

AM10

Notice of administrator's progress report

FRIDAY



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24/11/2017

#245

COMPANIES HOUSE

1 Company details

Company number 0 0 3 9 9 5 7 5

Company name in full AR Realisations 2016 Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Catherine

Surname Williamson

3 Administrator's address

Building name/number AlixPartners

Street The Zenith Building

26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country United Kingdom

4 Administrator's name ①

Full forename(s) Peter

Surname Saville

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number AlixPartners

Street 6 New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	d 2 d 6	m 0 m 4	y 2 y 0 y 1 y 7	
To date	d 2 d 5	m 1 m 0	y 2 y 0 y 1 y 7	

7 Progress report

<input type="checkbox"/> I attach a copy of the progress report	
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8 Sign and date

Administrator's signature	Signature X <i>Comera</i> X	
Signature date	d 2 d 2	m 1 m 1 y 2 y 0 y 1 y 7

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name
Conor Kelly

Company name
AlixPartners

Address
The Zenith Building

26 Spring Gardens

Post town
Manchester

County/Region

Postcode
M 2 1 A B

Country
United Kingdom

DX

Telephone
0161 838 4500



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



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You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Kevin

Surname Coates

3 Insolvency practitioner's address

Building name/number AlixPartners

Street 6 New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

Administrators' Progress Report for the period 26 April 2017 to 25 October 2017

ARG Realisations 2016 Limited,
AR Realisations 2016 Limited,
ARG (Property) Limited,
CC Realisations 2016 Limited
All In Administration

22 November 2017

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1. Why this report has been prepared

- 1.1 As you will be aware Peter Saville, Kevin Coates and Catherine Williamson (the **Administrators**) were appointed on 26 April 2016.
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 26 April 2017 to 25 October 2017 (the **Period**) and should be read in conjunction with all previous reports.
- 1.3 This report has been prepared in accordance with rule 18.2 of the Insolvency (England and Wales) Rules 2016.
- 1.4 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.5 As a reminder the administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:

Objective 1: rescuing the company as a going concern;

Objective 2: achieving 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

Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.6 In these cases the Administrators are pursuing the second statutory objective. Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.7 Details of the Administrators' fees and disbursements incurred are detailed at Appendices D to F.
- 1.8 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.9 If you require a hard copy of this report or have any queries in relation to its contents or the Administrations generally, please contact Conor Kelly on 0161 838 4518, by email at creditorreports@alixpartners.com, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2. Summary of information for creditors

Estimated dividend for creditors

ARG Realisations 2016 Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo Capital Finance (UK) Limited (Wells Fargo)	7.17 million	6.00 million
Secured creditor – Alteri Luxembourg 2 SARL and Alteri Europe L.P (together Alteri)	18.24 million	4.74 million
Preferential creditors	24,476	100 pence in the pound
Unsecured creditors	15.81 million	3.7 pence in the pound

AR Realisations 2016 Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo	7.17 million	507,827
Secured creditor – Alteri	18.24 million	2.70 million
Unsecured creditors	54.38 million	Less than 1 pence in the pound

ARG (Property) Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo	7.17 million	275,723
Secured creditors - Alteri	18.24 million	52,000
Unsecured creditors	729,245	Nil

CC Realisations 2016 Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo	7.17 million	389,427
Secured creditor - Alteri	18.24 million	316,000
Unsecured creditors	40.72 million	Nil

Notes:

Secured creditors

Wells Fargo and Alteri (the **Secured Creditors**) hold cross-guarantees across the Companies and as such, each company is jointly and severally liable for the debts under the terms of the guarantees. The cross-guarantees also covered additional entities within the wider group, including ARCS Realisations 2016 Limited (**ARCS**), Darius Capital Limited (**DCL**) and Country Casuals Holdings Limited (**CCHL**), all of which were previously in administration.

Wells Fargo held first ranking charges and was owed £7.17 million by the Companies at the date of appointment. Wells Fargo has now been repaid in full by the Companies through distributions made directly from the Administrations as well as amounts obtained under an invoice discounting facility (**ID facility**). For further details of the ID facility, please refer to the Administrators' previous progress reports.

Alteri holds second and third ranking charges and is owed a total of approximately £18.24 million. To date, Alteri has received distributions totalling £6.54 million from the Companies and additional distribution of £78,395 from the administration of ARCS. It is estimated that the total return to Alteri will be approximately £7.89 million.

Preferential creditors

Preferential claims of £24,476 were received in respect of ARGL and a full preferential dividend of 100 pence in the pound was distributed to the preferential creditors during the Period. No preferential claims were submitted against ARL, ARGP or CCL.

Unsecured creditors

The level of unsecured creditors is taken from claims received to date.

The Administrators anticipate that there will be sufficient funds available to distribute a dividend to the unsecured creditors of ARGL and ARL. However, the Administrators do not believe there will be sufficient funds to enable a distribution to the unsecured creditors of ARGP and CCL.

Funds available for distribution and dividend rates provided in the above tables are detailed before taking into account the estimated costs of making the distributions. Please note that the likely levels of returns are based upon estimates and are subject to change.

In respect of preferential or unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of each class, regardless of the size of their claims.

For further information please refer to section 4 of this report.

3. Progress of the Administrations

Objectives and strategy of the Administrations

- 3.1 As set out in the Administrators' previous progress reports, the Administrators have pursued the second statutory objective for the Companies. The strategy to achieve this objective was to continue trading the Companies for a short period whilst seeking a sale of the businesses and assets of the Companies.
- 3.2 Whilst going concern sales were not ultimately achieved for the businesses, a sale of the concessions at five Boundary Mills outlets enabled 29 employees to transfer to AR Operations Limited. Other sales also took place, including the transfer of the Companies' stock and Intellectual Property Rights.
- 3.3 Attached at Appendices B and C are the Administrators' Receipts and Payments Accounts and Trading Receipts and Payments Accounts for the Period, together with *Cumulative Accounts for the period since the date of the appointment*. These accounts are prepared on a cash basis, therefore details of costs incurred but not yet paid are excluded from the accounts and are summarised at Appendix E.
- 3.4 In ARGP and CCL, to the extent that floating charge realisations are not sufficient to discharge the associated costs, the secured creditor has provided their consent for contributions to be made from the fixed charge funds available, as shown in the Receipts and Payments Accounts.
- 3.5 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices D and E have been incurred, as well as the sensitivities that might be applicable to the Administrators' anticipated fees and expenses over the remainder of the Administrations.

Trading

- 3.6 As going concern sales were not achieved, an orderly wind down of the *businesses was carried out to maximise realisations from the sale of the remaining stock and assets within the stores*. As part of the wind down, store closures were completed on a phased basis as the stock levels within the stores reduced. The final store closures were completed prior to the Period and the Companies have not traded during the Period.
- 3.7 The Administrators have, however, incurred time during the Period in finalising the trading costs, collecting debts due for the trading period and reconciling the trading figures.

- 3.8 As previously reported, ARGL and ARL operated licence agreements with a number of partners in overseas jurisdictions. Under the licence agreements, these partners were permitted to use the 'Austin Reed' trademark and distribute licensed goods in consideration for an annual royalty charge. During the Period, £170,837 of outstanding royalty debts were recovered in ARGL, bringing total recoveries of £275,535 to date. It is expected that further recoveries of approximately £105,000 will be made in ARGL and payment plans have been agreed with various debtors to ensure that these outstanding sums are remitted to ARGL shortly.
- 3.9 During the Period, the Administrators instructed Squire Patton Boggs UK LLP (**Squires**) to assist in recovering sums due from concession debtors for sales due to the Companies.
- 3.10 Following extensive negotiations between the debtors, Squires and the Administrators, settlements were reached for the outstanding concession sales due to the Companies. This culminated in an additional £85,720 being received between ARL, ARGP and CCL during the Period. It is not expected that any further concession debts will be recovered.
- 3.11 The Administrators have also recovered funds totalling £41,186 from American Express (**AMEX**). These funds had previously been held by the merchant providers for potential chargebacks that may have been claimed by customers for goods purchased that were not delivered or were faulty and could not be replaced. It is not expected that AMEX are holding any additional funds due to the Companies.
- 3.12 A summary of the recoveries achieved during the Period from royalty debtors, concessions debtors and AMEX, which are all recorded as sales on the Trading Receipts and Payments Accounts at Appendix C, is detailed below.

£	ARGL	ARL	ARGP	CCL
Royalty debts	170,837	-	-	-
Concession debts	-	28,791	20,647	36,282
AMEX funds	-	20,845	10,163	10,178
Total	170,837	49,636	30,810	46,460

- 3.13 Refunds for rates overpayments totalling £10,480 have also been received in ARGL during the Period.
- 3.14 In addition to recovering outstanding debts, the Administrators have also taken steps to ensure that all trading costs have been met. During the Period, the Administrators have liaised with Willis Towers Watson Limited (**Willis**) to ensure all insurance costs accrued during the trading period have been paid. The Administrators have also ensured payments for other trading costs such as rent, rates and concession commission were settled.

- 3.15 It is anticipated that all trading costs have now been met, however, for prudence, the Administrators have included a provision of £5,000 in each entity. The estimated final trading outcomes are as follows.

£	ARGL	ARL	ARGP	CCL
Current trading surplus/(deficit)	2,856,995	578,364	(415,467)	(323,329)
Expected future receipts	105,000	-	-	-
Expected future costs	(5,000)	(5,000)	(5,000)	(5,000)
Estimated final trading position	2,956,995	573,364	(420,467)	(328,329)

- 3.16 It should be noted that the figures in the above table are prudent estimates based on current information. These figures may be subject to change.

Realisation of assets

Property

- 3.17 A summary of all sites that the Companies operated from was provided at Appendix C of the Administrators' Statement of Proposals (the **Proposals**) and details of the realisations achieved from lease assignments and sales were provided in the Administrators' previous progress reports.
- 3.18 As previously advised, the remaining leases do not hold any value and the Administrators have offered a surrender of the leases to the respective landlords of each site.
- 3.19 During the Period, the sum of £7,547 has been realised in ARGL. These funds are in relation to surplus monies and overpayments that had been held in a solicitors' client account for lease assignments which took place prior to the Period.

Potential claim

- 3.20 The Administrators are currently pursuing a potential claim against a financial institution (the **Merchant Provider**) in respect of Merchant Interchange Fees (**MIFs**) which were charged by the card payment systems during the trading period.
- 3.21 The Administrators were approached by a law firm to establish a consortium of companies (the **Consortium**) in order to bring a claim against the Merchant Provider for the potentially overcharged MIFs.
- 3.22 The Administrators expect that recoveries will be achieved for this claim; however, as this is dependent on various matters and is currently subject to confidentiality, we are unable to provide any further information in relation to the recoveries which could be made. A further update regarding this matter will be provided in the next progress report.

Other assets

- 3.23 During the Period, additional rates refunds of £3,412 and £1,432 were received by ARGL and CCL respectively in relation to pre-appointment rates payments. The Administrators have instructed PHD Property Advisory Limited (**PHD**) to undertake a review of rates paid by the Companies to ascertain whether further refunds will be available. It is expected that any additional recoveries will be minimal.
- 3.24 Bank interest was received by the Companies during the Period and this is reflected in the Receipts and Payments Accounts at Appendix B.

Administration (including statutory reporting)

- 3.25 In addition to their duties relating to realising and distributing the assets of the Companies, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include preparing bi-annual reports to creditors advising of the progress of the Administrations, and liaising with various stakeholders. The Administrators are responsible for liaising with HMRC to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Companies, and for filing tax returns for the duration of the Administrations.
- 3.26 In order to ensure the matters of the Administrations are being progressed sufficiently, the Administrators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 3.27 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors (claims and distribution)

- 3.28 Details of the estimated outcome for creditors can be found in section 4.
- 3.29 During the Period, time has been spent dealing with creditor correspondence and queries, lodging claims and updating records. Time has also been incurred in drafting periodic reports to Alteri.
- 3.30 The Administrators are now in a position to distribute funds to the unsecured creditors of ARGL. A dividend will be made available from the Unsecured Creditors' Fund (as defined at section 4.11) and this will be set at a maximum value of £600,000, representing a dividend rate of approximately 3.7 pence in the pound, based on the level of claims received to date, before taking into account the costs of distributing.
- 3.31 It is also anticipated that a dividend will be available for the unsecured creditors of ARL. This is expected to be in the region of £131,000 before costs of distributing, representing a dividend rate of less than one pence in the pound.
- 3.32 The Administrators have reviewed creditor claims during the Period and a Notice of Intention to Distribute an unsecured dividend (**NOID**) has been sent to ARGL and ARL's non-proving creditors with this report which will set a final deadline of 18 December 2017 for claims to be submitted to the Administrators. The dividend will be paid within two months of the expiry of this deadline.
- 3.33 There are no monies available to the unsecured creditors of ARGP and CCL.

4. Estimated outcome for creditors

Secured creditor – Wells Fargo Capital Finance (UK) Limited

- 4.1 Wells Fargo was granted first ranking legal charges on 21 May 2014 by the *Companies* and holds cross-guarantees between all of the *Companies*.
- 4.2 At the date of appointment, Wells Fargo was owed £7.17 million under its security and has now been repaid in full.

Secured creditor – Alteri Luxembourg 2 SARL and Alteri Europe L.P

- 4.3 Alteri holds second and third ranking fixed and floating charges which are cross-guaranteed by the *Companies*. A schedule of these charges was provided at Appendix B of the Proposals.
- 4.4 On appointment, Alteri was owed approximately £18.24 million (excluding interest and charges) under its security.
- 4.5 To date, the Administrators have distributed funds totalling £6.54 million to Alteri from the *Companies*. Alteri has also received an additional distribution totalling approximately £78,395 from the ARCS administration.
- 4.6 It is anticipated that the total return to Alteri will be approximately £7.89 million.

Preferential creditors

- 4.7 On appointment there were 1,155 staff employed by ARGL, ARL and CCL. ARGP did not have any employees.
- 4.8 Following a reconciliation of employees' preferential claims, it was confirmed that only a number of former employees of ARGL had preferential claims. No preferential claims have been received for ARL or CCL.
- 4.9 During the Period, a preferential dividend totalling £24,476 was distributed to ARGL's preferential creditors, representing a dividend of 100 pence in the pound.
- 4.10 No further preferential dividends will be distributed by the *Companies*.

Unsecured Creditors' Fund

- 4.11 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 4.12 As all floating charges granted by the *Companies* post-date 15 September 2003, there is a requirement to create a fund in each case.

ARG Realisations 2016 Limited (**ARGL**), AR Realisations 2016 Limited (**ARL**), ARG (Property) Limited (**ARGP**) and CC Realisations 2016 Limited (**CCL**) – all in Administration (together the **Companies**)

- 4.13 Based on present information, the Administrators estimate the value of ARGL's net floating charge property to be £5.38 million. Arising from this, the value of the Unsecured Creditors' Fund will be set at a maximum of £600,000 before costs. A NOID has been sent to ARGL's non-proving unsecured creditors with this report.
- 4.14 The Administrators anticipate that ARL's net floating charge property will be approximately £639,675. On this basis, the *Unsecured Creditors' Fund* for ARL is expected to be in the region of £131,000 before costs. A NOID has also been issued to the non-proving unsecured creditors of ARL with this report.
- 4.15 The Administrators estimate that there will be no floating charge surplus after costs in respect of ARGP and CCL. On this basis, the value of the net floating charge property for these entities is estimated to be nil and the value of the Unsecured Creditors' Funds are also nil.

5. What happens next

Creditors' rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 5.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees is inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive.

Next report

- 5.3 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised. For details of the proposed exit routes, please see Appendix G.

For and on behalf of
The Companies



Catherine Williamson
Administrator
Encs

Appendix A. Statutory information

Company information

ARG Realisations 2016 Limited

Company name	ARG Realisations 2016 Limited (formerly Austin Reed Group Limited)
Registered number	00164291
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Station Road, Thirsk, North Yorkshire, YO7 1QH
Trading addresses	Please refer to Appendix C of the Proposals
Trading name	Austin Reed
Court details	The High Court of Justice, Chancery Division, Leeds District Registry
Court reference	365 of 2016

AR Realisations 2016 Limited

Company name	AR Realisations 2016 Limited (formerly Austin Reed Limited)
Registered number	00399575
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Station Road, Thirsk, North Yorkshire, YO7 1QH
Trading addresses	Please refer to Appendix C of the Proposals
Trading name	Austin Reed
Court details	The High Court of Justice, Chancery Division, Leeds District Registry
Court reference	362 of 2016

ARG (Property) Limited

Company name	ARG (Property) Limited
Registered number	01459151
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Station Road, Thirsk, North Yorkshire, YO7 1QH
Trading addresses	Please refer to Appendix C of the Proposals
Trading name	Viyella
Court details	The High Court of Justice, Chancery Division, Leeds District Registry
Court reference	364 of 2016

CC Realisations 2016 Limited

Company name	CC Realisations 2016 Limited (formerly Country Casuals Limited)
Registered number	00510900
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Station Road, Thirsk, North Yorkshire, YO7 1QH
Trading addresses	Please refer to Appendix C of the Proposals
Trading name	Country Casuals
Court details	The High Court of Justice, Chancery Division, Leeds District Registry
Court reference	361 of 2016

Appointor's information

Name	Address	Position
Alan Charlton	c/o Station Road, Thirsk, North Yorkshire, YO7 1QH	Director
Nicholas Hollingworth	c/o Station Road, Thirsk, North Yorkshire, YO7 1QH	Director

Administrators' information

Name	Address	IP number	Name of authorising body
Peter Mark Saville	AlixPartners, 6 New Street Square, London, EC4A 3BF	9029	Insolvency Practitioners Association
Kevin James Coates	AlixPartners, 6 New Street Square, London, EC4A 3BF	9261	Insolvency Practitioners Association
Catherine Mary Williamson	AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	15570	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Extension of Administrations

The Administrations was extended for a period of 12 months with the consent of the secured and, where applicable, preferential creditors. The Administrations will now end on or before 25 April 2018 unless any further extensions are sought.

Appendix B. Receipts and Payments Accounts for the period 26 April 2017 to 25 October 2017 and Cumulative Accounts for the period since appointment

ARG Realisations 2016 Limited

Statement of Affairs £	Period £	Cumulative £	
Fixed charge assets			
Receipts			
4,818,182	Leasehold property	7,547	7,005,547
	Bank interest	177	2,113
		7,723	7,007,660
Payments			
	Administrators' fees	57,816	257,816
	Legal fees and disbursements	42,965	99,395
	Agent's/valuer's fees	222,000	222,000
	Bank charges	17	81
		(322,798)	(579,293)
Distributions			
	Fixed chargeholder - Wells Fargo	-	6,000,000
	Fixed chargeholder - Alteri	8,711	8,711
		(8,711)	(6,008,711)
Balance of fixed charge assets		(323,786)	419,656
Floating charge assets			
Receipts			
	Furniture and equipment	-	58,663
7,394,594	Stock	-	3,324,649
325,000	Duty deferment bond	-	330,954
	Insurance refund	-	8,361
29,208	Cash at bank	-	528,932
	Rates refund	3,412	7,128
	Retentions	-	1,782
	Bank interest	334	2,092
	Court compensation	-	5,524
	Sundry receipts	-	8,461
	Trading surplus	117,306	2,856,995
		121,052	7,133,540

ARG Realisations 2016 Limited (**ARGL**), AR Realisations 2016 Limited (**ARL**), ARG (Property) Limited (**ARGP**) and CC Realisations 2016 Limited (**CCL**) – all in Administration (together the **Companies**)

Statement of Affairs £	Period £	Cumulative £
Payments		
Preparation of Statement of Affairs	-	2,000
Administrators' fees	272,897	272,897
Category 1 disbursements:		
Statutory advertising	-	254
Travel and subsistence	24,292	24,292
Storage costs	303	303
Stationery, postage and photocopying	2,157	9,541
Telephone charges	101	101
Category 2 disbursements:		
Printing and photocopying	481	481
Cost of consignment stock sold to AROL	-	1,307,454
Debt collection fees	35	1,160
Agent's/valuer's fees	748	10,116
Employee claim processing costs	-	44,385
Legal fees and disbursements	-	51,136
Pre-appointment wages	-	158
Bank charges	21	2,608
	(301,034)	(1,726,885)
Distributions		
Preferential creditors	24,476	24,476
Floating chargeholder - Alteri	500,000	4,631,842
	(524,476)	(4,656,318)
Balance of floating charge assets	(704,458)	750,337
Total balance	(704,458)	1,169,993
Represented by		
Interest bearing accounts		1,145,182
VAT receivable		24,811
		1,169,993

Note: The above is subject to small rounding differences.

AR Realisations 2016 Limited

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
Leasehold property	-	185,167
437,000 Intellectual property	-	2,450,000
627,158 Book debts	-	178,469
Concession receipts	-	2,436
Bank interest	173	579
	173	2,816,652
Payments		
Administrators' fees	101,255	101,255
Legal fees	-	43,046
Legal disbursements	-	2,392
Agent's/valuer's fees	-	17,250
Concession commission	-	66,104
Insurance of assets	-	241
Bank charges	18	19
	(101,273)	(230,307)
Distributions		
Fixed chargeholder - Wells Fargo	-	507,827
Fixed chargeholder - Alteri	500,000	1,900,000
	(500,000)	(2,407,827)
Balance of fixed charge assets	(601,101)	178,519
Floating charge assets		
Receipts		
Book debts	-	209,534
Tax refund	-	34
Rates refund	-	4,645
Bank interest	146	3,243
Sundry receipts	-	1,135
Utility refund	-	8,101
Unclaimed dividends from the CVA	-	24,188
Trading surplus	37,606	578,364
	37,752	829,242
Payments		
Administrators' fees	38,629	38,629
Category 1 disbursements:		
Specific penalty bond	225	225
Travel and subsistence	192	192
Stationery, postage and photocopying	537	2,504
Telephone charges	18	18
Category 2 disbursements:		
Printing and photocopying	87	87
Employee agent costs	-	2,340
Legal fees and disbursements	-	50,326
Concession commission	-	81,306
Bank charges	3	143
	(39,690)	(175,770)
Balance of floating charge assets	(1,938)	653,473
Total balance	(603,039)	831,991
Represented by		
Interest bearing accounts		828,143
VAT receivable		3,848
		831,991

Note: The above is subject to small rounding differences.

ARG (Property) Limited

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
Leasehold property	-	105,000
Intellectual property	-	37,500
Bank interest	15	25
715,703 Book debts	-	431,111
	15	573,636
Payments		
Administrators' fees	15,553	15,553
Contribution to floating costs	(11,098)	28,311
Legal fees	-	3,031
Agent's/valuer's fees	-	2,625
Concession commission	-	155,388
Bank charges	-	1
Sundry expenses	-	44
	(4,454)	(204,952)
Distributions		
Fixed chargeholder - Wells Fargo	-	275,723
	-	(275,723)
Balance of fixed charge assets	(4,440)	92,960
Floating charge assets		
Receipts		
Contribution from fixed charge	(11,098)	28,311
Funding from secured creditor	-	250,000
Book debts	-	182,972
Tax refund	-	8
Rates refund	-	1,181
Bank interest	8	467
Sundry receipts	-	4,237
	(11,091)	467,177
Payments		
Trading deficit/(surplus)	(21,983)	415,467
Category 1 disbursements:		
Specific penalty bond	225	225
Stationery and postage	112	619
Category 2 disbursements:		
Printing and photocopying	3	3
Concession commission	-	40,243
Insurance	-	37
Bank charges	1	33
	21,642	(456,627)
Balance of floating charge assets	10,551	10,550
Total balance		103,510
Represented by		
Interest bearing accounts		103,012
VAT receivable		498
		103,510

Note: The above is subject to small rounding differences.

ARG Realisations 2016 Limited (**ARGL**), AR Realisations 2016 Limited (**ARL**), ARG (Property) Limited (**ARGP**) and CC Realisations 2016 Limited (**CCL**) – all in Administration (together the **Companies**)

CC Realisations 2016 Limited

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
Leasehold property	-	132,093
Intellectual property	-	512,500
620,588 Book debts	-	595,814
Bank interest	72	117
Concession receipts	-	5,140
	72	1,245,663
Payments		
Administrators' fees	38,077	38,077
Legal fees	-	3,031
Agent/valuer's fees	-	18,188
Concession commission	-	211,527
Contribution to floating account	(10,876)	249,436
Bank charges	-	2
	(27,201)	(520,261)
Distributions		
Fixed chargeholder - Wells Fargo	-	389,427
	-	(389,427)
Balance of fixed charge assets	(27,129)	335,975
Floating charge assets		
Receipts		
Contribution from fixed account	(10,876)	249,436
Funding from secured creditor	-	-
Book debts	-	181,537
Rates refund	1,432	12,096
Sundry receipts	-	293
Unclaimed dividends from the CVA	-	5,695
Bank interest	9	720
	(9,435)	449,779
Payments		
Trading deficit/(surplus)	(19,094)	323,329
Loan from group companies	-	-
Category 1 disbursements:		
Specific penalty bond	225	225
Stationery and postage	328	2,080
Debt collection fees	-	444
Employee claim processing costs	-	5,700
Concession commission	-	58,246
Legal fees and disbursements	184	50,735
Bank charges	1	99
	18,356	(440,859)
Balance of floating charge assets	8,921	8,920
Total balance		344,895
Represented by		
Interest bearing accounts		343,485
VAT receivable		1,410
		344,895

Note: The above is subject to small rounding differences.

Appendix C. Trading Receipts and Payments Accounts for the period 26 April 2017 to 25 October 2017 and Cumulative Accounts for the period since appointment

ARG Realisations 2016 Limited

	Period £	Cumulative £
Sales		
Sales	170,837	7,683,013
Concession sales	-	280,279
	170,837	7,963,291
Purchases		
Purchases	-	1,123,158
	-	(1,123,158)
Other direct costs		
Wages and salaries	-	879,970
PAYE and National Insurance	-	188,354
Sub-contractor payments	-	53,486
Direct expenses	-	5,162
	-	(1,126,972)
Trading expenditure		
Indirect labour costs	-	31,051
Rent	-	611,338
Rates	(10,480)	263,363
Utilities	-	38,803
Telephone	-	8,811
Carriage	-	140,995
Insurance	63,071	63,487
Bank charges	940	162,630
IT costs	-	142,263
Lease payments	-	9,846
Equipment hire	-	5,289
Repairs and maintenance	-	22,704
Branch expenses	-	49,771
Sales commission	-	40,060
Advertising	-	749
Stationery and packaging	-	24,944
Postage	-	6,598
Ransom payments	-	142,870
Employee costs	-	13,390
Consultant costs	-	404,529
Supplier deposits	-	3,000
Retention of title costs	-	669,675
	(53,531)	(2,856,166)
Trading surplus	117,306	2,856,995

Note: The above is subject to small rounding differences.

ARG Realisations 2016 Limited (**ARGL**), AR Realisations 2016 Limited (**ARL**), ARG (Property) Limited (**ARGP**) and CC Realisations 2016 Limited (**CCL**) – all in Administration (together the **Companies**)

AR Realisations 2016 Limited

	Period £	Cumulative £
Sales		
Sales	49,636	7,151,524
	49,636	7,151,524
Purchases		
Purchases	-	3,525,474
	-	(3,525,474)
Other direct costs		
Wages and salaries	-	614,433
PAYE and National Insurance	-	131,581
Sub-contractor payments	-	11,044
Direct expenses	-	4,318
	-	(761,376)
Trading expenditure		
Indirect labour costs	-	21,692
Rent	(583)	488,603
Rates	-	168,836
Utilities	-	25,928
Telephone	-	5,715
Carriage	-	83,303
Insurance	12,613	13,031
Consultant costs	-	330,118
Bank charges	-	88,867
IT costs	-	57,976
Lease payments	-	6,387
Equipment hire	-	3,431
Repairs and maintenance	-	14,727
Branch expenses	-	32,077
Sales commission	-	214,619
Ransom payments	-	63,039
Advertising	-	756
Stationery and packaging	-	16,180
Postage	-	4,280
Bespoke suits, hirewear and tailoring	-	205,319
Employee costs	-	13,123
Jersey VAT payment	-	8,302
Retention of title costs	-	420,000
	(12,030)	(2,286,310)
Trading surplus	37,606	578,364

Note: The above is subject to small rounding differences.

ARG (Property) Limited

	Period £	Cumulative £
Sales		
Sales	30,810	3,252,724
	30,810	3,252,724
Purchases		
Purchases	-	2,000,695
	-	(2,000,695)
Other direct costs		
Wages and salaries	-	409,208
PAYE and National Insurance	-	87,632
Sub-contractor payments	-	5,241
Direct expenses	-	2,049
	-	(504,131)
Trading expenditure		
Indirect labour costs	-	14,447
Rent	-	245,073
Rates	693	69,624
Utilities	-	16,621
Telephone	-	3,760
Carriage	-	40,644
Insurance	6,030	6,234
Branch expenses	-	21,101
IT costs	-	38,137
Lease payments	-	4,201
Equipment hire	-	2,257
Repairs and maintenance	-	9,688
Advertising	-	369
Stationery and packaging	-	10,644
Postage	-	2,815
Sales commission	2,104	422,540
Ransom payments	-	29,917
Employee costs	-	6,228
Consultant costs	-	160,608
Bank charges	-	58,458
	(8,827)	(1,163,365)
Trading deficit	21,983	(415,467)

Note: The above is subject to small rounding differences.

ARG Realisations 2016 Limited (**ARGL**), AR Realisations 2016 Limited (**ARL**), ARG (Property) Limited (**ARGP**) and CC Realisations 2016 Limited (**CCL**) – all in Administration (together the **Companies**)

CC Realisations 2016 Limited

	Period £	Cumulative £
Sales		
Sales	46,460	3,214,360
	46,460	3,214,360
Purchases		
Purchases	-	1,836,552
		(1,836,552)
Other direct costs		
Wages and salaries	-	427,921
PAYE and National Insurance	-	91,640
Sub-contractor payments	-	5,502
Direct expenses	-	2,151
	-	(527,214)
Trading expenditure		
Indirect labour costs	-	15,107
Rent	1,060	213,881
Rates	2,165	77,666
Utilities	-	14,170
Telephone	-	3,213
Carriage	-	41,511
Insurance	18,650	18,859
Bank charges	-	49,963
IT costs	-	32,595
Lease payments	-	3,591
Equipment hire	-	1,929
Repairs and maintenance	-	8,280
Branch expenses	-	18,034
Sales commission	5,490	456,710
Advertising	-	377
Stationery and packaging	-	9,097
Postage	-	2,406
Ransom payments	-	31,405
Employee costs	-	6,537
Consultant costs	-	168,593
	(27,366)	(1,173,923)
Trading deficit	19,094	(323,329)

Note: The above is subject to small rounding differences.

Appendix D. Administrators' fees

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Administrators.

Approval of the Administrators' fees has been sought in accordance with insolvency legislation. The original fee estimate provided in the Administrators' Proposals was based on the time expected to be incurred during the Administrations. This estimate was approved by the Secured Creditors and, where applicable, the preferential creditors.

To date, the following fees have been drawn by the Administrators.

Company	Fixed charge fees £	Floating charge fees £	Total fees £
ARGL	257,816	272,897	530,713
ARL	101,255	38,629	139,884
ARGP	15,553	-	15,553
CCL	38,077	-	38,077
Total	412,701	311,526	724,227

Administrators' original fee estimate

The original fee estimate was provided in the Proposals. A copy of that estimate is set out below.

ARG Realisations 2016 Limited

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	741	357	264,867
Realisation of assets	237	415	98,420
Administration (including statutory reporting)	293	463	135,569
Investigations	33	345	11,230
Creditors (claims and distribution)	222	367	81,416
Total	1,526	388	591,502

AR Realisations 2016 Limited

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	756	357	270,182
Realisation of assets	220	415	91,056
Administration (including statutory reporting)	261	463	120,693
Investigations	8	345	2,885
Creditors (claims and distribution)	57	367	20,917
Total	1,302	388	505,733

ARG (Property) Limited

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	469	357	167,749
Realisation of assets	4	415	1,853
Administration (including statutory reporting)	73	463	33,916
Investigations	7	345	2,392
Creditors (claims and distribution)	47	367	17,345
Total	601	371	223,256

CC Realisations 2016 Limited

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	420	357	150,091
Realisation of assets	61	415	25,323
Administration (including statutory reporting)	66	463	30,346
Investigations	8	345	2,791
Creditors (claims and distribution)	53	367	19,632
Total	608	375	228,183

The above estimate was based on information available to the Administrators at the time the approval of their fee basis was sought.

Administrators' details of time spent to date

The Administrators' time costs for the Period for each of the Companies are summarised in the following Time Analyses, which provide details of the hours incurred by area of activity, the blended rate per hour and the time costs per activity category.

ARG Realisations 2016 Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	8	353	2,824	352,132
Realisation of assets	47	424	19,963	247,868
Administration (including statutory reporting)	69	425	29,302	334,519
Investigations	-	-	-	29,855
Creditors (claims and distribution)	33	410	13,516	26,443
Total	157	418	65,605	990,817

AR Realisations 2016 Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	7	344	2,411	230,082
Realisation of assets	26	338	8,450	44,593
Administration (including statutory reporting)	47	387	18,195	121,125
Investigations	-	-	-	2,980
Creditors (claims and distribution)	15	381	5,712	10,754
Total	95	366	34,768	409,534

ARG (Property) Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	3	245	734	175,971
Realisation of assets	9	320	2,882	30,788
Administration (including statutory reporting)	24	416	9,977	64,286
Investigations	-	-	-	2,291
Creditors (claims and distribution)	8	331	2,648	5,288
Total	44	369	16,241	278,624

ARG Realisations 2016 Limited (**ARGL**), AR Realisations 2016 Limited (**ARL**), ARG (Property) Limited (**ARGP**) and CC Realisations 2016 Limited (**CCL**) – all in Administration (together the **Companies**)

CC Realisations 2016 Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	3	303	910	188,827
Realisation of assets	11	310	3,415	42,747
Administration (including statutory reporting)	28	405	11,332	72,392
Investigations	-	-	-	2,193
Creditors (claims and distribution)	5	307	1,537	4,322
Total	47	366	17,194	310,481

Details of the progress of the Administrations to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in Section 3.

The Administrators believe that the original estimate remains valid as fees drawn in each case will not exceed the estimates detailed above. Where time costs have exceeded the fee estimates as a result of the change in strategy and wind down of the businesses, the additional time will be written off.

Appendix E. Administrators' expenses and disbursements

Expenses of the Administrations

The estimate of expenses anticipated to be incurred by the Administrators from third parties whilst dealing with the Administrations and trading on the businesses was provided to creditors in the Proposals. An updated a copy of that estimate is set out below.

	ARGL	ARL	ARGP	CCL
Squire Patton Boggs UK LLP	115,000	113,750	9,500	74,000
MBM Commercial	500	500	500	500
ERA Solutions Limited	49,000	5,000	-	6,500
Alteri Agency Investments Limited (AAIL)*	405,000	332,000	162,000	169,000
Travers Smith LLP	750	750	750	750
Olswang LLP	255	255	255	255
Gooch Cunliffe Whale LLP (GCW)**	222,000	17,250	2,625	18,190
Willis Towers Watson Limited (Willis)	63,500	13,000	6,500	19,000
CAPA	1,400	-	-	550
PHD Property	1,400	2,500	-	500
Hilco Appraisal	10,000	-	-	-
Total	868,805	485,005	182,130	289,245

* As a reminder, AAIL is the Administrators' retail agent and its role was to oversee trading across the Group. The anticipated costs of AAIL exceeded original estimates due to the change in strategy which resulted in a wind down of the business. This required AAIL's engagement to continue for a longer period than initially expected as well as dealing with unforeseen issues resulting from the closure of the stores.

** The fees due to GCW were disputed and subject to a legal mediation process. During the Period, a settlement was agreed between GCW and the Administrators and this has now been paid.

Current position of Administrators' expenses

An analysis of the costs incurred but not paid as at the end of the Period is provided below.

	ARGL	ARL	ARGP	CCL
Legal costs	6,000	6,000	5,000	5,000
Debtor collection costs	500	2,800	-	-
Total	6,500	8,800	5,000	5,000

Administrators' disbursements

A copy of the analysis of anticipated disbursements previously provided is set out below. The actual disbursements paid to date can be found in the Receipts and Payments Accounts at Appendix B.

	ARGL	ARL	ARGP	CCL
<i>Category 1 disbursements:</i>				
Specific penalty bond	225	225	225	225
Statutory advertising	170	170	170	170
Travel and subsistence	4,550	5,150	2,565	2,900
Storage	500	500	500	500
Stationery and postage	2,000	2,000	2,000	2,000
Telephone charges	50	50	50	50
Re-direction of mail	240	240	240	240
Total	7,735	8,335	5,750	6,085

Due to the significant number of creditors and debtors, stationery and postage costs have exceeded the initial estimate provided above. To date, costs of £14,744 have been discharged.

Category 1 disbursements of £40,579 have been drawn from the Companies. Approval to draw category 2 disbursements was sought and received from the secured and, where applicable, the preferential creditors on 26 October 2016. Total category 2 disbursements drawn from the Companies is £571.

Appendix F. Additional information in relation to the Administrators' fees

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director or director, a vice president, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by treasury staff in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	ERA Solutions Limited	Rate per employee	52,425
Debt collection	CAPA	20% of recoveries	1,569
Debt collection	PHD Property Advisory Limited	20% of recoveries	897

Professional advisors

On this assignment the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Squire Patton Boggs UK LLP (legal advice)	Hourly rate and disbursements
Willis Towers Watson Limited (insurance)	Risk based premium
Gooch Cunliffe Whale LLP (property agent)	To be agreed
Alteri Agency Investments Limited (retail agent)	Daily rate and element of fixed cost
Hilco Appraisal Limited (valuation and disposal advice)	Hourly rate and disbursements
Olswang LLP (legal advice)	Hourly rate and disbursements
MBM Commercial (legal advice)	Hourly rate and disbursements

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include business mileage for staff travel - charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 January 2017 is detailed below. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates from 1 January 2017 £
Managing director	615-675
Director	590
Vice president	495
Associate	365-445
Analyst	210-365
Treasury and support	100-240

Appendix G. Exit route and discharge from liability

Dissolution of the Companies

ARGL and ARL have no property to permit a distribution to their unsecured creditors other than by way of the Unsecured Creditors' Fund. ARGP and CCL have no property to permit a distribution to their unsecured creditors.

In all cases, the Administrators will file notices, together with their final progress reports, at court and with the Registrar of Companies for dissolution of these entities. The Administrators will send copies of these documents to the Companies and their creditors and the appointments will end following the registration of the notice by the Registrar of Companies.

Discharge from liability

On 3 January 2017, the Secured Creditors and, where necessary, the preferential creditors, approved that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect.