

AM10

Notice of administrator's progress report



Companies House

THURSDAY



A04 21/11/2019 #207
COMPANIES HOUSE

n, please
at
eshouse

1 Company details

Company number 0 0 3 9 9 5 7 5

Company name in full AR Realisations 2016 Limited
(formerly Austin Reed 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 The Zenith Building

Street 26 Spring Gardens

Manchester

Post town

County/Region

Postcode M 2 1 A B

Country

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 6 New Street Square

Street London

Post town

County/Region

Postcode E C 4 A 3 B F

Country

② Other administrator
Use this section to tell us about
another administrator.

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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 9
To date	^d 2	^d 5	^m 1	^m 0	^y 2	^y 0	^y 1	^y 9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Ames

X

Signature date

^d 2	^d 0	^m 1	^m 1	^y 2	^y 0	^y 1	^y 9
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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 **Abhay Kapoor**

Company name **AlixPartners**

Address **The Zenith Building**
26 Spring Gardens

Post town **Manchester**

County/Region

Postcode **M 2 1 A B**

Country

DX

Telephone **+44 (0) 161 838 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.



Where to send

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

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Administrators' Progress Report for the period 26 April 2019 to 25 October 2019

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

20 November 2019

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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 Following Kevin Coates' departure from the firm in April 2019, the Administrators applied to court to remove Kevin Coates as Administrator of the Companies. The court application was approved and Kevin Coates was released from office with effect from 8 July 2019. Peter Saville and Catherine Williamson continue to act jointly and severally as Administrators of the Companies.
- 1.3 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 2019 to 25 October 2019 (the **Period**) and should be read in conjunction with previous reports.
- 1.4 This report has been prepared in accordance with rule 18.2 of the Insolvency (England and Wales) Rules 2016.
- 1.5 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.
- 1.6 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.
- 1.7 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.
- 1.8 Details of the Administrators' fees and disbursements incurred are provided at Appendices D to F.
- 1.9 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 original letter you have received.
- 1.10 If you require a hard copy of this report or have any queries in relation to its contents or the Administrations generally, please contact Abhay Kapoor on 0161 838 4542, 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	Agreed debt £	Actual/estimated level of return £
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 (Alteri)	18.24 million	5.09 million
Preferential creditors	24,476	100 pence in the pound
Unsecured creditors	15.01 million	3.80 pence in the pound

AR Realisations 2016 Limited

Description	Agreed debt £	Actual/estimated level of return £
Secured creditor: Wells Fargo	7.17 million	507,827
Secured creditor: Alteri	18.24 million	2.55 million
Unsecured creditors	53.31 million	0.22 pence in the pound

ARG (Property) Limited

Description	Estimated debt £	Actual/estimated level of return £
Secured creditor: Wells Fargo	7.17 million	275,723
Secured creditor: Alteri	18.24 million	82,000
Unsecured creditors	766,551	Nil

CC Realisations 2016 Limited

Description	Estimated debt £	Actual/estimated level of return £
Secured creditor: Wells Fargo	7.17 million	389,427
Secured creditor: Alteri	18.24 million	300,000
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.

Wells Fargo held first ranking charges and, at the date of appointment, was owed £7.17 million by the Companies. Wells Fargo has been repaid in full by the Companies during the Administrations.

Alteri holds second and third ranking charges and was owed a total of approximately £18.24 million at the date of the Administrators' appointment.

To date, Alteri has received distributions totalling £8.09 million. This includes a distribution of £84,565 from Austin Reed Credit Services Limited (**ARCS**), an entity in the wider group which was previously in administration and was also subject to the cross-guarantees.

Any future return to Alteri is dependent on the success of the Companies' claim against the merchant providers, as detailed in section 3.

Preferential creditors

Preferential claims of £24,476 were received in respect of ARGL. A preferential dividend of 100 pence in the pound was distributed to the preferential creditors of ARGL on 22 June 2017.

No preferential claims were submitted against ARL, ARGP or CCL.

Unsecured creditors

The level of unsecured creditors for ARGL and ARL is based on claims reviewed and agreed by the Administrators. The level of unsecured creditors for ARGP and CCL is based on the claims received to date.

The Administrators have distributed funds of £569,625 and £117,073 (after costs) to the unsecured creditors of ARGL and ARL, respectively. This represents a dividend rate of 3.80 pence in the pound in ARGL and 0.22 pence in the pound in ARL.

The Administrators do not anticipate that there will be sufficient funds to enable any future distributions to the unsecured creditors of the Companies, either by way of the Unsecured Creditors' Funds (as defined at section 4.9), or otherwise. This is dependent on the outcome of the potential claim detailed in section 3.

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

- 3.1 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 appointments.
- 3.2 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

- 3.3 As detailed in the Administrators' previous progress report, going concern sales were not achieved and the trading operations of the Companies have been wound down. There have been no movements in the trading positions of ARGL, ARL and CCL during the Period, however there was a small movement in ARGP due to a refund of bank charges incurred during the Administration.
- 3.4 The trading positions for the Companies have now been finalised. The Administrators do not anticipate that there will be any further movements in respect of the Companies' trading positions.

Realisation of assets

Potential claim

- 3.5 The Companies continue to pursue a potential claim against merchant providers in respect of anti-competitive merchant interchange fees which were incurred in operating card payment systems before the Companies ceased trading.
- 3.6 The Administrators have been advised that there are merits to the claim and material recoveries could be achieved if successful. The Companies have therefore joined a consortium of other retailers which has been established in order to bring a claim against the merchant providers (the **Consortium**).
- 3.7 Discussions have continued with the merchant providers during the Period with a view to reaching a settlement.
- 3.8 Due to the sensitive nature of this claim, the Administrators are unable to provide further information at this stage.

Book debts

- 3.9 A book debt of £2,954 was received by ARL during the Period in respect of a payment made by a debtor subject to insolvency proceedings in Ireland.

Bank interest

3.10 During the Period, the following bank interest was received by the Companies.

£	ARGL	ARL	ARGP	CCL
Bank interest	145	69	22	33
Total	145	69	22	33

Administration (including statutory reporting)

- 3.11 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 also responsible for liaising with HM Revenue and Customs 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.
- 3.12 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.
- 3.13 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 distributions)

- 3.14 The Administrators have incurred time during the Period in providing regular updates on the progress of the Administrations to Alteri and dealing with general correspondence received from creditors of the Companies.
- 3.15 For further details on the estimated outcome for creditors, please refer to section 4.

4. Estimated outcome for creditors

Secured creditor – Wells Fargo

- 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

- 4.3 Alteri holds second and third ranking fixed and floating charges which are cross-guaranteed by the Companies.
- 4.4 At the date of appointment, Alteri was owed approximately £18.24 million (excluding interest and charges) under its security.
- 4.5 To date, Alteri has received funds totalling £8.09 million from the Companies and from ARCS, which was previously in administration and was also subject to the cross-guarantees.
- 4.6 The total return to Alteri under its security will be subject to the success of the Companies' claim against the merchant providers.

Preferential creditors

- 4.7 On 22 June 2017, the Administrators distributed a dividend of £24,476 to the preferential creditors of ARGL, representing a dividend rate of 100 pence in the pound.
- 4.8 No further preferential dividends will be distributed by the Companies.

Unsecured Creditors' Fund

- 4.9 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'.
- 4.10 As all floating charges granted by the Companies post-date 15 September 2003, there is a requirement to create a fund in each case.
- 4.11 On 29 March 2018, the Administrators also distributed a total dividend of £569,625 (after costs) to the unsecured creditors of ARGL via the Unsecured Creditors' Fund, representing a dividend rate of 3.80 pence in the pound.
- 4.12 On 23 March 2018, the Administrators distributed a total dividend of £117,073 (after costs) to the unsecured creditors of ARL via the Unsecured Creditors' Fund, representing a dividend rate of 0.22 pence in the pound.

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 The Administrators anticipate that there will be insufficient funds to enable any further distributions to the unsecured creditors of the Companies, however this is subject to the success of the potential claim detailed in section 3.

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 of that entity) 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 of that entity) 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 route please see Appendix G.

For and on behalf of
The Companies



Catherine Williamson
Administrator

Encs

Appendix A. Statutory information

Companies' information

ARG Realisations 2016 Limited

Company name	ARG Realisations 2016 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
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
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 names	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 The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	Director
Nicholas Hollingworth	c/o The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	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
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 were initially extended for a period of 12 months to 25 April 2018 with the consent of the secured, and where applicable, preferential creditors. The Administrations have been extended further for a period of 24 months with the permission of the court and will now expire on 25 April 2020.

Appendix B. Receipts and Payments Accounts for the period 26 April 2019 to 25 October 2019 and Cumulative Accounts for the period since appointment

ARGL

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
4,818,182 Leasehold property	-	7,005,547
- Bank interest	14	3,166
	14	7,008,713
Payments		
Administrators' fees	-	260,206
Legal fees and disbursements	-	99,395
Insurance of assets	-	1,204
Agent's/valuer's fees	-	222,000
Bank charges	-	99
	-	(582,904)
Distributions		
Fixed chargeholder - Wells Fargo	-	6,000,000
Fixed chargeholder - Alteri	-	399,617
	-	(6,399,617)
Balance of fixed charge assets	14	26,192
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
- Book debts	-	7,471
- Rates refund	-	7,286
- Retentions	-	1,782
- Bank interest	131	3,204
- Court compensation	-	5,524
- Sundry receipts	-	8,610
- Trading surplus/(deficit)	-	2,881,382
	131	7,166,818
Payments		
Preparation of Statement of Affairs	-	2,000
Administrators' fees:		
General	-	272,897
Unsecured Creditors' Fund	-	30,375
Category 1 disbursements:		
Statutory advertising	-	254
Travel and subsistence	-	24,292
Storage costs	-	303
Stationery, postage and photocopying	-	10,068
Telephone charges	-	101
Category 2 disbursements:		
Printing and photocopying	-	481
Cost of consignment stock sold to AROL	-	1,307,454
Debt collection fees	-	1,160
Agent's/valuer's fees	-	10,116
Corporation tax	-	446
Employee claim processing costs	-	61,785
Legal fees and disbursements	-	89,248
Pre-appointment wages	-	158
Bank charges	26	2,698
Sundry costs	-	3,671
	(26)	(1,817,508)

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 £
Distributions		
Floating chargeholder - Alteri	-	4,684,747
Preferential creditors:		
Dividend - 100p/£, 22/06/2017	-	24,476
Unsecured creditors:		
Dividend - 3.80p/£, 29/03/2018	-	569,625
	-	(5,278,847)
Balance of floating charge assets	106	70,463
Total balance	120	96,655
Represented by		
Interest bearing accounts		96,177
VAT receivable		478
		96,655

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**)

ARL

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	39	934
	39	2,817,007
Payments		
Administrators' fees	-	101,255
Legal fees	-	43,046
Legal disbursements	-	2,392
Agent's/valuer's fees	-	17,250
Concession commission	-	66,104
Insurance of assets	-	5,057
Bank charges	-	23
	-	(235,127)
Distributions		
Fixed chargeholder - Wells Fargo	-	507,827
Fixed chargeholder - Alteri	-	2,052,006
	-	(2,559,833)
Balance of fixed charge assets	39	22,047
Floating charge assets		
Receipts		
- Book debts	2,954	212,488
- Tax refund	-	7,835
- Rates refund	-	7,563
- Bank interest	30	4,689
- Sundry receipts	-	1,135
- Utility refund	-	8,101
- Unclaimed dividends from the CVA	-	24,188
- Trading surplus	-	578,364
	2,984	844,361
Payments		
Administrators' fees		
General	-	38,629
Unsecured Creditors' Fund	-	13,704
Category 1 disbursements:		
Specific penalty bond	-	225
Travel and subsistence	-	192
Stationery, postage and photocopying	-	2,857
Telephone charges	-	18
Category 2 disbursements:		
Printing and photocopying	-	87
Property agent's fees	-	2,889
Employee agent costs	-	4,340
Legal fees and disbursements	-	58,240
Concession commission	-	81,306
Corporation tax	-	1,086
Hypothec charges	-	10,000
Bank charges	-	208
	-	(213,782)
Distributions		
Floating charge creditor - Alteri	-	485,256
Unsecured creditors:		
Dividend - 0.22p/ £, 23/03/2018	-	117,073
	-	(602,329)
Balance of floating charge assets	2,984	28,250
Total balance	3,023	50,298
Represented by		
Interest bearing accounts		50,298
		50,298

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**)

ARGP

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
- Leasehold property	-	105,000
- Intellectual property	-	37,500
- Bank interest	11	229
715,703 Book debts	-	431,111
	11	573,840
Payments		
Administrators' fees	-	22,903
Contribution to floating costs	-	28,311
Corporation tax	-	144
Insurance	-	1,806
Legal fees	-	3,031
Agent's/valuer's fees	-	2,625
Concession commission	-	155,388
Bank charges	-	6
Sundry expenses	-	44
	-	(214,257)
Distributions		
Fixed chargeholder - Wells Fargo	-	275,723
Fixed chargeholder - Alteri	-	81,703
	-	(357,426)
Balance of fixed charge assets	11	2,157
Floating charge assets		
Receipts		
- Contribution from fixed charge	-	28,311
- Funding from secured creditor	-	250,000
- Book debts	-	189,707
- Tax refund	-	8
- Rates refund	-	1,181
- Bank interest	11	492
- Sundry receipts	-	4,237
	11	473,937
Payments		
Trading deficit/(profit)	(6,574)	408,893
Category 1 disbursements:		
Specific penalty bond	-	225
Stationery and postage	-	619
Category 2 disbursements:		
Printing and photocopying	-	3
Concession commission	-	40,243
Corporation tax	-	100
Insurance	-	37
Legal fees	-	3,157
Bank charges	-	34
	6,574	(453,311)
Balance of floating charge assets	6,585	20,626
Total balance	6,595	22,783
Represented by		
Interest bearing accounts		22,783
		22,783

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**)

CCL

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	23	668
- Concession receipts	-	5,140
	23	1,246,215
Payments		
Administrators' fees	-	51,817
Legal fees	-	3,031
Agent/valuer's fees	-	18,188
Insurance	-	8,428
Concession commission	-	211,527
Contribution to floating account	-	249,436
Bank charges	-	19
	-	(542,446)
Distributions		
Fixed chargeholder - Wells Fargo	-	389,427
Fixed chargeholder - Alteri	-	300,000
	-	(689,427)
Balance of fixed charge assets	23	14,342
Floating charge assets		
Receipts		
- Contribution from fixed account	-	249,436
- Book debts	-	181,537
- Rates refund	-	14,090
- Sundry receipts	-	293
- Unclaimed dividends from the CVA	-	5,695
- Bank interest	10	757
	10	451,809
Payments		
Trading deficit	-	323,827
Category 1 disbursements:		
- Specific penalty bond	-	225
- Stationery and postage	-	2,080
- Debt collection fees	-	444
- Employee claim processing costs	-	5,700
- Corporation tax	-	200
- Concession commission	-	58,246
- Legal fees and disbursements	-	53,893
- Bank charges	-	101
	-	(444,716)
Balance of floating charge assets	10	7,093
Total balance	32	21,434
Represented by		
Interest bearing accounts		21,434
		21,434

Note: The above is subject to small rounding differences.

Appendix C. Trading Receipts and Payments Account for the period 26 April 2019 to 25 October 2019 and a Cumulative Account for the period since appointment

ARGP

	Period £	Cumulative £
Sales		
Sales	-	3,252,724
	-	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	-	69,624
Utilities	-	16,621
Telephone	-	3,760
Carriage	-	40,644
Insurance	-	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	-	422,540
Ransom payments	-	29,917
Employee costs	-	6,228
Consultant costs	-	160,608
Bank charges	(6,574)	51,884
	6,574	(1,156,791)
Trading profit/(deficit)	6,574	(408,893)

Note: the above is subject to small rounding differences.

As there has been no change in the trading position for ARGL, ARL and CCL, the Trading Receipts and Payments accounts have not been included for these entities.

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 and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with insolvency legislation. The original fee estimates provided in the Administrators' Statement of Proposals (the **Proposals**) were based on the time expected to be incurred during the Administrations. These estimates were 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 £	Prescribed Part fees £	Total fees drawn £
ARGL	260,206	272,897	30,375	563,478
ARL	101,255	38,629	13,704	153,588
ARGP	22,903	-	-	22,903
CCL	51,817	-	-	51,817
Total	436,181	311,526	44,079	791,786

Administrators' fee estimates

The fee estimates were originally provided when the basis of the Administrators' fees was approved. A copy of the estimates of the anticipated amount of work and the costs associated with them are set out below.

ARGL

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

ARL

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

ARGP

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	388	223,256

CCL

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	388	228,183

The above estimates were 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 costs incurred by area of activity, the average rate per hour and the time costs per activity category.

ARGL

The Administrators' time costs for the Period are £9,302. This represents 26 hours at an average rate of £354 per hour.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	-	-	-	352,845
Realisation of assets	0.8	408	326	260,261
Administration (including statutory reporting)	24.8	355	8,794	402,544
Investigations	-	-	-	29,929
Creditors (claims and distribution)	0.7	260	182	49,090
Total	26.3	354	9,302	1,094,669

ARL

The Administrators' time costs for the Period are £7,265. This represents 22 hours at an average rate of £330 per hour.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	-	-	-	230,525
Realisation of assets	3	376	1,166	55,274
Administration (including statutory reporting)	19	323	6,099	177,187
Investigations	-	-	-	2,980
Creditors (claims and distribution)	-	-	-	24,936
Total	22	330	7,265	490,902

ARGP

The Administrators' time costs for the Period are £2,539. This represents 9 hours at an average rate of £282 per hour.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	-	-	-	176,208
Realisation of assets	0.3	330	99	34,549
Administration (including statutory reporting)	8.7	280	2,440	88,470
Investigations	-	-	-	2,291
Creditors (claims and distribution)	-	-	-	5,553
Total	9	282	2,539	307,071

CCL

The Administrators' time costs for the Period are £2,376. This represents 9 hours at an average rate of £258 per hour.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	-	-	-	189,646
Realisation of assets	0.3	330	99	45,738
Administration (including statutory reporting)	8.7	257	2,233	98,429
Investigations	-	-	-	2,193
Creditors (claims and distribution)	0.2	220	44	4,643
Total	9.2	258	2,376	340,649

NB Cumulative time is the total from the date of the Administrators' appointment to the end date of the Period.

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 estimates remain 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 Administrators' Statement of Proposals; a copy of that estimate is set out below.

	ARGL	ARL	ARGP	CCL
Squire Patton Boggs UK LLP	109,375	109,375	15,625	62,500
MBM Commercial	500	500	500	500
ERA Solutions	37,000	4,000	-	6,500
Alteri Agency Investments Limited	300,000	340,000	190,000	170,000
Travers Smith LLP	750	750	750	750
Olswang LLP	255	255	255	255
Gooch Cunliffe Whale LLP	100,000	22,500	21,250	85,500
Willis Towers Watson Limited	12,500	12,500	12,500	12,500
CAPA	Unascertained	Unascertained	Unascertained	Unascertained
PHD Property	Unascertained	Unascertained	Unascertained	Unascertained
Hilco Appraisal	15,000	2,000	2,000	1,000
Total	575,380	491,880	242,880	339,505

The current position of the Administrators' expenses is set out in the Receipts and Payments Accounts at Appendix B.

Administrators' disbursements

A copy of the analysis of anticipated disbursements previously provided is set out below. The actual expenses may be found in the Receipts and Payments Account in Appendix B.

£	ARGL	ARL	ARGP	CCL
Category 1 disbursements:				
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

Category 1 disbursements of £41,459 have been drawn from the Companies. Approval to draw category 2 disbursements has been given by 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, a director or senior vice president, a vice president and a consultant. 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, e.g. report compilation and distribution.

The following services are being provided on these assignments by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	ERA Solutions Limited	Rate per employee	71,825
Debt collection	Consultiam Property Limited	20% of recoveries	1,604
Debt collection	PHD Property Advisory Limited	20% of recoveries	3,053

Professional advisors

On these assignments 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)	Percentage of realisations
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 assignments 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 e.g. 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 printing and photocopying, and 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 these assignments effective from 1 January 2019 is detailed below. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates from 1 January 2019 £
Managing director	735
Director	640
Senior vice president	540
Vice president	395-485
Consultant	220-330
Treasury and support	115-260

Appendix G. Exit route and discharge from liability

Dissolution of the Companies

Based on current information, ARGL and ARL have no property to permit a distribution to their unsecured creditors other than by way of the Unsecured Creditors' Fund, which was distributed in March 2018. 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 the Companies. The Administrators will send copies of these documents to the Companies and their creditors and the appointments will end following the registration of the notices by the Registrar of Companies.

Discharge from liability

On 3 January 2017, the secured creditors and, where applicable, 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 appointments as Administrators cease to have effect.