

██████████ To All Known Creditors and Members

**██████████
The Collective (Living) Group Limited
The Collective (Living) Limited
Harewood Properties Limited
(in Administration)**

Joint Administrators' Statement of Proposals

In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35
of the Insolvency (England and Wales) Rules 2016

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Glossary

Abbreviation	Definition	Term	Meaning
BEIS	Department for Business, Energy and Industrial Strategy	Administration	The Administrations of The Collective (Living) Group Limited, Harewood Properties Limited and The Collective (Living) Limited
c.	Approximately	Appointment date	15 September 2021 - The Collective (Living) Group Limited (“TCLGL”) 15 September 2021 - The Collective (Living) Limited (“TCLL”) 16 September 2021 - Harewood Properties Limited (“HPL”)
CDDA	Company Directors Disqualification Act 1986	Joint Administrators / we / our / us /	Matthew Boyd Callaghan, Andrew James Johnson and Lisa Jane Rickelton
CT	Corporation Tax	the Companies	TCLGL, HPL and TCLL collectively
EBITDAP	Earnings Before Interest, Taxes, Depreciation, Amortization and Pension Income	Secured Creditors	Deutsche Bank AG, London Branch; GCP Asset Backed Income (UK) Limited; and AC Advantage – Credit Strategies. Creditors with security in respect of their debt in accordance with Section 248 IA86.
FTI / FTI UK	FTI Consulting LLP and/or FTI Financial Services Limited	the Group / The Collective Group	TCLGL and all its subsidiaries
GLAS	GLAS Trust Corporation Limited, security agent for the Secured Creditors	The Proposals	This Statement of Proposals including its appendices
HMRC	HM Revenue & Customs	Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay, and certain unpaid pension contributions Second ranking: HMRC in respect to certain specified debts.
HPL	Harewood Properties Limited – In Administration	Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86.
IA86	Insolvency Act 1986 (as amended)	Scape	Windmill Opportunities Limited (formerly Scape Student Living Limited) trading as Scape (Company Number: 07120364) and TC Services Limited (Company Number: 13608402)
ICAEW	Institute of Chartered Accountants in England & Wales	Unsecured creditors	Creditors who are neither secured nor preferential. Principally trade creditors, landlords, intercompany debts and utility providers. HMRC and employee-related claims that do not rank preferentially are also included here.
IR16	Insolvency (England and Wales) Rules 2016 (as amended)		
LTO	Licence to occupy leasehold premises		
NDA	Non-Disclosure Agreement		
PAYE	Pay-as-you-earn tax		
RPS	Redundancy Payments Service		
Schedule B1	Schedule B1 to the Insolvency Act 1986		
SIP	Statement of Insolvency Practice		
SIP 2	Investigations by office holders in administration and insolvent liquidations		
SIP 7	Presentation of financial information in insolvency proceedings		
SIP 9	Payments to insolvency office holders and their associates from an estate		
TCLGL	The Collective (Living) Group Limited – In Administration		
TCLL	The Collective (Living) Limited – In Administration		
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006		



Introduction and Key Messages

Purpose of this Report

- We recently wrote to creditors to give notice that Andrew Johnson, Lisa Rickelton and I had been appointed as joint administrators of The Collective (Living) Group Limited and The Collective (Living) Limited on 15 September 2021 and Harewood Properties Limited on 16 September 2021. The appointments were made by the holder of a qualifying floating charge under Paragraph 14 Schedule B1.
- This is our statement of proposals for achieving the purpose of the Administrations and includes:
 - a brief history of the Companies;
 - the reasons why they are in Administration;
 - what the purpose of each Administration is;
 - how we expect to achieve that purpose;
 - an indication of the likely outcome for the various classes of creditors; and
 - how we envisage the Administrations will be brought to an end.
- These Proposals are anticipated to be delivered to creditors (by means of our website) on 5 November 2021.
- We have also included certain legal notices regarding this report, our appointment and creditors' rights.
- We have provided details of the proposed basis for our remuneration and estimates of the expenses of the Administrations.
- If you are unfamiliar with insolvency, we have included a brief overview that you may wish to read before continuing to read this report.
- On the next page we describe the manner in which these Proposals will be approved and give details of any actions that creditors may wish to take.
- If you have any queries regarding the content of this report or if you want hard copies of any of the documents made available online, please contact us using the details provided on the right.

How to Contact Us

- Creditors and members can contact us using the preferred methods below:

Email: CollectiveLiving@fticonsulting.com

Post: The Collective (Living) Group Limited / Harewood Properties Limited /
The Collective (Living) Limited
c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street,
London, EC1A 4HD

Tel: 0203 0770 468

- Further information can be found online at: www.ips-docs.com, using the login details previously provided to creditors.
- Information can also be found at: <https://www.fticonsulting.com/emea/cip/the-collective-living-group-limited>

Signed:



Matthew Boyd Callaghan

Joint Administrator

Acting as agent and without personal liability

Approval of these Proposals

These Proposals will be deemed approved within eight business days from the date they are delivered to creditors, unless we receive within that time period, a request from creditors to hold a decision procedure.

Objective of the Administration

- As joint administrators of the Companies, we are officers of the Court and must perform our duties in the interests of the creditors as a whole in order to achieve the purpose of each Administration; which is to achieve one of the three objectives set out in insolvency legislation, namely to:
 - a) rescue the company as a going concern; or
 - b) achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration); or
 - c) realise property in order to make a distribution to one or more secured or preferential creditors.
- We did not consider it to be reasonably practicable to rescue any of the Companies as a going concern. Later in this report we explain the unsuccessful attempts made by the Companies to raise additional capital from existing (or new) investors and lenders or deliver a sale of the Group.
- The Companies do not directly own the material property or trading assets of the Group. Given this lack of realisable assets, it is therefore not expected that any class of creditor will receive a distribution or dividend from the Administrations.
- However, we believe the outcome for the Secured Creditors (and therefore creditors as a whole) will be better than if the Companies had entered liquidation. We are therefore pursuing statutory objective (b) for each of the Companies.
- We believe the statutory objective will be achieved by:
 - implementing immediate changes to the board of directors in certain Group companies to help stabilise the platform and seek to protect value in certain subsidiary companies;
 - limited ongoing trading of TCLL (that provides central support functions to the Group) to avoid disruption to the wider business and subsequent transitioning of these support functions to a specialist third party provider; and

- supporting the Secured Creditors in protecting their interests in those subsidiary companies that own the trading assets and where appropriate, facilitating the recovery of value.

Approval of these Proposals

- The financial position of the Companies means that they have insufficient assets to enable a dividend to be paid to creditors. As a result, we are prohibited by insolvency legislation from seeking a decision from the creditors to consider these Proposals, in accordance with Paragraph 52(1)(b) Schedule B1.
- However, a creditor, or creditors, whose debts amount to at least 10% of the total debts of a company can require us to hold a decision procedure to enable creditors to consider whether or not to approve these Proposals and/or to consider such other decision as they see fit. Such a request must be received by us within eight business days from the date these Proposals are delivered to the creditors. If creditors do not require us hold a decision procedure within that time period, then these Proposals will be deemed to have been approved.
- Creditors should note that we need not initiate the decision procedure unless the creditor, or creditors, requisitioning the decision procedure provides us with such amount that we request from them to meet the expenses of the requisitioned decision procedure.
- If these Proposals are deemed to be approved in the manner described above, notice of that fact will be filed with the Registrar of Companies, the Court and also made available online for creditors at:

<https://www.fticonsulting.com/emea/cip/the-collective-living-group-limited>

Key Messages

The Companies entered Administration following the Group's unsuccessful attempts to find a buyer. They have no material realisable assets, but funding has been provided to ensure the continuity of central services and preserve the opportunity to rescue other Group companies as a going concern on a solvent basis.

Brief Background

- The Group's financial position deteriorated due to the impact of COVID-19 on its operating assets and delays in the development of its non-operational assets. This created a significant funding requirement that the Group was unable to resolve through cost-cutting measures and additional funding.
- The Group appointed an investment bank to run a sale process to find a buyer for the Group on a solvent basis, however this was unsuccessful as the offers received would not repay the secured lending to the Group in full.
- FTI was subsequently appointed to progress the sale process, with the potential to achieve a sale of certain of the Group's assets via a pre-pack administration. Despite two offers being received, neither party could complete a transaction.
- The sale process and interim liquidity requirements were funded by the Secured Creditors. By mid-September 2021, the sale process had proven unsuccessful and the Group had insufficient funding to continue.

Security Enforcement

- Given the circumstances, the Secured Creditors decided to enforce their security in order to protect their interests in the Group's key assets. As part of their enforcement strategy, the Secured Creditors identified Scape as an alternative operating partner and a request was made (and approved by the Board) that Scape carry out operational contingency planning work to supplement the work FTI had performed.
- The Secured Creditors also notified certain of the Group's joint venture partners (in the operating assets) of their intention to introduce a new managing agent.
- After previously being engaged by the Group, the Secured Creditors appointed us as joint administrators of the Companies under Paragraph 14 Schedule B1 on 15/16 September 2021.

- The three Companies subject to Administration appointments are the parent company (TCLGL), an intermediate holding company which is the borrower under the Group Facility Agreement (HPL) and the operating company (TCLL) that provided central services to the UK entities that owned property assets.
- Whilst these entities were unable to avoid insolvency, the appointments could allow trading businesses to continue with minimal disruption whilst preserving the possibility of rescuing the Group's asset-owning entities as going concerns on a solvent basis.

Financial Position

- Due to the nature of the Companies, they do not own any material tangible assets. The records of TCLGL and HPL show their interests in subsidiaries and intercompany debts, the value of which are expected to be negligible due to the fixed charge nature of the Group's key assets, with a combined value significantly less than the associated secured debt.
- TCLL is a Group-funded head office and services provider and similar to TCLGL and HPL, has insufficient assets to discharge the expenses of the Administrations.
- Therefore, as part of the commercial agreement between the Secured Creditors and Scape, through TC Services Limited the latter committed to providing the initial funding to the Administrations.
- Funding is for the costs expected to be incurred, including our remuneration and other professional costs, and to allow the TCLL services to be continued for a short period whilst they are transitioned to TC Services Limited and therefore onto a more stable footing.
- In the circumstances of these Companies and in particular the absence of material assets, it is therefore not expected that any class of creditor will receive a distribution or dividend from the Administrations.

Estimated Outcome for Creditors

The Administrations are being separately funded as the Companies have insufficient realisable assets to discharge costs of the processes. Consequently, no dividends are expected to any class of creditor.

Secured Creditors

- The Group Facility Agreement is secured by way of a Debenture creating fixed and floating charges over the assets of the Companies as well as other Group entities. It also benefits from a comprehensive net of guarantors across the Group.
- Despite enforcing their security to appoint administrators over the Companies, it was not expected that the Secured Creditors would recover any of their lending from any assets the Companies may have.
- However, it is expected that the continuation of the central services function and appointments at holding company levels, will provide a better platform for the Secured Creditors to recover value under their security entitlements elsewhere in the Group, thereby reducing their indebtedness against the Companies.

Preferential Creditors

- TCLL was the only company of the three that had employees at the time of our appointment. Similarly, it is the only one expected to have debts payable to HMRC that could rank preferentially. A number of employees have transferred to a new employer, thereby reducing the value of preferential claims. Therefore, the estimate for preferential claims includes only those employees that have been made redundant.

Unsecured Creditors

- Given the insufficient level of assets, costs of the Administrations and (in TCLL) prior-ranking preferential claims, there will be no dividend to the unsecured creditors in any of the Companies, via the Prescribed Part or otherwise.
- Similarly, there will be no return to any of the Companies' shareholders.

We have received the directors' statement of affairs showing the level of the Companies' liabilities for each of the three Companies, though we have not yet received Statements of Concurrence from all directors.

Amounts due to creditors have been taken from the statements of affairs for each company. In each case, the majority of unsecured claims relate to intercompany debts or shareholder loans.

TCLGL Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditors	£107.5m	0 %	n/a
■ Preferential Creditors	£nil	0 %	n/a
■ Unsecured Creditors	£47.7m	0 %	n/a

HPL Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditors	£107.5m	0 %	n/a
■ Preferential Creditors	£nil	0 %	n/a
■ Unsecured Creditors	£40.5m	0 %	n/a

TCLL Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditors	£107.5m	0 %	n/a
■ Preferential Creditors	£2.3m	0 %	n/a
■ Unsecured Creditors	£66.2m	0 %	n/a

Please note that this guidance is only an indication and should not be used as the main basis of any bad debt provision.

Please further note that the amounts indicated as owing to the secured creditors are calculated exclusive of make-whole costs.

Legal Notices

Creditors should read these important notices regarding this report and the appointment of joint administrators.

Agents of the Companies

- The affairs, business and property of the Companies are being managed by the Joint Administrators, who act as agents of the Companies and without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under Section 390A(2)(a) of the Insolvency Act 1986.

Information on Creditors' Rights

- Information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.
- Details about how an office-holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.fticonsulting.com/emea/cip/the-collective-living-group-limited>. There are different versions of these Guidance Notes, and in this case please refer to the most recent version.

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings.
- You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: <https://www.fticonsulting.com/emea/cip>.

Insolvency Code of Ethics

- Administrators are bound by the Insolvency Code of Ethics which can be found online at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

About this report

- This report has been prepared by the Joint Administrators solely to comply with their statutory duties under insolvency law and regulation. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This report 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 person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act 1986 and Insolvency (England and Wales) Rules 2016, does so at its 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 this report to any such person.
- Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

An Introduction to Insolvency

If you are unfamiliar with an insolvency process, please read this page which describes the typical work and role of an insolvency practitioner. This is only a general overview and does not necessarily reflect our work in this case.

What is an insolvency process?

- There are several types of insolvency processes, but all are intended to achieve the same basic objective: to realise assets that the company owns and repay (to the extent possible) what it owes to creditors.
- The type of process used depends on the circumstances and the amount distributable to creditors (in accordance with statutory priorities) depends on the value of assets, the costs of the process and level of claims received.

What is an insolvency practitioner?

- Commonly referred to as an “IP”, an insolvency practitioner is an experienced and qualified individual who is licensed and authorised to act in relation to an insolvent company, partnership or person.
- IPs typically use the staff and resources of their own firm to complete the work, supported by third party professionals, company employees and other specialists as required.
- IPs are routinely monitored by their regulatory body to ensure continued adherence to required standards.

Realising the Assets

- The IP evaluates possible options and pursues the best route for maximising value for creditors. Options could include an immediate sale of the business, a period of ongoing trading (prior to a sale) or a closure/wind-down of operations.
- The costs of realising the assets can vary significantly, so an IP seeks to maximise the net value (after costs). Securing the ongoing employment of the workforce can materially reduce claims against the company.
- Work done on realising the assets has a direct financial benefit for creditors.

Managing the Company's Affairs

- Until such time as the company is dissolved, it must continue to fulfil many of its usual obligations, such as submitting VAT/tax returns and keeping adequate accounting records.
- Whilst appointed to manage the affairs of the company, the IP is responsible for ensuring these obligations are met. Support from VAT/tax specialists in insolvency situations helps to ensure compliance, accuracy and minimise liabilities.
- Other work might include complying with any licensing or regulatory requirements.

Dealing With Creditors

- It can take several months, often longer, but if and when funds become available, the IP will distribute these to creditors once their claims have been received and agreed.
- As secured creditors usually have priority rights over the assets, the amount left over for other non-preferential unsecured creditors can often be very small.
- IPs keep creditors updated on their work, either through periodic reports or responding to their queries and correspondence.

Fulfilling our Statutory Duties

- The impact of an insolvency can be wide ranging, so IPs are required to issue notices and periodic reports to those affected parties and keep them updated.
- The company's affairs and conduct of its directors must also be investigated to see whether any asset recovery (or other) actions need to be taken.
- Whilst this work does not necessarily have any direct financial benefit for creditors, the purpose of insolvency law is to protect the interests of creditors.
- Regular internal case reviews ensure the process progresses cost effectively and on a timely basis.

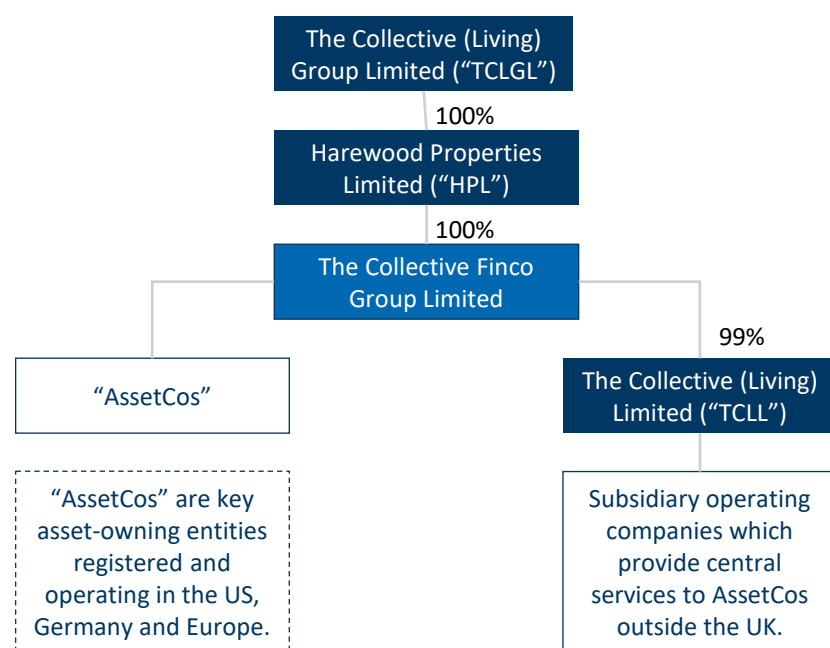


Background to the Administrations

Background

TCLGL is the parent company of The Collective Group which owns, develops and operates co-living residential buildings across the UK, Ireland, Germany and the United States. HPL is an intermediary holding company and is the Borrower under the Group Facility Agreement. TCLL is the UK operating company.

Simplified Group Structure



Brief History of the Companies

- The Collective Group was founded in 2010 as a provider of co-living rental accommodation aimed at students and young professionals. It subsequently expanded by acquiring a number of co-living and mixed-use development sites across the UK, Ireland, Germany and the US.
- At the time of our appointment, the Group’s principal property interests (held by the AssetCos or joint venture partnerships) were:
 - Two “The Collective” branded operational co-living properties in the UK and one in the US;
 - Four sites under construction and 13 developments in pre-construction phases across Europe and North America; and
 - Seven smaller properties operating under the Dome Properties brand.
- TCLGL is the parent company of the Group and was formed in February 2020 as part of a reorganisation of the Group that included the Secured Creditors providing a c.£140m term facility (the “Group Facility Agreement”) to fund expansion plans.
- As shown by the group structure, HPL is an intermediary holding company (registered in Jersey on 14 May 2007) and is the Borrower under the Group Facility Agreement.
- TCLL was incorporated on 2 June 2010. It is the UK operating company of the Group and is substantially owned by TCLGL and HPL. The Group operates on a centralised service basis with c.90% of services provided by TCLL (and its US / German equivalents). These include booking / pricing management, marketing, finance, HR, legal and IT services.
- TCLL employed all 62 head office staff based at leasehold premises in Central London. It was funded by HPL (by way of intercompany transactions), with HPL utilising the Group Facility Agreement provided by the Secured Creditors. TCLGL and HPL did not employ any staff.
- Recent financial information and details of registered charges in relation to each of the Companies, can be found in Appendix B.

Unless otherwise stated, this information has been provided by the directors of the Companies and is not from our personal knowledge as joint administrators.

Events Leading up to the Administrations

The Group faced a significant funding requirement due to the impact of COVID-19 and delays at development sites and was unable to procure sufficient capital from its shareholders and lenders. A subsequent attempt to find a buyer for the Group on a solvent basis was also unsuccessful.

Impact of COVID-19 and Development Delays

- The Group was significantly affected by the widespread impact of COVID-19 on the sector. In particular, substantial losses resulted from vastly reduced occupancy levels at operational locations, creating an operating funding shortfall within the Group's asset-owning entities ("AssetCos").
- In addition to operational disruption, the Group experienced a number of delays in the development of its non-operational assets and was unable to refinance expensive acquisition debt facilities at an AssetCo level, which resulted in a greater funding requirement. Appendix B sets out the recent financial performance of the Group, showing net losses of £36m for the year ended 31 December 2020.

Efforts to Address Liquidity Issues

- Despite the implementation of a number of cost saving measures including head office rationalisation, the head office cost base was not able to be reduced to fully offset the decline in revenues. This left a significant ongoing funding need within the Group's main operating company, TCLL.
- TCLGL received several loans from its shareholders to support the liquidity position of the Group, along with issuing convertible loan notes. The Group had also sought to raise further capital from third party investors and had approached a number of parties with a view to raising additional equity towards the end of 2020; however, these attempts were ultimately unsuccessful.
- TCLGL issued additional convertible notes in early 2021 to help meet the Group's ongoing liquidity needs. As shown in Appendix F, c.£36.7m is outstanding in respect of shareholder loans and £11m in respect of convertible loan notes.
- In May 2021, the Group commenced discussions regarding an additional £25m facility that would meet funding needs prior to an equity raise. However, due to the sustained trading losses and the overall quantum of the funding requirement, no party was willing to provide the required £25m of funding.
- The capital raise process concluded with the Secured Creditors providing additional funding to allow TCLGL to explore a sale of the Group, which commenced in June 2021.

- On 28 May 2021, the Secured Creditors entered into a £5m Facility B agreement with the Group. This facility was amended and upsized to a £13m Facility on 2 July 2021. The Group made weekly drawdowns against this facility. A further £1m was provided on 8 September 2021 when the Group entered into Facility C. The additional funding provided by the Secured Creditors principally allowed TCLGL explore a sale of the Group.

Attempted Sale of the Group

- The investment bank ("IB Advisor") previously engaged by the Group to assist in its attempts to raise capital, was instructed by the Group to undertake a sale process, which commenced on 8 June 2021. The process focussed on achieving either (a) selling a controlling stake in the Group via an investment directly into TCLGL or (b) selling 100% of the share capital in TCLGL. The initial target date for completion of the transaction was late July 2021 and was driven by the following key factors:
 - The Group Facility Agreement being in demand as a result of facility defaults and the Group having no ability to repay these facilities. Several asset-level loans also being in default and needing new equity to remedy;
 - The short-term cash flow indicating that the Group would run out of liquidity by July 2021, however with additional liquidity from the Secured Creditors this could be extended. The provision of this additional liquidity was not guaranteed and would be subject to the progress of the sale process;
 - The Group had a significant equity requirement across multiple development projects which needed to be met via the injection of new capital; and
 - Shareholders were unable to meet the liquidity need in the short or long term.
- At the conclusion of Phase 1 of the sale process and having targeted 32 strategic and financial investors (including mainstream private equity and hedge funds), several non-binding indicative offers were received. However, all offers indicated that value broke in the Secured Creditors' debt, i.e. the proceeds would be insufficient to repay that debt in full. It was therefore apparent that a solvent solution would be highly unlikely.

Events Leading up to the Administrations

The sale process reached an advanced stage with two parties, but unfortunately neither were able to complete a transaction on a solvent or insolvent basis. Due to the lack of ongoing funding, the Secured Creditors decided to enforce their security to protect their interests in certain of the Group's key assets.

Attempted Pre-Pack Administration

- For the following reasons, the Board of TCLGL decided to replace the IB Advisor with FTI's Special Situations M&A Team to progress the sale process towards completion:
 - It was likely that an insolvent delivery mechanism would be needed to deliver a transaction and therefore close oversight by a team that understood distressed situations and could work alongside FTI's insolvency practitioners was preferable; and
 - The nuances of providing specialist advice on the specific situation was more suited to situational specialists rather than sector specialists.
- After being engaged by the Group to lead the sale process on 30 June 2021, FTI undertook the following work:
 - Liaised with each of the potential purchasers, who had previously submitted an offer or expression of interest, to clarify terms and pricing;
 - Re-engaged with selected parties who had chosen not to bid based on feedback provided by the IB Advisor regarding continued interest in the opportunity; and
 - Prepared, on an accelerated basis, to launch the second phase of the sale process ("Phase 2") that would have more flexibility to consider alternative transaction structures than had previously been afforded to potential purchasers during Phase 1.
- FTI was also engaged to undertake contingency planning work and consider alternative scenarios should a sale of the Group as a whole not be possible.
- Interested parties were asked to submit final binding offers by 16 July 2021, however this was subsequently extended based on feedback received and discussions with the relevant stakeholders.
- By 27 July 2021, two final offers had been received from Bidders A and B; both of which confirmed that the Secured Creditors would suffer a significant shortfall on their lending. The offers were different in terms of quantum, structure and conditionality.
- A third interested party (Bidder C) did not take part in the process, but chose to engage bilaterally with the Group's stakeholders, including the Secured Creditors; and also submitted an indicative offer on 24 July 2021.
- Whilst Bidder A was selected to progress to the final stage of the sale process, on 6 August 2021, it notified the Group and its advisers that it could no longer progress or transact based on the terms submitted at the conclusion of Phase 2, due to a revised view of the commercial risks associated with certain parts of the Group.
- As a result, the decision was made to re-engage with the Bidder B who was asked to resubmit terms to deal with the key unresolved issues from the Phase 2 final bid.
- Bidder B was given a period of exclusivity to finalise outstanding confirmatory due diligence and obtain consents from the counterparties to certain loan and joint venture agreements which included change of control provisions or similar.
- However, Bidder B was also unable to complete, due to challenges faced during confirmatory due diligence, negotiations with joint venture partners and asset-level lenders and the impact of the aforementioned factors on overall pricing for the transaction.

Security Enforcement

- In the absence of any accepted and sufficiently progressed offers, and given the Group's depleting cash reserves, the Secured Creditors decided to enforce their security in order to protect their interests in the Group's key assets.
- As part of their enforcement strategy, the Secured Creditors identified Scape as an alternative operating partner and a request was made (and approved by the Board) that Scape carry out operational contingency planning work to supplement the work FTI had performed.
- The Secured Creditors also notified certain of the Group's joint venture partners (in the operating assets) of their intention to introduce a new managing agent.
- After previously being engaged by the Group, the Secured Creditors appointed us as joint administrators of the Companies under Paragraph 14 Schedule B1 on 15/16 September 2021.

Pre-Administration Costs

FTI was engaged by the Group on 27 May 2021 to consider available options and provide contingency planning advice; and was subsequently engaged to continue a sale process launched in June 2021. Certain legal costs were unpaid and will be paid as an expense of the Administration (subject to approval).

Joint Administrator's Role Prior to Appointment

- Prior to an appointment, an administrator may act as an advisor to a company, its secured creditor or other stakeholders. Services can include supporting a company's efforts to find a buyer for its business and assets, but do not include advising the directors, who typically receive independent legal advice on their personal responsibilities. Similarly, advice would not be given to any potential purchaser.
- In all cases and prior to accepting any appointment, administrators must review any significant relationships with the company and its stakeholders to assess whether they can meet the ethical standards expected of them.

Source of Our Initial Introduction

- Andrew Johnson and David Morris (a fellow partner at FTI Consulting LLP) were introduced to the Board of TCLGL by Ian Jack of Greenberg Traurig LLP, legal advisors to the Group. Andrew Johnson first met with management and the Board, on 21 May 2021 as part of the Group's competitive pitch process to hire a Financial Advisor.
- FTI was subsequently engaged by TCLGL and HPL as Financial Advisor to the Group on 27 May 2021, to provide advice on liquidity, directors duties and contingency planning, as well as providing support in the negotiations with the Secured Creditors.

Extent of our Prior Involvement

- Prior to the commencement of the Administrations, Andrew Johnson and Matthew Callaghan provided advice on the Group's financial difficulties and the options available, including contingency planning. No advice was given to the individual directors regarding the impact on them personally of the insolvency of any company.
- On 30 June 2021, FTI was appointed to run the second phase of the sale process for the Group. The Group had previously engaged an investment bank to run Phase 1 of the process which commenced on 8 June 2021, however it became apparent during this initial process that a transaction needed to complete in a more accelerated timetable.

Pre-Administration Costs

- Pre-Administration costs are those incurred with a view to a company entering administration. Any unpaid pre-Administration costs at the time of an administrator's appointment can be paid as an expense of an administration, subject to obtaining consent from the relevant class or classes of creditors.
- In Appendix D, we have provided a breakdown of the pre-Administration costs and further information on the work this represents. In this case, it excludes all the work done in relation to the attempted solvent sale of the Group, options advice and support with stakeholder management, by either the IB Advisor or FTI.
- Whilst the costs of the attempted pre-pack transaction were incurred at the time with a view to one or more of the Group companies entering Administration (and simultaneously completing the transaction), this ultimately did not happen and therefore these costs have also been excluded from pre-Administration costs.
- The vast majority of pre-Administration costs were paid by the Group prior to our appointment and were funded by the Secured Creditors. However, an amount of £120,457 remains unpaid in relation to legal costs. In the circumstances of this case and in the absence of a creditors' committee, these will be paid as an expense of the Administration (funded by TC Services Limited) once the requisite approval has been obtained.
- The pre-Administration costs were necessarily incurred prior to the Administrations in order to ensure the strategy was the most appropriate for protecting creditors' interests and maximising their recoveries (or minimising their losses). Our work included arranging sufficient funding to support the strategy and preparations to minimise disruption to the business and to ensure an orderly appointment process.
- Had this work not been performed or had the funding not been available, a greater number of unplanned insolvency appointments would have been likely, at significantly higher cost, with potential disruption to the business and threatening the outcome for creditors as a whole.



Our Strategy to Achieve the Purpose of the Administrations

Strategy and Key Initial Actions

The strategy was to stabilise the trading platform prior to a transition to a new operator and preserve value in the Group’s subsidiary companies for the benefit of creditors.

Initial Strategy

- Whilst the Companies were unable to avoid insolvency, additional funding would allow the TCLL trading platform to be continued until such time that the services could be transitioned to a third party (and therefore onto a more stable footing). Value in the Group’s subsidiary companies could also be preserved pending exploration of options to maximise the outcome for the Group’s various stakeholders. These options were anticipated to include further security enforcements by the Secured Creditors over certain companies in the Group.
- As part of their enforcement strategy, the Secured Creditors had identified Scape as an alternative operating partner and had entered into a commercial agreement with TC Services Limited that would include the provision of funding to the Administrations.
- In addition to the continuation of the TCLL services, our appointment as joint administrators of TCLGL and HPL would:
 - provide the ability to implement changes to the board of directors in HPL and certain of the AssetCos;
 - allow funding to HPL to be used to provide targeted support to subsidiary companies in order to protect and preserve value; and
 - facilitate support for the realisation of the Group’s joint venture interests and assessment of options to maximise value in the Group’s UK assets.
- Given the lack of material assets in the Companies and the absence of dividend prospects for any class of creditor, the Secured Creditors are the only class of creditor with an economic interest in the conduct of the Administrations.
- However, throughout our planning for the Administrations and in considering the most appropriate strategy to achieve their purpose, we have considered the interests of unsecured creditors and (in TCLL) the preferential creditors. Given the fixed charge security over the Group’s key assets, limited floating charge assets, the known shortfall facing the Secured Creditors and anticipated costs of the Administrations, we concluded that there was no strategy that would give rise to a dividend for preferential or unsecured creditors, whilst achieving the purpose of the Administrations.

Key Initial Actions

- We deployed several of our FTI team to the various operational and head office locations in the UK immediately after our appointments, in order to speak with employees and communicate the circumstances and purpose of the Administrations. Further communication was provided to residents occupying in operating properties.
- We also immediately appointed Nicholas John Pike of Pike Restructuring Limited as an independent director of HPL, which then enabled similar board changes to take place in certain entities in the Group.
- Our team worked with head office employees to implement the temporary additional controls that would be required whilst TCLL operated under our control. We set out on the next page, further details of the period of trading.
- New bank accounts were set-up for the purposes of the Administrations and to receive funding from TC Services Limited. In total, some £5m was initially received as follows:

Legal entity	£
The Collective (Living) Group Limited	18,000
Harewood Properties Limited	1,118,300
The Collective (Living) Limited	3,863,700
Total	5,000,000

- A Receipts and Payments Account for each company is included in Appendix C, which shows all income and expenditure to date.
- We made arrangements to vacate the Group’s head office premises in Central London by 1 October 2021, with employees continuing to work remotely from home. The lease has been offered for surrender to the landlord. We have also contacted owners of leased equipment to arrange its collection.
- We have issued all notices required by insolvency legislation, ensured adequate insurance cover is in place and fulfilled our other obligations as joint administrators to date. We have also responded to a number of inbound inquiries from creditors of the Companies and those of related companies.

Trading and Transition

TCLL is continuing to trade whilst an orderly transition of its central services function to a new managing agent is completed. We expect this will take a further two to three weeks to complete.

Transition Strategy

- TCLL is a central services company within the Group and was funded by HPL. With further funding received from TC Services Limited, our strategy was to initially stabilise the business and then to continue trading it for a short period until the services have fully transitioned to the third-party operator, Scape, through TC Services Limited.
- Scape is managed by a team that has developed and operated in excess of 25,000 student accommodation and co-living beds and is therefore considered to have significant (and the requisite) experience for these circumstances.
- The transition process is in progress, with Scape, company employees and our team working closely together to plan and execute an orderly transfer of management services. Certain existing roles of TCLL employees were retained to transition across to TC Services Limited (see opposite). Whilst TCLL vacated head office on 1 October 2021, employees working remotely could continue to access operating sites.
- Payments have been made to critical consultants to ensure that key services continue to be supplied during the transition. Critical suppliers were also identified by the TCLL management team and steps have been taken to manage the novation of key contracts to TC Services Limited.
- A review of IT and system requirements has been undertaken and work is also ongoing to facilitate the transition of these services to TC Services Limited.
- We are continuing to facilitate the transfer of payment systems, processes and key supplier contracts in the name of The Collective (Living) Limited to TC Services Limited. Transition is expected to be completed by around 10 weeks from our appointment date.
- The FTI technology team is undertaking a data download of the Companies' electronic books and records that can be accessed during the transition period and beyond.

Trading the Business

- In conjunction with TCLL management, we identified key roles to be retained to assist with ongoing trading and the transition to TC Services Limited. Whilst no redundancies were made immediately on our appointment, it was clear that many roles would unfortunately be redundant shortly thereafter, in particular those that did not relate directly to the ongoing trading of the operational sites.
- Immediately on appointment, we worked with head office employees to implement the temporary additional processes that would be required whilst TCLL operated under our control. This included cash management, purchase ordering controls and reporting, including regular updates to the Secured Creditors.
- The following table shows the position in respect of employees:

Status	No.
Redundant (17 September 2021)	37
Transferred to new employer (8 October 2021)	19
Redundant (8 October 2021)	2
Leavers (did not wish to transfer)	4
Total	62

- We retained ERA Solutions, specialists in employee claims in insolvency, to support the employees through this transition.
- TCLL has continued to provide ongoing services under the Property Management Agreement and Asset Management Agreement that were in place; and also facilitated the ongoing member experience (e.g. the organisation of events) and continued to manage and provide oversight for sales and bookings.
- In Appendix C, we set out a summary of the receipts and payments that relate to the trading aspects of our work.

Our Work in the Administrations

We are continuing to work with the Secured Creditors to assess options for the assets around the Group (where the Secured Creditors have now made further security enforcements), whilst facilitating the transition of operations to the third party provider, Scape, through TC Services Limited.

Asset Realisations

- The key assets owned by TCLGL and HPL are interests in subsidiary undertakings and intercompany loans. We have assessed the intercompany positions with other AssetCo entities within the Group and the financing arrangements.
- As the administrators of HPL and TCLGL, we have continued to consider options for the Group, in conjunction with the various key stakeholders. In particular, we have continued to work with the Secured Creditors to assist in realisations, in order to achieve the best outcome.
- This has included facilitating discussions with joint venture partners across the Group, underlying AssetCo lenders and the Secured Creditors, including in relation to non-UK assets. For the Secured Creditors to see a potential return, any disposal of the underlying assets would need to be at a valuation in excess of the AssetCo debt level.
- Given the value of the Group's assets is insufficient to repay the Secured Creditors in full, as an alternative to a further sale process with additional costs and an uncertain outcome, the Secured Creditors are funding an acquisition vehicle with the intention of acquiring six of the Group's assets via a credit bid (a reduction of the debt owed to them by the Companies and the Group). The six assets represent three operational assets and three development assets. Five of the assets are situated in London with one asset in New York.
- There has also been interest from third parties for certain assets within the Group, with some parties being added to the data room to carry out their diligence. We expect to receive letters of interest for specific assets which we will consider with the Secured Creditors.
- The assets that are located within the subsidiary companies of the Group remain under control of their directors.
- TCLL also owns certain intellectual property that is subject to a fixed charge in favour of the Secured Creditors. Options are being considered in respect of a credit bid from the Secured Creditors, which will influence the strategy for its realisation.

- We have received the cash balances held in the Companies' pre-Administration bank accounts, as shown in Appendix C. In TCLL, some £608k was received, representing the residual balance of funding provided by the Secured Creditors to ensure the continuity of the business during the sale process. Cash balances will be utilised to repay (to the extent possible and necessary) the funding received from the Secured Creditors and TC Services in respect of the costs of the Administrations.
- We appointed independent agents (SIA Group) to undertake valuations of the fixtures and fittings located in the head office of TCLL. The valuation determined that the costs of removing, storing and selling the items (and other costs of using the head office premises) would likely outweigh their value. It was therefore considered uneconomical to pursue a sale of these assets.

Subsidiary Events post our Appointment

- Since our appointment, the Secured Creditors have provided £2.5m of funding (through HPL) to facilitate the acquisition of a partner's 50% interest in a joint venture known as Hackney Wick. This was part of a deferred consideration arrangement that was entered into by a Group company before the administration date. This meant that the Group company would own 100% of the Hackney Wick development and the Secured Creditors believed the purchase will improve their overall outcome.
- To date, the Secured Creditors have appointed us as fixed charge receivers to take two of the assets (at Black Horse Lane and Hackney Wick) into TC Services Limited.
- The Fixed Charge Receivers were appointed over the membership interests held by The Collective Finco Group Limited and Uyuni Investments Jersey Limited in TCF Partners 1 LLP; and the shares in The Collective BHL 2 Limited held by The Collective BHL 1 Limited.
- Both the membership interests and shares were sold to TC Services Limited via credit bid transactions.

Our Work in the Administrations

Until the Administrations come to an end, our appointment requires us to manage the Companies' affairs, liaise with its creditors and fulfil a number of statutory and regulatory duties.

Trading and Transition

- We expect to undertake a significant amount of work in supervising and controlling the ongoing services of TCLL and the transition to TC Services Limited, as set out earlier.
- This will require close management and supervision until completed, agreements on the apportionment of costs and may include an obligation to provide limited support to TC Services Limited for a period after transition, for example to assist in the transfer of key contracts.

Stakeholder Management

- Throughout the course of the Administrations, we will be keeping the Secured Creditors (who have the principal financial interest) and other stakeholders updated on the progress of our work.
- Our work will also involve reducing the indebtedness to the Companies' creditors, for example through the mitigation of claims, transfer of contracts or supporting recoveries from elsewhere in the Group, where security entitlements permit.
- We also expect to continue receiving and responding to general queries from other creditors and stakeholders from time to time.

Managing the Companies' Affairs

- The key aspects of our work in this area will include:
 - Finalising a data download of all of the Companies' electronic books and records;
 - Working with our internal tax specialists to review the Companies' VAT and tax affairs; and in due course, prepare and submit periodic returns to HMRC as required (and dealing with any queries arising); and
 - Maintaining adequate accounting records for the period of the Administrations, making payments in respect of the costs of the proceedings and performing regular reconciliations of bank accounts.

Statutory and Compliance

- Statutory and compliance work includes tasks that are required by statute or regulatory standards (and as a consequence of the Companies entering Administration), or are necessary for the orderly conduct of the proceedings.
- Whilst there is no direct benefit for creditors, this work still has to be carried out and is generally required as part of protecting creditors' interests.
- We will continue to fulfil our statutory obligations during the course of the Administrations. These are varied but include:
 - Giving notice of our appointment to creditors and other parties shortly after our appointment;
 - Preparing and issuing this statement of proposals for achieving the purpose of the Administrations;
 - Investigating the Companies' affairs, the conduct of their directors and submitting a report to BEIS within three months of our appointment;
 - Preparing and issuing reports to creditors on the progress of the Administrations;
 - Periodic reviews of the Administrations to ensure the process progresses cost effectively and on a timely basis;
 - Maintaining a record of the Companies' creditors and any claims submitted to us;
 - Ensuring adequate insurance and bonding for the office holders remains in place; and
 - Maintaining records and evidence of the work done on our case files.



The Administration Process

Matters Relating to the Administration Process

Insolvency legislation sets a 12-month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. We expect the Companies to be dissolved once the Administrations come to an end.

Extension to the Period of Administration

- Insolvency legislation sets a 12-month maximum duration for Administrations, unless the duration is extended by the Court or the creditors.
- If we are unable to complete the Administrations of the Companies within 12 months, then we will either apply to the Court, or seek a decision from the relevant class of creditors to extend the duration of one or more of the Administrations.

Ending the Administrations

- The manner in which an Administration ends usually depends on the outcome of the Administration. In this case and because we do not expect a dividend to be available for unsecured creditors, the mostly likely exit route for each Administration is one of the following:
 - a) The Administration will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered. This is currently considered to be the most likely exit route.
 - b) If there are matters remaining that require the attention of a liquidator, the Administration may end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Company. We may propose that Matthew Boyd Callaghan, Andrew James Johnson and Lisa Jane Rickelton (and/or any subsequent or replacement administrator holding office at that time) be appointed joint liquidators of the Company by the Court.
 - c) The Administration of the Company will end by making an application to Court for an order that the Administration ceases.

- d) The Administration of the Company will end by giving notice to the Court, creditors and Registrar of Companies that the objective of the Administration has been achieved.
- With regards to HPL, the filing requirements will be those relevant to Jersey registered companies.
 - We will take steps to bring the Administrations to an end at the appropriate time (and when all necessary work has been completed) and by using the exit route we believe is most appropriate at the time.

Discharge from Liability

- We will be discharged from liability in respect of any of our actions as administrators at a time decided by the relevant class of creditors (most likely to be the Secured Creditors in this case), or by an order of the Court.

Matters Relating to the Administration Process

The role of administrators includes investigating the affairs of the Companies and their directors prior to the Administration. In respect of our remuneration, in this case it will be determined by the Secured Creditors.

Directors' Conduct and Investigations

- We have a duty to investigate the affairs of the Companies to establish if there are any actions that can be pursued for the benefit of creditors as a whole and also to review the conduct of the directors. In this latter respect, we must submit a confidential report to BEIS regarding the conduct of all directors and shadow directors who were in office during the three years before the Administrations.
- We have commenced our review of relevant information in respect of the Companies and their directors in accordance with SIP 2. The data gathered from our initial investigations will assist with our statutory duties pursuant to the CDDA.
- If creditors wish to bring to our attention any matters that may merit investigation, they should contact us using the details provided at the beginning of this report.
- This request forms part of our normal investigations into the directors' conduct and does not imply any criticism of the directors. The content of our reports are confidential and must be submitted to BEIS within three months of our appointment as joint administrators.

Directors' Statement of Affairs

- A statement of affairs for each of the Companies is required by law and includes details of the names, addresses and debts of creditors (including details of any security held) other than employees and former employees and consumers claiming amounts paid in advance for the supply of goods and services.
- Shortly after our appointment, the directors (and some *de facto* directors) were advised of their statutory obligation to provide a statement of affairs of each of the Companies in Administration.
- On 22 October 2021, we received the statement of affairs for TCLL, signed by Jai Madhvani. On 25 October 2021, we received statements of affairs for TCLGL and HPL, signed by Reza Merchant. The remaining directors have been requested to provide statements of concurrence.

- The statements of affairs will be filed with the Registrar of Companies upon receipt of statements of concurrence. A copy of each Statement of Affairs has been provided in Appendix F.
- We have not performed any audit on the statements provided and in line with the standard format for a statement of affairs, they do not include the likely costs of the Administration process.

Administrators' Remuneration

- Under a commercial arrangement with the Secured Creditors, TC Services Limited is providing funds to the Administrations as there will not be sufficient realisations from the Companies assets to discharge the anticipated costs and expenses.
- Given the circumstances, the Secured Creditors are the only class of creditor with a financial interest in the conduct of the Administrations and our remuneration for acting as joint administrators will be determined only by the Secured Creditors, in the absence of a creditors' committee.
- As part of negotiating the necessary funding for the Administrations and in order to give the Secured Creditors a degree of certainty in respect of our remuneration, we have proposed (and the Secured Creditors have agreed) that our remuneration will be determined as a set fee.
- It is also proposed that disbursements for services provided by our firm (defined as Category 2 expenses in SIP9) are charged as per our firm's policy.
- Final approval in accordance with insolvency legislation will be sought soon after these Proposals have been issued.
- Further information in respect of our work, remuneration and expenses is set out at Appendix E.



Appendix A: Statutory Information

Statutory Information

Company Information	The Collective (Living) Group Limited	Harewood Properties Limited	The Collective (Living) Limited
Previous name:	No previous names	No previous names	Share in the City Ltd (until 13 April 2018)
Trading name:	Non-trading parent company	Non-trading intermediate holding company	"The Collective"
Company number:	12441000	97431 (Jersey registered)	07271022
Date of incorporation:	4 February 2020	14 May 2007	2 June 2010
Trading address:	Non-trading company	Non-trading company	14 Bedford Square, London, WC1B 3JA
Current registered office:	c/o FTI Consulting LLP, 200 Aldersgate Aldersgate Street, London, EC1A 4HD	3rd Floor, 44 Esplanade, St. Helier, JE4 9WG, Jersey	c/o FTI Consulting LLP, 200 Aldersgate Street, London, EC1A 4HD
Former registered office:	14 Bedford Square, London, WC1B 3JA	n/a	14 Bedford Square, London, WC1B 3JA
Principal trading activity:	Non-trading parent company	Non-trading intermediate holding company	Other letting and operating of own or leased real estate
Administrators:	Matthew Boyd Callaghan, Andrew James Johnson and Lisa Jane Rickelton	Matthew Boyd Callaghan, Andrew James Johnson and Lisa Jane Rickelton	Matthew Boyd Callaghan, Andrew James Johnson and Lisa Jane Rickelton
Administrators' address:	200 Aldersgate, Aldersgate Street, London, EC1A 4HD	200 Aldersgate, Aldersgate Street, London, EC1A 4HD	200 Aldersgate, Aldersgate Street, London, EC1A 4HD
Date of appointment:	15 September 2021	16 September 2021	15 September 2021
Court name and reference:	CR-2021-001677	CR-2021-001681	CR-2021-001676
Appointment made by:	GLAS Trust Corporation Limited	GLAS Trust Corporation Limited	GLAS Trust Corporation Limited
Estimated Value of Net Property and Prescribed Part *	Nil / Nil	Nil / Nil	Nil / Nil

* We do not propose to make an application to the court under Section 176A(5) IA86 (for the Prescribed Part to be disapplied) because no Prescribed Part funds are expected as there is insufficient Net Property in all of the Companies.

Statutory Information

Company Information	The Collective (Living) Group Limited	Harewood Properties Limited	The Collective (Living) Limited
<ul style="list-style-type: none"> Actions of Administrators for the purposes of Paragraph 100(2) Schedule B1 	<ul style="list-style-type: none"> The Joint Administrators may exercise any of the powers conferred on them by the IA86 jointly or individually. 	<ul style="list-style-type: none"> The Joint Administrators may exercise any of the powers conferred on them by the IA86 jointly or individually. 	<ul style="list-style-type: none"> The Joint Administrators may exercise any of the powers conferred on them by the IA86 jointly or individually.
<ul style="list-style-type: none"> Registered Officers of the Company: 	<ul style="list-style-type: none"> Mohammed Reza Aslam Merchant Stephen Townsend Conley, Jr Paul Gardi Jonathan Teklu 	<ul style="list-style-type: none"> Mohammed Reza Aslam Merchant 	<ul style="list-style-type: none"> Mohammed Reza Aslam Merchant
<ul style="list-style-type: none"> Company Secretary: 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
<ul style="list-style-type: none"> Shareholdings held by the directors and company secretary: 	<ul style="list-style-type: none"> Mohammed Reza Aslam Merchant (67.8%) Stephen Townsend Conley, Jr (0.7%) Paul Gardi (2.5%) Jonathan Teklu (1.4%) 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
<ul style="list-style-type: none"> Share Capital: 	<ul style="list-style-type: none"> Authorised: 1,388,889 ordinary shares GBP 0.00001 each Allotted, called up and fully paid: 1,388,889 ordinary shares of GBP 0.00001 each 	<ul style="list-style-type: none"> Authorised: 100,000,000 ordinary shares GBP 1.00 each Allotted, called up and fully paid: 100,000,000 ordinary shares of GBP 1.00 each 	<ul style="list-style-type: none"> Authorised: 12,417,341 ordinary shares GBP 0.00001 each Allotted, called up and fully paid: 12,417,341 ordinary shares of GBP 0.00001 each
<ul style="list-style-type: none"> EU Regulation on Insolvency Proceedings: 	<ul style="list-style-type: none"> We consider that these are proceedings to which the EU Regulation (as defined in IR16) as it has effect in the law of the UK, does not apply. This is because the company is a UK-incorporated company and was therefore placed in Administration under UK domestic law and not in reliance on the EU Regulation. 	<ul style="list-style-type: none"> We consider that these are COMI proceedings as defined in IR16. This is because the company is not incorporated in an EEA state but has its COMI in the UK. 	<ul style="list-style-type: none"> We consider that these are proceedings to which the EU Regulation (as defined in IR16) as it has effect in the law of the UK, does not apply. This is because the company is a UK-incorporated company and was therefore placed in Administration under UK domestic law and not in reliance on the EU Regulation.



Appendix B: Recent Financial Information

Profit & Loss Accounts

The Collective (Living) Group Limited (Consolidated)		
£m	FY19	FY20
Revenue	12.6	30.4
Total Operating Expenses	(8.5)	(40.2)
Operating Profit / (Loss)	4.1	(9.8)
Depreciation	(1.1)	(2.4)
Loan Interest	(10.9)	(28.7)
Tax	(1.1)	(9.2)
Goodwill amortisation	(0.7)	(3.4)
Investment property revaluation	0.0	24.6
Other / Exceptional Costs ¹	(0.1)	(7.0)
Net Profit / (Loss)	(9.9)	(35.9)

The Collective (Living) Group Limited	
£m	FY20
Revenue	0.0
Total Operating Expenses	(0.0)
Operating Profit / (Loss)	(0.0)
Depreciation	0.0
Loan Interest	(3.3)
Tax	0.0
Goodwill amortisation	0.0
Investment property revaluation	0.0
Other	(0.0)
Net Profit / (Loss)	(3.3)

Harewood Properties Limited	
£m	FY20
Revenue	0.0
Total Operating Expenses	0.0
Operating Profit / (Loss)	0.0
Depreciation	0.0
Loan Interest	(11.6)
Tax	0.0
Goodwill amortisation	0.0
Investment property revaluation	0.0
Other	0.3
Net Profit / (Loss)	(11.3)

Group Trading Update (January 2021 to May 2021)	
£m	YTD
Revenue	7.2
EBITDA	(4.6)
Net Profit / (Loss)	(17.6)
<i>Of which: Harewood Properties Limited</i>	<i>(4.8)</i>

The Collective (Living) Limited	
£m	FY20
Revenue	3.8
Total Operating Expenses	(10.3)
Operating Profit / (Loss)	(6.6)
Depreciation	(0.2)
Loan Interest	(0.8)
Tax	0.0
Goodwill amortisation	0.0
Investment property revaluation	0.0
Other	0.4
Net Profit / (Loss)	(7.1)

Source: Management Information

1. Mainly related to £6.6m of exceptional items: Write-off of a (minority stake) investment in The Collective GBR in Provinstrasse Sarl (€4m) following a restructuring of the terms of the transaction, with a further €2.2m write off relating to joint venture in Germany (Liesenbrucke).
2. The monthly management accounts for are not prepared to the same level of detail as the annual accounts.
3. FY19 = Financial year ended 31 December 2019
4. FY20 = Financial year ended 31 December 2020

Balance Sheets

The Collective (Living) Group Limited (Consolidated)	
£m	Dec-20
Furniture and Fixtures	1.6
Investment Property	226.9
Investment in Minority Interests	18.0
Total Fixed Assets	246.5
Goodwill	49.1
Software	0.1
Total Intangible Assets	49.2
Cash and cash equivalents	16.2
Accounts Receivables	1.4
Loan Receivable	21.7
Trading Stock (Property)	102.9
Other assets	10.0
Total Current Assets	152.3
Accounts Payable	(3.6)
Deferred Consideration	(11.3)
Other liabilities	(8.1)
Total Creditors less than 1yr	(23.0)
Deferred Tax	(23.0)
Loans	(369.5)
Total Creditors greater than 1yr	(392.5)
Net Assets	32.4
Ordinary Shares	1.1
Share Premium	34.5
Current Year Earnings	(35.9)
Retained Earnings	34.2
Foreign exchange reserve	(1.5)
Total Capital and Reserves	32.4

The Collective (Living) Group Limited		
£m	Dec-20	Jun-21
Investment in Subsidiary	375.0	0.0
Capitalised Stamp Duty	0.6	0.6
Total Fixed Assets	375.6	0.6
Cash and cash equivalents	6.9	0.3
Intercompany Receivables	67.3	79.6
Total Current Assets	74.3	79.9
Loans	(3.0)	
Accrued Interest	(2.0)	(5.8)
Total Creditors less than 1yr	(5.0)	(5.8)
Convertible debt		(11.0)
Shareholder loans		(33.6)
Total Loans	(38.3)	(44.6)
Total Creditors greater than 1yr	(38.3)	(44.6)
Net Assets	406.4	30.1
Current Year Earnings	(2.1)	(2.2)
Ordinary Shares	0.6	1.1
Retained Earnings	(0.0)	(3.3)
Share Premium	407.9	34.5
Total Capital and Reserves	406.4	30.1

Source: Management Information

1. Convertible debt and shareholder loan confirmed as of June 2021, no breakdown available for December 2020.
2. June 2021 balance sheets preliminary. Full balance sheet / impairment review performance at year end.

Balance Sheets

The Collective (Living) Limited		
£m	Dec-20	Jun-21
Furniture and Fixtures	0.1	0.1
Investments	1.2	0.5
Office Equipment	0.4	0.4
Total Fixed Assets	1.7	0.9
Cash and cash equivalents	0.2	0.4
Accounts Receivables	2.2	0.7
Other Receivables	1.3	1.3
Total Current Assets	3.7	2.4
Accounts Payable	(0.9)	(1.1)
Accruals / Deferred Expenses	(1.1)	(1.2)
Loans	(0.5)	(0.6)
Taxation	0.4	0.5
PAYE and Pensions	(1.4)	(2.0)
Other Creditors	(0.7)	(0.2)
Net Intercompany	(40.7)	(49.6)
Total Creditors less than 1yr	(45.0)	(54.2)
Deferred Tax	(0.1)	(0.1)
Total Loans	(0.1)	(0.1)
Total Creditors greater than 1yr	(0.1)	(0.1)
Net Assets	(39.7)	(51.0)
Current Year Earnings	(7.2)	(7.9)
Ordinary Shares	(0.0)	0.0
Retained Earnings	(32.5)	(43.1)
Total Capital and Reserves	(39.7)	(51.0)

Harewood Properties Limited		
£m	Dec-20	Jun-21
Investment in Subsidiary	186.2	72.4
Total Fixed Assets	186.2	72.4
Goodwill	0.1	-
Total Intangible Assets	0.1	0.0
Cash and cash equivalents	0.6	0.0
Deferred Loan Cost	2.3	1.8
Other assets	0.1	0.5
Director's Current Account	0.5	0.6
Intercompany Receivables	0.4	44.2
Total Current Assets	4.0	47.1
Accounts Payable	(0.4)	(0.1)
Intercompany Liabilities	0.0	(40.4)
Total Creditors less than 1yr	(0.4)	(40.5)
Loans	(87.9)	(99.2)
Total Creditors greater than 1yr	(87.9)	(99.2)
Net Assets	101.9	(20.2)
Current Year Earnings	(9.6)	(5.7)
Ordinary Shares	47.6	47.6
Retained Earnings	(3.2)	(62.1)
Share Premium	67.1	-
Total Capital and Reserves	101.9	(20.2)

Schedule of Registered Charges

Details of Registered Charges

Charges listed at Companies House:

Date Created	Nature of security	Charge Code
The Collective (Living) Group Limited		
12 May 2020	Debenture creating fixed and floating charges	1244 1000 0001
28 May 2021	Second-Ranking Debenture	1244 1000 0002
2 July 2021	Third-Ranking Debenture	1244 1000 0003
The Collective (Living) Limited		
13 February 2020	Debenture creating fixed and floating charges	0727 1022 0003
28 May 2021	Second-Ranking Debenture	0727 1022 0004
2 July 2021	Third-Ranking Debenture	0727 1022 0005
Harewood Properties Limited (Jersey Registered Security)		
13 February 2020	Jersey security interest agreement in respect of intangible movable property	
12 May 2020	Debenture creating fixed and floating charges	
28 May 2021	Second-Ranking Debenture	
28 May 2021	Supplemental Jersey security interest agreement in respect of intangible movable property	
2 July 2021	Third-Ranking Debenture	

Note: The holder of the security in all cases is GLAS Trust Corporation Limited, as agent for the Secured Creditors.



Appendix C: Receipts and Payments

Receipts and Payments Account (TCLL)

For the period 15 September 2021 to 28 October 2021

	Notes	£
Funding Receipts		
Funding for Administration Expenses	2	3,078,000
Funding for Trading Expenditure	2	785,700
Trading Surplus/ (Deficit) – see opposite	3	(274,188)
Secured Creditor Commitments		(45,471)
Net Funding Balance		3,544,041
Floating Charge Receipts		
Cash at Bank	4	608,288
Subtotal		608,288
Floating Charge Payments		
Bank Charges		(24)
Professional Fees		(4,283)
Statutory Advertising		(92)
Subtotal		(4,399)
Floating Charge Surplus/ (Deficit)		603,889
Net Receipts and Payments		4,147,930
Made Up As Follows		
VAT Receivable		7,064
Floating Charge Account		4,140,866
Total		4,147,930

Trading Statement	Notes	£
Income		
-		-
Total Receipts		-
Expenditure		
Bank Charges		(30)
Duress Creditors	1	(77,862)
IT Expenses		(31,247)
Wages and Salaries		(159,057)
Payroll Expenses		(1,017)
Property Costs		(4,975)
Total Payments		(274,188)
Trading Surplus/ (Deficit)	3	(274,188)

Notes to the Account

1. All amounts are shown net of VAT, unless otherwise stated. Duress payments include VAT.
2. Amount received from TC Services Limited to fund costs of the Administration, including trading expenses, professional costs and certain commitments made by the Secured Creditors.
3. As for the main account (on the left), the trading statement is prepared on a cash basis and therefore does not necessarily represent the trading position for the period shown.
4. Cash at Bank represents the remainder of the Facility C funding provided by the Secured Creditors during the sale process that ensured continuity of the business.

Receipts and Payments Account (TCLGL)

For the period 15 September 2021 to 28 October 2021

	Notes	£
Funding Receipts		
Funding for Administration Expenses	2	12,000
Funding for Secured Creditor Commitments	2	6,000
Secured Creditor Commitments	3	(6,000)
Net Funding Balance		12,000
Floating Charge Receipts		
Cash at Bank		5,000
Subtotal		5,000
Floating Charge Payments		
Irrecoverable VAT		(18)
Statutory Advertising		(92)
Subtotal		(110)
Floating Charge Surplus/ (Deficit)		4,890
Net Receipts and Payments		16,890
Made Up As Follows		
Due from HPL		6,000
Floating Charge Account		10,890
Total		16,890

Notes to the Account

1. All amounts are shown net of VAT, unless otherwise stated.
2. Amount received from TC Services Limited, primarily for office-holders' remuneration and filing fees in relation to new directorship appointments in the Group.
3. Payment of filing fees relating to the directorship appointments of Nicholas Pike.

Receipts and Payments Account (HPL)

For the period 17 September 2021 to 28 October 2021

	Notes	£
Funding Receipts		
Funding for Administration Expenses	2	60,000
Funding for Secured Creditor Commitments	2	4,875,221
Secured Creditor Commitments	3	(3,500,323)
Net Funding Balance		1,434,898
Floating Charge Receipts		
Cash at Bank		12,785
Subtotal		12,785
Floating Charge Payments		
Bank Charges		(75)
Irrecoverable VAT & other taxes		(36)
Statutory Advertising		(92)
Subtotal		(203)
Floating Charge Surplus/ (Deficit)		12,582
Net Receipts and Payments		1,447,480
Made Up As Follows		
Floating Charge Account		1,447,480
Total		1,447,480

Notes to the Account

1. All amounts are shown net of VAT, unless otherwise stated.
2. Amount received from TC Services Limited and the Secured Creditors to fund costs of the Administration, payments on behalf of Group companies and related commitments made by the Secured Creditors.
3. Payments made on behalf of Group companies, TC Services Limited or the Secured Creditors are not expenses of the Administration. Payments to date include the £2.5m acquisition (by another company in the Group) of the 50% interest held by a partner in the Hackney Wick joint venture, thereby giving that Group company 100% ownership.



Appendix D: Pre-Administration Costs

Pre-Administration Costs

The payment of unpaid pre-administration costs as an expense of the Administration is subject to approval under Rule 3.52 IR16 and does not form part of our Proposals subject to approval under Paragraph 53 Schedule B1.

- The table opposite provides details of costs (excluding VAT) which were incurred before our appointment as administrators but with a view to one or more of the Group companies entering Administration.
- We explained earlier that a significant amount of work had been incurred in attempts to sell the Group (or parts of its business and assets) on a solvent or insolvent basis; but that these had been unsuccessful and did not therefore meet the criteria to be defined as pre-Administration costs.
- Our fees shown in the table opposite therefore represent the contingency planning work performed for the purposes of an administration appointment, together with the insolvency planning and appointment preparations over approximately three weeks prior to our appointment.
- Expenses incurred is wider than our disbursements and covers all expenses incurred by an insolvency practitioner (e.g. lawyers or agents fees) and disclosure requirements apply when the engagement is by an insolvency practitioner and not when the engagement was made by the company or secured lenders.
- The expenses relate to costs incurred by Mayer Brown LLP who provided legal advice to FTI, with a view to the Companies entering administration. Together with our costs, this pre-Administration work broadly included the following:
 - Developing a day-one strategy for taking control of the Companies;
 - Developing a strategy for an orderly transition of the TCLL central services, together with members of TCLL staff;
 - Identifying key areas of risk and how these could be mitigated;
 - Analysing the associated costs and cash flows, based on the strategy;
 - Considering the funding requirements for the Administrations and liaising with the Secured Creditors to negotiate and agree the funding agreement, based on approval of the Administration strategy;
 - Liaising with the Secured Creditors generally with respect to the Administration strategy and appointments;

	Agreements	Unpaid	Paid	Paid by
Fees charged by the Administrators	Dated 27 May 2021 and 30 June 2021, with TCLGL, HPL and subsidiaries	Nil	£551,387	TCLL
Expenses incurred by the Administrators	Dated 6 July 2021, between Mayer Brown and FTI	£120,457 (legal costs)	£381,854 (legal costs)	TCLL
Total		£120,457	£933,241	

- Developing a strategy for liaising with different stakeholder groups and drafting communications;
- Preparing communications and FAQs to address the concerns of employees;
- Liaising with our legal advisors in relation to the contingency planning. This included liaising with Jersey counsel in respect of HPL and consideration of (and preparation for) the most appropriate appointment mechanism;
- Preparing statutory documentation and declarations required for effecting the Administration appointments and liaising with our legal advisors in this regard;
- Drafting certain initial letters and notices that would be required shortly after appointment; and
- Preparing, briefing and mobilising our team in advance of the appointment.
- Please note that the above is indicative of the key areas of work performed and is not an exhaustive list.
- To the best of our knowledge, no pre-Administration costs were incurred by any other persons qualified to act as an insolvency practitioner.



Appendix E: Remuneration Report

Purpose of This Remuneration Report

Before the basis of our remuneration can be fixed, we are required to provide all creditors with certain information on the proposed basis of our fees, estimates of expenses and details of the work we intend to do.

Requirement for Fee Approval

- When a company enters a formal insolvency process under the control of an insolvency practitioner, the costs of the proceedings are paid out of the assets of the company and include the insolvency practitioner's fees and expenses.
- We must seek approval to the basis of our fees and certain categories of expenses before they are paid. Approval must be sought from the appropriate class(es) of creditors or the court, as determined by insolvency law and the circumstances of the case.
- In this case, the basis of our fees and expenses will be fixed by the Secured Creditors, unless a creditors' committee is appointed.

Information Provided in this Report

- We have set out the proposed basis for our remuneration and how this will be funded, together with details of the expenses expected to be incurred.
- We refer you to earlier sections of these Proposals for details of the work we expect to do as joint administrators.
- This Remuneration Report should be read in conjunction with the remainder of these Proposals.

Action Required By Creditors

- Please read this report carefully and contact us if you have any questions regarding the approval of our remuneration or in connection with the Administration generally, or if you would like hard copies of any of the documents made available online.
- As explained earlier in this report, in the circumstances of these Administrations and if no creditors' committee is formed, the basis of our remuneration and certain categories of disbursements will be determined by the Secured Creditors only.
- Therefore, **the information contained in this Appendix is for information purposes only and creditors do not need to take any action.**
- The Secured Creditors have agreed to the basis of fees proposed and we will seek formal confirmation as required by insolvency legislation, shortly after these Proposals are approved.

Joint Administrators' Fees and How They Are Determined

We are proposing that our remuneration for acting as joint administrators is to be a set (fixed) amount. This has already been agreed with the Secured Creditors that will ultimately be funding these costs.

Insolvency Legislation

- Insolvency law allows fees to be calculated in the three ways set out below. Different bases (or a combination of them) can be used for different parts of the work.
 - As a percentage of the value of the property realised and/or distributed (often referred to as a “percentage basis”).
 - By reference to the time properly given by the office-holders and their staff in attending to the matters arising (“time cost basis”); or
 - A set amount (a fixed fee).
- The office-holders must seek approval to the proposed basis (or combination of bases) and provide sufficient supporting information in order for the fee approving body to decide whether it represents the most appropriate mechanism in the circumstances of the case. This information must include details of the expenses the office-holders consider will be (or are likely to be) incurred and the work the office-holders propose to undertake.
- Insolvency law says that in determining the basis of remuneration, regard must be had to the following:
 - The complexity (or otherwise) of the case;
 - Any exceptional responsibility falling on the office-holders;
 - The effectiveness with which the office-holders are carrying out, or have carried out, their duties; and
 - The value and nature of the property with which the office-holders have to deal.
- If any part of the remuneration is intended to be taken on a time cost basis, the office-holders must also provide a fees estimate to all creditors, containing:
 - the hourly charge-out rate(s) proposed for each part of that work;
 - the time the office-holders anticipate each part of that work will take; and
 - whether (and if so, why) the office-holders anticipate it will be necessary to seek further approval to exceed the fee estimate.

Proposed Basis of Remuneration

- In this case, we are proposing that our remuneration be determined on a fixed fee basis. This is principally due to insufficient assets in the Companies and the manner in which costs will be funded.
- A fixed fee basis provides the Secured Creditors with a degree of certainty and control over the costs of the Administrations and we agreed this would be appropriate in the circumstances and subject to certain assumptions regarding the extent of work involved.
- For simplicity, the fixed fee has been set at £3.138m, pursuant to the funding agreement with the Secured Creditors and TC Services Limited that provided an aggregate total funding of £3.15m to the Companies upon our appointment and with respect to our remuneration and expenses.
- The amount we actually draw as remuneration will be lower and depends on the level of expenses (including certain legal costs) that must also be discharged from this funding.
- We currently expect that these costs will be principally drawn from TCLL (£3.078m) and the remainder from HPL (£50k) and TCLGL (£10k); however this is subject to change depending on where other costs arise.
- The Secured Creditors have agreed to the proposed basis of fees and final approval in accordance with insolvency legislation will be sought soon after these Proposals have been issued.
- Subject to approval, we also propose to draw remuneration in relation to any work done solely for the benefit of any third parties, calculated as 100% of the VAT-exclusive amount invoiced by the company. This percentage of realisations mechanism avoids interfering with the set fee basis and reflects the indeterminate amount of work that may be involved. The amount paid would have no impact on any creditor of the Companies.

Expenses of the Administrations

Costs are necessarily incurred by the Companies and ourselves during the course of the Administrations. Certain categories of these costs must be approved in the same manner as remuneration prior to payment.

Definition of Expenses

- Expenses are any payments from the estate which are neither office-holders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office-holder and then reimbursed to the office-holder from the estate.
- Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2):
 - Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office-holder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as an office-holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.

Professional Advisors and Subcontractors

- The following professional advisors and subcontractors have been engaged:

<u>Firm</u>	<u>Services</u>	<u>Fee Arrangement</u>	<u>Reason Selected</u>
ERA Solutions	Employee Claims	Fixed fee based on the number of employees	Experienced provider of employee services to insolvency practitioners
EPE Reynell	Gazette Notices	Fixed cost per advert	Specialists in dealing with legal advertising
Aon UK Limited	Insurance Risk Services	Insurance premiums	Experienced provider of insurance services to insolvency practitioners
Aon UK Limited	Bonding	Fixed premium	Experienced provider of insurance services to insolvency practitioners
Mayer Brown LLP	Legal Advice	Time costs and expenses	Experience and prior knowledge of the Group

- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment.
- We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience.

Estimate of Expenses

The estimates provided here do not represent a cap on the amount that can be paid. In relation to trading expenses, we have assumed the TCLL business transitions to TC Services Limited around 10 weeks after our appointment.

Expenses Estimate

- The tables opposite show our estimate of the expenses likely to be incurred during the course of the Administrations.
- We do not anticipate incurring any Category 2 expenses and therefore we will not need to seek approval to the basis upon which these may be charged to the estate. If this changes, we will write to creditors at the appropriate time to seek the necessary approval.
- As the first table shows, expenses totalling c.£1.1m (including VAT where applicable) are expected to arise in the continuation of trading the TCLL business. This is dependent on the period of trading, which we have assumed for the purpose of this estimate is a total of 10 weeks.
- Any payments made on behalf of Group companies (for which funding is received) are not considered to be expenses of the Administrations and have been excluded from these estimates.
- We have included the combined total of our remuneration and legal costs, as we are not currently able to estimate the likely level of legal costs which are payable from the same funding agreement with the Secured Creditors and TC Services Limited. We have illustrated how these costs may be allocated to each of the Companies, however this is subject to change and would not impact any class of creditor.
- Pre-Administration costs have been included as it is expected that approval will be given by the Secured Creditors for these to be paid as an expense of the TCLL Administration.
- Except for our remuneration and pre-Administration costs, there is no requirement for us to seek approval to any of these expenses and the estimates provided do not represent a cap on the amount that can be paid. However, when reporting to creditors, we will provide an update on the amounts incurred and paid, together with an explanation for any material differences compared to these estimates.
- We are satisfied that the amounts expected to be incurred are reasonable in the circumstances of the case.

Trading Expenses (TCLL)

Expense Type	Paid (Weeks 1-7)	Accrued (Weeks 1-7)	Accrued (Weeks 8-10)	Total (Weeks 1-10)
<i>All costs in GBP £'000</i>				
Employee Costs	268	202	5	475
Rent	6	34	-	40
Operating Costs	116	367	95	578
Total Estimate (inc. VAT)	391	603	95	1,093

Non-Trading Expenses (TCLL, TCLGL, HPL)

All costs in GBP £'000

Firm	Services	TCLGL	HPL	TCLL
FTI / Mayer Brown	Office-holders fees / Legal costs	10	50	3,078
Pre-Administration Costs	Legal advisors	-	-	120
Directors' Fees	Company Directors	10	-	-
ERA Solutions	Employee Claims Processing	-	-	7
EPE Reynell	Gazette Notices	0.1	0.1	0.1
Aon UK Limited	Insurance	1	1	8
Aon UK Limited	Bonding	0.1	0.1	0.1
Total Estimate (excluding VAT)		21.2	51.2	3,213.2



Appendix F: Statements of Affairs

Appendix F: Statements of Affairs

Copies of the directors' statements of affairs are included in this Appendix and should be read in conjunction with our comments below.

General Comments

- We have not performed any audit on the statements provided.
- In line with the standard format for a statement of affairs, they do not include the likely costs of the Administration process.
- Unless otherwise stated and as required by insolvency legislation, Schedules C and D to each statement of affairs has been excluded, as these typically contain the personal details of creditors who are individuals (including former employees).

The Collective (Living) Group Limited

- The attached statement of affairs for TCLGL is an unsigned copy of the statement signed by Reza Merchant. The electronic copy received was not of sufficient quality to attach here. The original signed version will be filed at Companies House on receipt.
- The realisable value of intercompany loans has been estimated as having no value, as there are insufficient assets in the Group to repay the prior-ranking secured debt in full.
- The small prescribed part fund will not be available due to the costs of the Administration. Given the small amount, it would have been likely in any event that an application to Court would have been made, for an order disapplying the prescribed part provisions, as the cost of making a distribution would be disproportionate to the benefits.
- We note that the shareholder loans in Schedule A have not been listed further in Schedule B.

The Collective (Living) Limited

- The realisable value of investments (in subsidiaries) has been estimated as having no value, as there are insufficient assets in the Group to repay the prior-ranking secured debt in full.
- See our earlier comments regarding the value of the contents of TCLL's head office premises.

- No realisable value has been attributed to the 'ERP Project' as it was highly specific to the company with little value to any third party. Workings have been provided to support other assets in the statement of affairs and are subject to review. However, in our experience, these are often out-dated, subject to counter-claims or are generally uneconomical to recover.
- Schedule B does not include details of the intercompany liabilities of £57.8m. We understand this is the net creditor balance of around 70 group entities, including amounts owed to TCLGL (£41m), HPL (£24m) and TCLL's immediate parent company, The Collective Finco Group Limited (£10m). Intercompany debtors (including those shown as accounts receivable) have been assumed to have no value, as there are insufficient assets in the Group to repay the prior-ranking secured debt in full.

Harewood Properties Limited

- The attached statement of affairs for HPL is an unsigned copy of the statement signed by Reza Merchant. The electronic copy received was not of sufficient quality to attach here. The original signed version will be filed at Companies House on receipt.
- The realisable value of loans to related parties has been estimated as having no value, as there are insufficient assets in the Group to repay the prior-ranking secured debt in full.
- The small prescribed part fund will not be available due to the costs of the Administration.
- Schedule B does not include details of the intercompany liabilities of £40.4m. Schedule C (Consumer Creditors) has incorrectly been used to record liabilities that should have been disclosed in Schedule B.
- We are informed that the company's auditors have agreed that the directors' loan should be written off and hence has no recoverable value.

Statement of affairs

Name of Company The Collective (Living) Limited	Company number 07271022
In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (Chd)	Court case number 001676 of 2020

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

(b) Insert date

Statement as to the affairs of (a) The Collective (Living) Limited ("the Company"), c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, Greater London, EC1A 4HD.

on the (b) 15 September 2021, the date that the company entered administration.


Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 15 September 2021 the date that the company entered administration. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full name

JAI MADHVANI

Signed



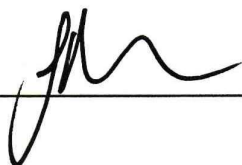
Date

22 Oct 21

A1 – Summary of Liabilities

	Estimated to realise (£)
Liabilities	
Ordinary Preferential creditors:-	
Employees (no.)	(196,880)
Estimated deficiency/surplus as regards ordinary preferential creditors	411,408
Secondary Preferential creditors:-	
HMRC	(2,111,981)
Estimated deficiency/surplus as regards secondary preferential creditors	(1,700,573)
Estimated prescribed part of net property where applicable	-
Estimated total assets available for floating charge holders	-
Debts secured by floating charges	(107,492,383)
Estimated deficiency/surplus of assets after floating charges	(109,192,956)
Estimated prescribed part of net property where applicable	-
Total assets available to unsecured creditors	-
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
HMRC	(834,095)
Accrued Interest	(29,333)
Accounts Payable	(3,384,041)
Intercompany Liabilities (net position)	(57,759,369)
Deferred Income	(109,677)
Accruals/ deferred Expenses	(2,141,868)
Employees Unsecured claims	(1,363,381)
Unsecured Loans	(550,000)
Shortfall to floating charge holders (brought down)	(109,192,956)
Estimated deficiency/surplus as regards creditors	(175,364,720)
Issued and called up capital	(1,124)
Estimated total deficiency/surplus as regards members	(175,365,844)

Signature



Date

22 Oct 21

B Company Creditors

Note You must include all creditors and identify creditors under hire-purchase, chattel leasing or conditional sale agreements *and* creditors claiming retention of title over property in the company's possession.


Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
See Appendix i for full company creditor listing					
HMRC	HM Revenue and Customs, BX9 1SR	2,946,075.65	n/a	n/a	n/a
Glas Trust Corporation Limited	45 Ludgate Hill, London, EC4M 7JU	107,493,382.82	Debenture	12 May 2020	107,493,382.82
Diana Maxton	REDACTED	500,000	n/a	n/a	n/a
Natwest	250 Bishopsgate, Spitalfields, London, EC4M 7JU	50,000	n/a	n/a	n/a

Signature  _____ Date 22 Oct 21

E Shareholders

Note You must include all shareholders of the company

Name of shareholder	Address (with postcode)	Type of share held	Nominal value of share £/p	Number of shares held	Amount per share called up £/p	Total amount called up £
James Scott	-	ORD A	0.00001	1,000,000	100	10.00
The Collective Finco Group Limited	14 Bedford Square, London, England, WC1B 3JA	ORD A	0.00001	111,417,341	100	1,114.17

Signature  Date 22 Oct 21

Appendix i

Creditor Name	Address	Amount
3R Finance Limited	Unit 12, Swanwick Marina, Swanwick, Southampton, SO31 1ZL	43,517
Absolutely	21a Brownlow Mews, London, WC1N 2LA	266
All Square Limited	Cleanology House, 7 Lion Yard, Tremadoc Road, Clapham, London, SW4 7NQ	15,517
Alpha Property Maintenance Ltd	1st Floor, Unit 5 Bramston Way, Basildon, SS15 5TP	2,037
Amar Benkreira	4 LINDEN CRESCENT, KINGSTON UPON THAMES, LONDON, KT1 3DZ,	14,400
ART 2 BE HUMAN	27b Kenyon Street, Fulham, London, SW6 6JZ	1,600
August Twenty Limited	Suite 3, 109 Bancroft, Hitchin, England, SG5 1NB	45,720
Axiom Architects LLP	New Derwent House, 69-73 Theobalds Road, London, WC1X 8TA	4,200
BNP Paribas	3 Harewood Avenue, London, NW1 6JL,	2,419
BOX.com	White Collar Factory, 14th Floor, 1 Old Street Yard, London, EC1Y 8AF	1,639
Brita	7 - 10 Chandos Street, London, W1G 9DQ	1,181
Camron Public Relations Ltd	270 Lafayette St, Suite 600, New York, New York, 10012	15,216
Cantelo Consulting (ICanok Ltd)	Lower Barn, Truelove Farm, Shaugh Prior, PL7 5EB	1,050
Carolina Pereira Bissoli	Finca PachaMama Apartado 110, Boca de Nosara, Nicoya, Guanacaste, 50206	2,500
CF Corporate	Reading International Business Park, Reading, RG2 6AA	5,127
CIC	23 Kensington Square, London, W8 5HN	7,380
CMS Cameron McKenna Nabarro Olswang LLP	Cannon Place, 78 Cannon Street, London, EC4N 6AF	141,049
Consumer Addition	Belle House, Unit 2, Platform 1, Victoria Mainline Station, London, SW1V 1JT	4,860
Cravath, Swaine & Moore LLP	27 Old Gloucester Street, London, United Kingdom, WC1N 3AX,	21,631
Creditsafe Business Solutions Limited	Bryn House, Caerphilly Business Park, Van Road, Caerphilly, CF83 3GG	570
Datasite UK Ltd	15 Bonhill Street, London, EC2A 4DN	49,207
De Pinna Notaries	35 Piccadilly, London, W1J 0LJ	1,238
Ecolab Limited	PO Box 11, Winnington Avenue, Northwich, CW8 4DX	634
eFax	eFax / J2 Global, (Ireland) Ltd., European Headquarters, Unit 3.1, Woodford Business Park, Santry, Dublin 17	132
Ethos Communication Solutions Limited	72 Leadenhall Market, London, EC3V 1LT	609
Eversheds Sutherland (International) LLP	One Wood Street, London, EC2V 7WS,	65,446
Exclaimer Ltd	250 Fowler Avenue, Farnborough, GU14 7JP	320
Excluserv	133 Deepcut Bridge Road, Camberley, GU16 6SD	504
Facebook	1 Rathbone Square, London, United Kingdom,	75
Faizan Habib	House No. 10, Officer's Lane, Gulshan-e-Rehman off Aitchison Society, Raiwind Road, Lahore,, Pakistan.	1,705
Figma	Floor 11 Whitefriars, Lewins Mead, Bristol, United Kingdom, BS1 2NT	112

General Assembly Space, Ltd	16 Great Queen Street, Covent Garden, London, WC2B 5AH,	2,800
Green Pen Consulting Limited	C/O Kingsley Maybrook Ltd, Unitec House, 2 Albert Place, London, England	2,400
Haymarket Media Group Limited	Bridge House, 69 London Road, Twickenham, England, TW1 3SP	234
Hengeler Mueller	Bechrenstrasse 42, 0, Berlin, 10117	70,045
HEROKU	415 Mission Street, Suite 300, San Francisco, CA, 94105	599
HubSpot	Ground Floor, Two Dockland Central, Guild Street, Dublin, 1	6,531
IBM	PO Box 41, North Harbour, Portsmouth, PO6 3AU	848
Intertrust Fiduciary Services (Jersey) Limited	44 Esplanade, St Helier, JE4 9WG	24,978
James Leay - Consultancy	105 Wolverton Road, Stony Stratford, Milton Keynes, MK11 1EH,	5,000
Jethanand Harkishindas Bhojwani	77 High Street, #06-04 High Street Plaza, Singapore, 179433,	11,410
Jones Lang LaSalle Limited	30 Warwick Street, London, W1B 5NH,	3,900
Kentico	68 Lombard Street, London, EC3V 9LJ, United Kingdom,	286
Keystone Law Ltd	First Floor, 48 Chancery Lane, London, WC2A 1JF	1,200
Knight Frank LLP	55 Baker Street, London, W1U 8AN	30,000
Knights Professional Services Limited	Knights Plc, The Brampton, Newcastle-Under-Lyme, Staffordshire, United Kingdom	227
LHi Group Ltd	2nd Floor 33 Queen Street, London, England, EC4R 1AP,	54,392
LinkedIn	Wilton Place, Wilton Place, Dublin, 2	5,823
LMM Consulting Limited	Spaces, 156 Great Charles Street Queensway, Birmingham, England, B3 3HN	63,852
London Borough of Camden	PO BOX 785, Redhill, RH1 9JB	31,008
London Environmental Group Services	LAS partnership, The Rivendell Centre, White Horse Lane, Maldon, CM9 5QP	336
M P Commercial Window Cleaners Ltd	Unit 18 -19 Bybrow Farm, Orchard Way, Wilmington, DA2 7ER	634
Magnifest	14 Millstone Close, Cape Town, 7990	682
MailChimp	The Rocket Science Group LLC, 675 Ponce de Leon Ave NE Suite 5000, Atlanta, GA 30308, USA	30
McCann Fitzgerald	Tower 42, Level 38C, 25 Old Broad Street, London, EC2N 1HQ	8,076
mongodb Atlas	3rd Floor, Franciscan Court, 16 Hatfields, London, England	152
Mourant Ozannes (Jersey) LLP	4th Floor 52-54 Gracechurch Street, London, EC3V 0EH,	3,938
N-Able Technologies Ltd	Suite 11&12 The Vision Building Greenmarket, Dundee, DD1 4QB,	7,488
Nathan Gee	173 Gunnersbury Lane, London, W3 8LJ,	5,000
NautaDutilh	2 Copthall Avenue, London, EC2R 7DA, United Kingdom,	10,338
Odyssey Interactive Ltd	5th Floor, 24 Mount Street, Manchester, Greater Manchester, M2 3NX	5,387
Ofir Landenberg	Finca PachaMama, Apartado 110, Boca de Nosara, Nicoya, Guanacaste, 50206	8,850
Ogier (Jersey) LLP	44 Esplanade, St Helier, Jersey, JE4 9WG,	355,752
OneSource Virtual (UK) Limited	C/O Forde Campbell Llc, 1-3 Lombard Street, Belfast, BT1 1RB,	269,252

Peakon ApS	Frederiksberggade 11, 1st Floor, Copenhagen, 1459	4,728
Peninsula Business Services Ltd	The Peninsula, Victoria Place, Manchester, M4 4FB	593
PSD Group	62 Queen Street, London, EC4R 1EB	16,200
Real PM	Derbyshire House, St. Chad's Street, London, WC1H 8AG,	5,280
Robert Half Limited	Washington House, International Square, Starley Way, Birmingham, B37 7GN	19,976
Saashiv & Co. Accountants Ltd	C/O Saashiv & Co. Pentax House South Hill Avenue, South Harrow, Harrow, England, HA2 0DU	21,254
SAP Concur Solutions	Amerikastraat 10, Hertogenbosch, 5232	15,027
Savills (UK) Limited	33 Margaret Street, London, W1G 0JD	13,200
Scentair UK	102 Buckingham Avenue, Slough Trading Estate, Slough, SL1 4PF	500
Service Graphics Print & Design	The Rex Building, 62 Queen Street, London, EC4R 1EB,	523
Simmon & Simmons	Citypoint, 1 Ropemaker Street, London, EC2Y 9SS	30,729
Six & Flow Ltd	First Floor, Swan Building, Swan Street, Manchester, M4 5JW	1,944
Slaughter and May	One Bunhill Row, London, EC1Y 8YY, United Kingdom,	1,386,966
SoftCat.com	Thames Industrial Estate, Marlow, SL7 1LW	2,100
Stitch Inc	1339 Chestnut Street, Suite 1500, Philadelphia, PA 19107,	133
Tasman Analytics Ltd	111 Seymour Road, London, N8 0BH	37,800
TCCW F&B	14 Bedford Square, London, United Kingdom, WC1B 3JA,	9,600
TCCW Properties Ltd	14 Bedford Square, London, United Kingdom, WC1B 3JA,	20,902
The Bedford Estates	29a Montague Street, London, WC1B 5BL	205,834
The Collective (Living) INC.	10 GREENE STREET, SUITE 1200, NEW YORK, 10012 NEW YORK, United States	4,800
The London Borough of Hillingdon	Civic Centre, High Street, ,	13,092
Total Jobs	110 Southwark Street, London, SE1 0TA	475
Urban Massage	Ground Floor Left Dorset House, 27-45 Stamford Street, London, England, SE1 9PY	768
Victor Grosu Ltd	Brunel House 340 Firecrest Court, Centre Park, Warrington, WA1 1RG	51,545
Victor Jacques Douce Limited	30 City Road, London, EC1Y 2AB	10,000
Vincente Soler	Flat 49 Matilda Apartments, 4 Earnshaw Street, London, WC2H 8AJ	1,920
Walkers (Jersey) LLP	PO Box 72 Walker House, 28-34 Hill Street, St. Helier, Jersey JE4 8PN,	26,623
Zoom Video Communications	106 Mount Street, London, United Kingdom, W1K 2TW,	98
Amazon Web Services EMEA SARL	38 Avenue John F. Kennedy, Luxembourg 1855, Luxembourg,	6,236
British Gas Business	Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD	1,524
Copyright Licensing Agency Limited	5th Floor, Shackleton House , 4 Battle Bridge Lane , London, SE1 2HX,	587
Office Pantry	35 King Street, Bristol, BS1 4DZ,	55

Snowplow Analytics Limited	Floor 6 17 Bevis Marks, London, England, EC3A 7LN	28,800
Telcom Networks Ltd	220 Shrewsbury Road, Forest Gate, London, E7 8QJ,	915

Statement of affairs

Name of Company The Collective (Living) Group Limited	Company number 12441000
In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (Chd)	Court case number 001677 of 2020

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

(b) Insert date

Statement as to the affairs of (a) The Collective (Living) Group Limited (“the Company”), c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, Greater London, EC1A 4HD.

on the (b) 15 September 2021, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 15 September 2021 the date that the company entered administration. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full name

Signed

Date

A – Summary of Assets

Assets

Assets subject to fixed charge:

Fixed assets
Investments

920

-

Amounts due to Secured Chargeholder
Deficiency to Secured Chargeholder

107,493,383
(107,493,383)

Assets subject to floating charge:

Current Assets
Intercompany loans
Capitalised stamp duty
Cash and cash equivalents

79,641,826
564,290
5,000

-
-
5,000

Uncharged assets:

-

Estimated total assets available for preferential creditors

80,211,116

5,000

Signature _____ Date _____

Book Value £	Estimated to Realise £
920	-
	107,493,383 (107,493,383)
79,641,826 564,290 5,000	- - 5,000
80,211,116	5,000

A1 – Summary of Liabilities

	Estimated to realise (£)
Liabilities	
Ordinary Preferential creditors:-	
Employees (no.)	-
Estimated deficiency/surplus as regards ordinary preferential creditors	5,000
Secondary Preferential creditors:-	
HMRC	-
Estimated deficiency/surplus as regards secondary preferential creditors	5,000
Estimated prescribed part of net property where applicable	(2,500)
Estimated total assets available for floating charge holders	2,500
Debts secured by floating charges	(107,493,383)
Estimated deficiency/surplus of assets after floating charges	(107,490,883)
Estimated prescribed part of net property where applicable	2,500
Total assets available to unsecured creditors	2,500
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Convertible loan notes	(11,000,000)
Shareholder loans	(30,925,491)
Accrued interest thereon	(5,799,979)
Shortfall to floating charge holders (brought down)	(107,490,883)
Estimated deficiency/surplus as regards creditors	(155,213,853)
Issued and called up capital	(1,038)
Estimated total deficiency/surplus as regards members	(155,214,892)

Signature _____ Date _____

B Company Creditors

Note You must include all creditors and identify creditors under hire-purchase, chattel leasing or conditional sale agreements and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Glas Trust Corporation Limited	45 Ludgate Hill, London, EC4M 7JU	107,493,382.82	Debenture	12 May 2020	107,493,382.82
Charles Hendricks	860 Caliente Lane Ventura, CA 93001	750,000	n/a	n/a	n/a
Dominvs Project Company 19 Limited	1 London St, Reading, RG1 4QW	3,000,000	n/a	n/a	n/a
Glenstone Property PLC	Parkway House, Sheen Lane, London, SW14 8LS	2,000,000	n/a	n/a	n/a
Java (Westminster) Limited	Signal House, 137 Great Suffolk Street, Southwark, London, SE1 1PZ	2,000,000	n/a	n/a	n/a
Linda Kilpatrick and Frank Kilpatrick	930 John Street, Manhattan Beach, CA 90266, USA	750,000	n/a	n/a	n/a
Stephen T Conley Jr Revocable Trust	REDACTED	2,500,000	n/a	n/a	n/a

Signature _____ Date _____

E Shareholders

Note You must include all shareholders of the company

Name of shareholder	Address (with postcode)	Type of share held	Nominal value of share £/p	Number of shares held	Amount per share called up £/p	Total amount called up £
Reza Merchant		Ordinary	0.00001	24,082,311	100	240.82311
Aslam Merchant		B Ordinary	0.00001	1,650,155	100	16.50155
Shireen Merchant		B Ordinary	0.00001	240,340	100	2.4034
Salma Merchant		B Ordinary	0.00001	66,433	100	0.66433
Rizwana Merchant		B Ordinary	0.00001	480,679	100	4.80679
Chetan Acharya		B Ordinary	0.00001	29,526	100	0.29526
Steven Frank Maxton		B Ordinary	0.00001	234,040	100	2.3404
Pradeep Kabra		B Ordinary	0.00001	14,763	100	0.14763
Al Noor Investments Limited		Ordinary	0.00001	301,226	100	3.01226
Intertrust Employee Benefit Trustee Limited (In Its Capacity As Trustee Of The Collective Living Employee Benefit Trust)		Growth Ordinary	0.00001	12,003,844	100	120.03844
The Collective Holdco Jersey limited		Ordinary	0.00001	52,391,620	100	523.9162
Teklu Holding UG		A Ordinary	0.00001	1,137,143	100	11.37143
Frank Kilpatrick		B Ordinary	0.00001	153,979	100	1.53979
Linda Kilpatrick		B Ordinary	0.00001	153,979	100	1.53979
Charles Gayner		B Ordinary	0.00001	223,577	100	2.23577
Victor Douce		B Ordinary	0.00001	555,556	100	5.55556
Ivan Choutov		B Ordinary	0.00001	861,111	100	8.61111
Java Capital (NY) Limited		A Ordinary	0.00001	1,388,889	100	13.88889
Angyal Sas		B Ordinary	0.00001	1,388,889	100	13.88889
Jethanand Harikishandas Bhojwani		B Ordinary	0.00001	1,666,667	100	16.66667
Sylvia Charvillat (As Trustee For The Eurosky Trust)		B Ordinary	0.00001	277,778	100	2.77778
Adil Rahmatulla		B Ordinary	0.00001	328,084	100	3.28084

Moonraker Services Corp		B Ordinary	0.00001	208,334	100	2.08334
Nurjehan Hudda		B Ordinary	0.00001	208,333	100	2.08333
Creandum V, L. P.		A Ordinary	0.00001	208,333	100	2.08333
Viacheslav Gruzinov		B Ordinary	0.00001	138,889	100	1.38889
Willy Andre Carlo Rizzo		B Ordinary	0.00001	138,889	100	1.38889
Frederic Oscar Magnus Koury		B Ordinary	0.00001	138,889	100	1.38889
Edward Bardfield		B Ordinary	0.00001	138,889	100	1.38889
Dalil Abdellaoui		B Ordinary	0.00001	41,667	100	0.41667
Paul Gardi		A Ordinary	0.00001	2,868,183	100	28.68183

Signature _____ Date _____

Statement of affairs

Name of Company Harewood Properties Limited	Company number 97431 (Jersey)
In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (Chd)	Court case number 001681 of 2020

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

Statement as to the affairs of (a) Harewood Properties Limited (“the Company”), c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, Greater London, EC1A 4HD.

(b) Insert date

on the (b) 16 September 2021, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 16 September 2021 the date that the company entered administration. I understand that proceedings for contempt of court may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief in its truth.

Full name

Signed

Date

A – Summary of Assets

Assets

Assets subject to fixed charge:

Fixed assets
Investments

72,408,784

-

Amounts due to Secured Chargeholder
Deficiency to Secured Chargeholder

107,493,383
(107,493,383)

Assets subject to floating charge:

Current Assets
Cash and cash equivalents
Capitalised deferred loan cost
Loans to related parties
Director's current account

12,785
1,782,920
44,239,757
557,964

12,785
-
-
-

Uncharged assets:

-

Estimated total assets available for preferential creditors

46,593,425

12,785

Signature _____ Date _____

	Book Value £	Estimated to Realise £
<u>Assets subject to fixed charge:</u>		
Fixed assets Investments	72,408,784	-
Amounts due to Secured Chargeholder Deficiency to Secured Chargeholder		107,493,383 (107,493,383)
<u>Assets subject to floating charge:</u>		
Current Assets		
Cash and cash equivalents	12,785	12,785
Capitalised deferred loan cost	1,782,920	-
Loans to related parties	44,239,757	-
Director's current account	557,964	-
<u>Uncharged assets:</u>		
-		
Estimated total assets available for preferential creditors	46,593,425	12,785

A1 – Summary of Liabilities

	Estimated to realise (£)
Liabilities	
Ordinary Preferential creditors:-	
Employees (no.)	-
Estimated deficiency/surplus as regards ordinary preferential creditors	12,785
Secondary Preferential creditors:-	
HMRC	-
Estimated deficiency/surplus as regards secondary preferential creditors	12,785
Estimated prescribed part of net property where applicable	5,557
Estimated total assets available for floating charge holders	7,228
Debts secured by floating charges	(107,493,383)
Estimated deficiency/surplus of assets after floating charges	(107,486,155)
Estimated prescribed part of net property where applicable	5,557
Total assets available to unsecured creditors	5,557
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	(114,410)
Intercompany liabilities	(40,382,960)
Shortfall to floating charge holders (brought down)	(107,486,155)
Estimated deficiency/surplus as regards creditors	(147,977,968)
Issued and called up capital	(47,615,349)
Estimated total deficiency/surplus as regards members	(195,593,317)

Signature _____ Date _____

B Company Creditors

Note You must include all creditors and identify creditors under hire-purchase, chattel leasing or conditional sale agreements *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Glas Trust Corporation Limited	45 Ludgate Hill, London, EC4M 7JU	107,493,382.82	Debenture	12 May 2020	107,493,382.82

Signature _____ Date _____

C Consumer Creditors

Note You must include all creditors who are consumers claiming amounts paid in advance of the supply of goods or services

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
CMS Cameron McKenna Nabarro Olswang LLP	Cannon Place, 78 Cannon St, London, EC4N 6AF	1,491.22	n/a	n/a	n/a
DLA Piper	160 Aldersgate St, Barbican, London, EC1A 4HT	112,918.93	n/a	n/a	n/a

Signature _____ Date _____

