

Finbarr O’Connell, Emma Thompson, Adam Stephens and Andy McGill are acting as the Joint Supervisors (“Supervisors”) with regard to the Company Voluntary Arrangements (“CVAs”) in relation to the 14 Companies, listed below

1. Park First Freeholds Limited - In Administration (11033422)
  2. Help Me Park Gatwick Limited - In Administration (09654985)
  3. Airport Parking Rentals (Gatwick) Limited - In Administration (10415339)
  4. Park First Gatwick Rentals Limited - In Administration (10994206)
  5. Park First Glasgow Rentals Limited - In Administration (10994132)
  6. Paypark Limited - In Administration (09871483)
- (together, these 6 companies are defined as the “AdminCos”)
7. Group First Global Limited (05739246)
  8. Park First Limited (07158270)
  9. Harley Scott Residential Limited (05760390)
  10. Park First Skyport Limited (09560196)
  11. Cophall Parking Gatwick Limited (05648696)
  12. Park First Management Limited (08051785)
  13. Help-Me-Park.Com Limited (05563009)
  14. London Luton Airport Parking Limited (10186044)

(together, these 8 companies (numbers 7-14) are defined as the “Non-AdminCos”)

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## UPDATE TO INVESTORS AND CREDITORS

**Date: 23 November 2021**

An application to challenge the CVAs was filed at court on Friday 12th November 2021 by a small number of investors (the “Challenge”).

It is not uncommon for such a Challenge to be made when CVAs are proposed but we anticipate that it will have little impact on the implementation of the CVAs and the timing of payments to investors and creditors. The challenge was made by a small group of 56 investors (the “Challengers”) out of the total investor population of around 4,500 investors.

The Challenge has been filed on behalf of a group of investors who feel that the releases provided to third parties in the CVA proposals mean that they will be in a worse position than if those releases were not given. The Challengers feel that they will have the opportunity of receiving a better outcome if the CVAs continue but on the amended basis that those third-party releases are removed as terms of the CVAs. In this regard it is important to note that these releases are central to the economics of the CVAs. Furthermore, a number of the

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Emma Thompson, Finbarr O’Connell, Adam Stephens and Andrew McGill are licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales. As such, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

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The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office Registered in England at 25 Moorgate, London EC2R 6AY No OC369631 Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities A member of Nexia International, a worldwide network of independent accounting firms

Challengers voted in favour of the CVAs without suggesting any modifications relating to these third-party releases.

There are a number of factual inaccuracies contained in the Challenge and we feel that the Challenge only seeks to improve the position for the Challengers, to the detriment of other investors and creditors. Clearly, this would not be an acceptable outcome when all investors have the same rights, and the Challengers have no right to a better return over and above what other investors will receive under the terms of the CVAs. The view of the administrators of the AdminCos is that the economic outcome for investors and creditors would be materially worse if the Challenge were to succeed.

Investors and creditors should be aware that the CVAs remain effective as at the date of approval and are not suspended as a result of the Challenge. We, as administrators of the AdminCos have completed an analysis of the Challenge with our lawyers and we are of the opinion that the Challenge will have little chance of success. Furthermore, such a challenge could take a number of months to resolve through the Court, which we do not want to negatively affect the dividend timeline, given the first dividend should be paid to investors and creditors as soon as reasonably possible after the first financial contribution has been paid by Toby Whittaker and the other contributing entities. Accordingly, on the basis of our own analysis and of the legal advice which we have received and having regard to the best interests of investors and creditors, we will contest the Challenge and, in the meantime, continue to implement the CVAs in accordance with their terms, with a view to distributing funds to investors and creditors as quickly as possible.

As Supervisors of the 8 Non-AdminCos we have carried out the same analysis with the directors of those companies and with their and our legal advisors and we can report that the directors of those companies and ourselves as Supervisors of those 8 CVAs had reached the same conclusion, hence all 14 CVAs will continue as planned.

It is not uncommon for such a Challenge to be made when CVAs are proposed but we currently do not expect that it will have any material impact on the implementation of the CVAs and the timing of payments to investors and creditors. If, in due course, the Challenge was ultimately to be successful, this could have an effect on later distributions that we and the directors of the 8 Non-AdminCos would have to deal with in due course.

### **Expense Payments**

We continue to work towards making the expense payments to investors before the end of December 2021 and will contact investors as regards these payments when they are ready to be processed. It is a very considerable and labour-intensive process to collect in and check many thousands of investors' bank account details as well as complete the required Anti-Money Laundering/ Sanctions checks, however we are making good progress.

If an investor fails any of the required checks, we will be in touch with you direct to request additional documentation.

### **Property Power of Attorney ("PPoA")**

We are aware that some investors have queried the effective period and indemnity clauses in the PPoA so we are working to clarify these points by way of a Supervisors' Undertaking (the "Undertaking") that will be circulated shortly.

The form of the PPOA, that many investors have already completed, has wide effective duration and indemnity provisions. To address concerns raised by a small minority of investors in relation to entering into the PPOA in its current form, we have decided to address those concerns in a way that will not disadvantage investors who have already completed a PPOA.

Our solution is that all investors will continue to enter into a PPOA on the same terms, but that the Supervisors provide a written undertaking to all investors that:

- (i) the Supervisors will only have authority to act under a PPOA for a maximum period no longer than the term of the CVAs (expected to be three years); and
- (ii) the indemnity clause is limited to an amount equal to any value to be received by an investor from the CVAs.

We would take this opportunity to note that it is anticipated to be highly unlikely that the Supervisors would seek to recover any amounts from an investor under a PPOA in any event. Please be aware that once finalised and circulated, the Undertaking will apply to all PPOAs that have already been submitted and those to be submitted in the future.

Please refer to the previous update dated 4<sup>th</sup> November 2021, for details of the implications for those investors that do not complete and return a PPOA.