held

Creditors who meet the thresholds in s.246ZE(7) of the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may, within five business days from the date of delivery of this notice, make a request to me in writing for a physical meeting of creditors to be held to consider the approval of our revised proposals.

Invitation to form a creditors' committee

Creditors are invited to decide whether a creditors' committee should be formed if sufficient creditors are willing to be members of the committee. Information on the role of committees can be found at <https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf>.

To be validly established, a committee must have at least three and not more than five members, who must have agreed to act.

Should you wish to form a committee, please follow the instructions in the nomination form attached to this notice and return the completed nomination form, with written agreements to act where appropriate, to me at the above address to arrive no later than 15 December 2021. Nominations can only be accepted if I am satisfied as to the creditor's eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Signed:
Robert Hunter Kelly
Joint Administrator



Date: 1 December 2021

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 Insolvency Practitioners Association.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), 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.

Interserve Plc (in Administration)

Nominations for creditors' committee

You may nominate up to five creditors of the company. Please note that before a person can act as a member of a creditors' committee that person must agree to do so.

In the event that more than five valid nominations are received, the five receiving the most votes will be appointed.

When you have completed this form, please return it with the creditor's written agreement to act (unless you are nominating yourself or your own organisation) to Robert Hunter Kelly and Alan Michael Hudson, Joint Administrators of Interserve Plc (in Administration) at InterservePlcAdministration@uk.ey.com or at Ernst & Young LLP, 1 More London Place, London, SE1 2AF to arrive no later than the closing date stated on the notice of invitation to form a committee.

I nominate:

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

(Name of creditor) _____ of

(Address) _____

to be appointed as (a) member(s) of the creditors' committee.

Signature _____

Name of signatory _____

On behalf of
(name of creditor) _____

Date _____

Appendix B

Notice of application for order ending administration

Paragraph 79 of Schedule B1 to the Insolvency Act 1986 (the “Act”) and Rules 3.57(2) and 3.57(3) of the Insolvency (England and Wales) Rules 2016


Name of Company Interserve plc (In Administration) (the “Company”)	Company number 00088456
In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD)	Court case number BR-2019-000339

We, Robert Hunter Kelly of Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR and Alan Michael Hudson of Ernst & Young LLP, 1 More London Place, London, SE1 2AF, as joint administrators of the Company (the “Joint Administrators”) hereby give notice that:

- (a) we intend to apply to court on or around 20 December 2021 (or at the latest during January 2022) to seek an order pursuant to paragraph 79 of Schedule B1 of the Act ending the administration of the Company and placing the Company into compulsory liquidation; and
- (b) we intend to seek appointment in such proceedings as Joint Liquidators of the Company.

If the application is listed for a hearing, the Joint Administrators expect to provide an update as to the time and place of such hearing.

Should you have any questions in relation to this notice or the matters outlined herein (including any objections to the proposed application), please contact InterservePlcAdministration@uk.ey.com or Kevin Haywood at +44 (0)20 7951 4023.

Signed: 

Date 1 December 2021

Robert Hunter 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 Insolvency Practitioners Association.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), 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.

Appendix C

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

Joint Administrators' Summary of Receipts and Payments from 15 March 2019 to 29 November 2021

Statement of Affairs estimated to realise values ¹ £	15 March 2019 to 14 September 2021 £	15 September 2021 to 29 November 2021 £	Cumulative total £
RECEIPTS			
	3,659.09	14.05	3,673.14
	2,621,470.63	-	2,621,470.63
49,134.00	88,958.80	-	88,958.80
	1,158,514.94	-	1,158,514.94
	46,322.93	-	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	-	-	-
	10,771.92	-	10,771.92
Total receipts	3,929,698.31	14.05	3,929,712.36
PAYMENTS			
	1,146,393.03	-	1,146,393.03
	1,960.00	-	1,960.00
	135,267.73	-	135,267.73
	12,670.86	-	12,670.86
	20,011.42	-	20,011.42
	164,660.40	-	164,660.40
	1,174,843.74	-	1,174,843.74
	372,474.60	41,921.00	414,395.60
	4,209.21	-	4,209.21
	16,053.55	-	16,053.55
	78.00	0.60	78.60
Total payments	3,048,622.54	41,921.60	3,090,544.14
Net receipts / (payments)	881,075.77	(41,907.55)	839,168.22
REPRESENTED BY:			
Cash at Bank			830,784.02
VAT control account			8,384.20
			839,168.22

Notes:

- 1 As explained in the original 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 subsequently 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.