

# AM10

## Notice of administrator's progress report

For further information, please

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09/11/2017

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COMPANIES HOUSE

Please complete in typescript or in  
bold black capitals.

### 1 Company details

Company number 0 6 5 8 7 8 2 8

Company name in full Jaeger London Limited

### 2 Administrator's name

Full forename(s) Catherine Mary

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 Mark

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	1	d	0	m	0	m	4	y	2	y	0	y	1	y	7
To date	d	0	d	9	m	1	m	0	y	2	y	0	y	1	y	7

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*Prime*

X

Signature date

d	0	d	8	m	1	m	1	y	2	y	0	y	1	y	7
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# 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

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



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The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
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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. <sup>1</sup>  
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

<sup>1</sup> 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) Ryan Kevin

Surname Grant

### 3 Insolvency practitioner's address

Building name/number AlixPartners

Street 35 Newhall Street

Post town Birmingham

County/Region

Postcode B 3 3 P U

Country United Kingdom

# Administrators' Progress Report for the period 10 April 2017 to 9 October 2017

The Jaeger Company's Shops Limited,  
The Jaeger Company Limited,  
Jaeger London Limited and  
Jaeger Holdings Limited  
All in Administration

8 November 2017

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Contents

1. Why this report has been prepared .....	1
2. Summary of information for creditors .....	2
3. Progress of the Administrations .....	5
4. Investigations .....	13
5. Estimated outcome for creditors .....	14
6. What happens next .....	17

## Appendices

Appendix A.	Statutory information
Appendix B.	Property summary
Appendix C.	Receipts and Payments Accounts for the period 10 April 2017 to 9 October 2017
Appendix D.	Trading Receipts and Payments Accounts for the period 10 April 2017 to 9 October 2017
Appendix E.	Administrators' fees
Appendix F.	Administrators' expenses and disbursements
Appendix G.	Additional Information in relation to the Administrators' fees
Appendix H.	Exit routes and discharge from liability

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## 1. Why this report has been prepared

- 1.1 As you will be aware Peter Saville, Ryan Grant and Catherine Williamson (the **Administrators**) were appointed on 10 April 2017.
- 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 10 April 2017 to 9 October 2017 (the **Period**) and should be read in conjunction with the Administrators' Statement of Proposals, dated 26 May 2017 (the **Proposals**).
- 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 E to G.
- 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 the contents of this report or the Administrations generally, please contact Conor Kelly on 0161 838 4518, by email at [jaegercreditors@alixpartners.com](mailto:jaegercreditors@alixpartners.com), or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## 2. Summary of information for creditors

### Estimated dividend for creditors

Description	Secured creditor – Kings Landing Limited (£)	Preferential creditors (£)	Unsecured creditors (£)
<b>JCSL</b>			
Estimated debt	33.83 million	126,373	29.92 million
Likely level of return	Uncertain	100 pence/£	2 pence/£
<b>JCL</b>			
Estimated debt	33.83 million	-	11.50 million
Likely level of return	Uncertain	-	2 pence/£
<b>JLL</b>			
Estimated debt	33.83 million	5,810	7.70 million
Likely level of return	Uncertain	100 pence/£	-
<b>JHL</b>			
Estimated debt	33.83 million	-	55,266
Likely level of return	Uncertain	-	20 pence/£

### Notes:

#### Secured Creditor

The directors' Statements of Affairs (**SOA**) indicate that £33.83 million was due to Kings Landing Limited (**KLL**) on the appointments, subject to the 2013 Security Agreement, the 2014 Security Agreement, the 2015 Security Agreement and the Supplemental Security Agreement. KLL's debt is cross-guaranteed by all of the Companies and as such, the Companies are jointly and severally liable for the entire debt to KLL.

To date, distributions totalling £3.01 million have been made from JCSL and £197,864 from JCL. The consideration totalling £9.2 million for the sale of the business and assets detailed in section 3 has also been applied in release of the debt owed by the Companies to KLL. The Administrators are currently awaiting confirmation from KLL as to their updated indebtedness.

The Administrators are currently unable to provide an indication as to the level of return to KLL given that JCSL continues to trade the remaining stores in the Administration. However, based on preliminary information, the Administrators expect KLL to suffer a significant shortfall.

#### Preferential creditors

The estimated preferential debts are based on the redundancies made to date and are subject to change dependent on the level of any future redundancies.

JCL and JHL did not have any employees and no preferential claims will be submitted against these entities.



The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

During the Period, there have been 222 redundancies in JCSL and a further eight redundancies in JLL. Based on these redundancies, we expect that the preferential claims will total £126,373 in JCSL and £5,810 in JLL. The above figures will change following receipt of the final preferential claim from the Redundancy Payments Service, however, based on current realisations it is expected that the preferential creditors of both JCSL and JLL will be paid in full.

## Unsecured creditors

The level of unsecured creditors has been taken from the Companies' SOA.

Based on the realisations achieved to date, the Administrators anticipate that there will be funds available to the unsecured creditors of JCSL, JCL and JHL, via the Unsecured Creditors' Fund (as defined at section 5.11).

Details of the expected return to the unsecured creditors of each company are set out below.

### The Jaeger Company's Shops Limited

The Administrators estimate that the maximum Unsecured Creditors' Fund of £600,000 will be available to the unsecured creditors of JCSL, before taking into account the costs of the distribution. Based on the level of the unsecured creditors per the SOA, the anticipated return is approximately two pence in the pound.

### The Jaeger Company Limited

The Administrators estimate that approximately £230,000 will be available to the unsecured creditors of JCL by way of the Unsecured Creditors' Fund, before taking into account the costs of the distribution. Based on the level of the unsecured creditors per the SOA, the anticipated return is approximately two pence in the pound.

### Jaeger London Limited

The Administrators do not anticipate that any funds will become available to the unsecured creditors of JLL.

### Jaeger Holdings Limited

The Administrators estimate that approximately £11,000 will be available to the unsecured creditors of JCL by way of the Unsecured Creditors' Fund, before taking into account the costs of the distribution. Based on the level of the unsecured creditors per the SOA, the anticipated return is approximately 20 pence in the pound.

Please note that the funds available for distribution and dividend rates are detailed before taking into account the estimated costs of making the distribution. The likely levels of returns are also based upon estimates and are subject to change.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all In Administration (together the **Companies**)

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 5 of this report.

### **3. Progress of the Administrations**

- 3.1 Attached at Appendices C and D are the Administrators' Receipts and Payments Accounts and Trading Receipts and Payments Accounts for the Period. 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 F.
- 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 E and F 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.

#### **Strategy summary**

- 3.3 As noted in the Proposals, JCSL is the main trading entity within the wider group structure. JCSL is responsible for all sales and holds the majority of the employee contracts and property leases. Stock was purchased by JCL and subsequently sold to JCSL at cost. JLL and JHL are non-trading entities and hold certain leases only.
- 3.4 The Administrators pursued the second statutory objective for the Companies. The strategy to achieve this was to continue to trade JCSL for a short period whilst locating a viable purchaser for the Companies' remaining assets. In doing so, the value of JCSL's and JCL's assets were being preserved, whilst also trying to secure future tenants for the existing leases held by JLL and JHL.

#### **Sale of business and assets**

- 3.5 As detailed in the Proposals, due to the comprehensive accelerated sales process completed pre-appointment and that the Administrators' ability to sell the stock was subject to a terminable and non-transferrable licence, the Administrators deemed that incurring additional costs in conducting another formal marketing campaign for the whole business shortly after the appointments would not generate any additional viable offers.
- 3.6 Upon their appointments, the Administrators received expressions of interest from a number of parties in respect of the Companies' assets being stock, the benefit of the Companies' leases and the fixtures and fittings at the Head Office and the Distribution Centre.
- 3.7 Following extensive analysis of the expressions of interest received, the Administrators concluded a sale of certain business and assets owned by the Companies to Jaeger Retail Limited (the **Purchaser**) on 23 June 2017.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

- 3.8 The total sales consideration was £9.2 million and, per the terms of the sale, the consideration was to be applied in release of the debt owed by the Companies to KLL. A breakdown of the consideration is noted below:

Asset	Entity	Consideration £
Stock	JCSL	8,499,996
Goodwill	Companies	1
Business records	Companies	1
Intellectual property	Companies	1
Motor vehicles	JCSL	1
Plant and machinery	JCSL	200,000
Licence to Occupy	JCSL	450,000
	JHL	40,000
	JLL	10,000
<b>Total</b>		<b>9,200,000</b>

- 3.9 The Administrators advise that the Receipts and Payments Accounts in Appendix C are prepared on a cash accounting basis and as the sale consideration was applied directly in release of the debt owed by the Companies to KLL, the consideration is not reflected in Appendix C.
- 3.10 The stock has been allocated in full to JCSL as the Administrators' investigations concluded that stock, once purchased by JCL from external suppliers, was sold to JCSL at cost price for onward selling in-store, via concessions and online.
- 3.11 Goodwill, business records and intellectual property are allocated equally across the Companies whilst the nominal benefit of a motor vehicle lease is allocated to JCSL as the only entity that has such an asset.
- 3.12 The Administrators granted a licence in favour of the Purchaser to occupy properties made up of various property leases and online retail. A summary of these property leases is included in Schedule 2 of Appendix B. The allocation of the consideration is pro-rated equally based on the number of leases held by JCSL, JHL and JLL that are licenced to the Purchaser in accordance with the terms of the sale.
- 3.13 In addition to the above, the Administrators of JCSL agreed to assist the Purchaser in agreeing ongoing terms of trading with the various concession holders. This was to ensure continuity of trade for the concession holders and also minimise any redundancies in the stores staffed by JCSL. On 23 June 2017, the benefit of all sales in respect of certain concession stores transferred to the Purchaser, as detailed in Schedule 5 of Appendix B.
- 3.14 Finally, pursuant to the terms of the sale, 304 employees based at the Head Office and the various stores taken on by the Purchaser transferred in accordance with Transfer of Undertakings (Protection of Employment) Regulations 2006 (**TUPE**) on 23 June 2017.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Trading

- 3.15 On appointment, JCSL was responsible for sales made in store and through the online website and it employed 672 staff across 46 standalone sites, 63 concession stores, the Head Office and the Distribution Centre. A further nine staff who were in the management team were also employed by JLL.

### Trading operations

- 3.16 The Companies' directors were made redundant on 10 April 2017. Immediately following appointment, the Administrators' focus was to maintain a 'business as usual' approach, as far as possible, in order to preserve the value of the Companies' business and assets.
- 3.17 As detailed in the Proposals, given that the Jaeger brand is owned by KLL, the Administrators required the consent of KLL to continue to trade. This consent was provided by KLL and it granted the Administrators a non-transferable licence to trade.
- 3.18 To assist the Administrators during the trading period, KLL agreed to provide central support services to the Companies. It provided services such as assisting trading, pricing and discounting strategy for the stores. It also assisted with store closures and additional ad-hoc tasks such as hosting of certain IT software products.

### Employees

- 3.19 The employees of JCSL and JLL continued to assist with the daily operations of the stores which ensured the smooth operation of the business and the continuity of critical supplies. Prior to the sale detailed in section 3.7, the Administrators also provided guidance and support to the store managers and the customers services team.
- 3.20 Following their appointment, the Administrators carried out a review of the stores, the Head Office and the Distribution Centre. Due to the Companies' working capital difficulties, some stores heavily underperforming and the outcome of negotiations with some landlords, further store closures were made, as detailed in Schedule 3 and Schedule 6 of Appendix B. The number of redundancies in the Period are as follows:

<u>Company</u>	<u>Number of redundancies</u>
JCSL <sup>1</sup>	216
JLL	8
<b>Total redundancies</b>	<b>224</b>

<sup>1</sup> The Administrators can confirm that the store located at Henley closed on 21 October 2017, outside of the Period. As a result of this closure, a further six employees were made redundant.

- 3.21 *The Administrators recognised at the outset of trading that the Administration scenario created uncertainty for the JCSL and JLL employees. As such, the Administrators have ensured that employee consultations were conducted throughout the trading period as the trading and store closure strategy developed. Employee representatives were elected shortly after the*

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

Administrations across the Head Office, the Distribution Centre and the stores to ensure that employee queries could be addressed directly by the Administrators on a regular basis.

- 3.22 Regular update calls continue to be held with employees in the remaining Administration stores to ensure all employees are consulted appropriately in relation to potential redundancy or TUPE. In addition to the update calls, written *communications answering frequently asked questions and providing updates on the sale progress* have been issued.

### Trading performance

- 3.23 A summary of receipts and payments for each company is attached at Appendix C. Trading Receipts and Payments Accounts for JCSL and JCL are also provided in Appendix D.
- 3.24 Trading profit in the sum of approximately £1.4 million is shown for JCSL. JCSL also trades in Ireland and has seen a trading profit of €269,857 for the Irish operations.
- 3.25 JHL and JLL are responsible for a number of leases and have reported trading losses of £63,295 and £161,559, respectively, in covering the property holding costs due under the terms of the leases.
- 3.26 Please note that due to the Companies' accounts being prepared on a cash basis, the trading accounts in Appendix D do not show the exact trading position for the Period.
- 3.27 The financial trading information is received approximately two weeks in arrears and actual cash from sales is remitted to the Administrators in line with terms agreed with cash collection providers, card merchant services and concession hosts. In addition to the above, the Administrators continue to liaise with concession hosts of JCSL to correctly account for all cash receipts during the Period. To date, concession receipts totalling approximately £2 million have been received in JCSL and are being reconciled. These are shown in Appendix D under a suspense account.
- 3.28 At the end of the Period, the Administrators continued to trade four stores and the House of Fraser concessions with the assistance of KLL and stock provided by the Purchaser. The Administrators advise that of these four remaining stores, the store located at Henley closed on 21 October 2017, outside of the Period. In addition, following negotiations with House of Fraser and the Purchaser, the Administrators can confirm that JCSL's concession agreement with House of Fraser was successfully assigned to the Purchaser on 30 October 2017.
- 3.29 JCSL's and JCL's final trading position will be confirmed once trading from all stores are concluded.

### Licence to Occupy

- 3.30 As detailed in section 3.14, the Administrators granted a licence in favour of the Purchaser to occupy various properties leased by JCSL, JHL and JLL, over a six month period (the **LTO Period**) commencing from 23 June 2017.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

- 3.31 The LTO Period was granted to allow the Purchaser to negotiate ongoing lease terms with the existing landlords and assign all relevant leases to the Purchaser.
- 3.32 During the LTO Period, 12 stores were assigned to the Purchaser and due to protracted negotiations with landlords, the Administrators have granted an extension to the LTO Period whilst the remaining leases undergo assignment negotiations.
- 3.33 The Administrators advise that the Purchaser has been unable to agree ongoing occupation terms with the landlord of the Head Office. As such, the Administrators of JLL notified the landlord that it had no further interest in the lease, offered surrender of the lease by operation of law and vacated the property on 20 September 2017.

### Stock

- 3.34 As previously reported, JCL is the stock purchasing for the Companies. During the Administrators' investigations, it was found that the Companies' business model was such that JCSL purchased stock held by JCL at cost and sold this on to the end consumer. The relationship between JCL and JCSL was that of wholesaler and retailer and, as soon as the stock reached JCL, it effectively moved to JCSL's control in order to be sold on.
- 3.35 Since appointment, the Administrators have received 15 retention of title (**ROT**) claims. As the stock purchasing process was initially unclear, the Administrators originally invited ROT claims in both JCL and JCSL in order to not prejudice any claimants. Before the stock process was confirmed, the Administrators had agreed ROT settlements with three suppliers in JCSL totalling £414,571. Outstanding ROT claims in JCSL and JCL continue to be reviewed by the Administrators and a further update on any ROT payments will be provided in the next report.
- 3.36 As detailed in 3.12, all of the stock held by JCSL formed part of the sale to the Purchaser. The stock comprised of all fashion goods, goods purchased for resale, consumable stores, raw materials and components, work in progress and partially finished goods.
- 3.37 The stock also included purchase orders entered into between the Administrators and stock suppliers for future orders. These purchase orders are for stock that had not been delivered at the date of sale completion and the Purchaser acknowledged that it will perform all of the Administrators' duties and obligations under the terms of these purchase orders. The Administrators confirm that during the LTO Period, they have covered costs totalling £778,512 and €272,225 which will be repaid by the Purchaser as part of the ongoing wider trading and cash reconciliation.

### Realisation of assets – debtors

- 3.38 JCSL's SOA noted that trade debtors were approximately £1.16 million on appointment. The majority of these amounts relate to concession holders and the Administrators have collected these in the normal course of business. To date, £52,446 has been collected. As detailed in section 3.29, concession receipts are currently being reconciled and held under a suspense account. It is expected that some of these funds relate to pre-appointment amounts due from concession holders and will therefore increase the amount of book debts recovered to date.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

- 3.39 JCL's SOA noted that trade debtors on appointment were £616,000 in respect of wholesalers and unpaid royalties on fashion accessories. To date, £634,317 of book debts have been collected.

### **Realisation of assets – other assets**

#### **Rental income**

- 3.40 Prior to the surrender of the lease at the Windsor store, JCSL provided a licence to occupy the store in favour of Aquascutum 1851 Limited (**Aquascutum**).
- 3.41 During the Period, JCSL has received rental income totalling £62,078 from Aquascutum for the period up to the surrender of the property. No further rental income is expected to be received.

#### **Currency gain**

- 3.42 JCL held a forward currency contract pre-appointment which crystallised during the Period and resulted in a currency gain of £73,658 due to JCL. The Administrators understand that such a contract was entered into by JCL pre-appointment for protection against currency exchange fluctuations.

#### **Refunds and bank interest**

- 3.43 During the Period, JCSL, JCL and JHL have received bank interest and various refunds relating to tax, rent, service charge and non-domestic rates. Further details of these are set out below:

Refund	JCSL £	JCSL €	JCL £	JHL £
Tax refund	7,767	-	-	-
Rent refund	33,380	-	2,981	1,043
Service charge	314	-	-	-
Utility refund	-	2,524	-	-
Non-domestic rates refund	60,143	-	-	-
Bank interest	606	-	591	2
<b>Total</b>	<b>102,210</b>	<b>2,524</b>	<b>3,572</b>	<b>1,045</b>



### **Administration (including statutory reporting)**

- 3.44 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, notifying the stakeholders of the appointments, preparing bi-annual reports to creditors advising of the progress of the Administrations, holding meetings with creditors and liaising with employees.
- 3.45 The Administrators are responsible for liaising with HM Revenue & Customs (**HMRC**) and tax offices in overseas jurisdictions 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.
- 3.46 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.
- 3.47 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**

- 3.48 The Administrators provide periodic reports to KLL, as the ultimate secured creditor, and deal with preferential and unsecured creditor correspondence, telephone calls and email queries.
- 3.49 The Administrators have spent time dealing with redundancies of employees affected by the various store closures and the Head Office redundancies. The Administrators have also liaised with their employee claims processing agents, Insol Group Limited, to ensure that preferential creditor claims are dealt with efficiently in JCSL and JLL. The Administrators have also incurred time facilitating the employee consultation process and ensuring that employees were kept updated throughout the trading and sales process.
- 3.50 During the Period, the Administrators have incurred time dealing with a significant amount of unsecured creditor correspondence, running a dedicated creditor hotline and logging unsecured creditor claims. The Administrators have also dealt with customer queries and provided guidance and support to the store managers and the customer services team.
- 3.51 Time has also been incurred in the Period in relation to liaising with various landlords following vacation of certain stores to discuss the surrender of leases, any deposit amounts due back to the Companies and any potential unsecured claims that they may have.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

- 3.52 The Administrators have complied with creditor requests in JCL to hold a physical meeting of creditors to consider and approve the Administrators' Proposals. At this meeting, an informal creditor committee (the **Informal Committee**) was established for the purpose of updating JCL's creditors on the progress of the Administrators' investigations.
- 3.53 The Administrators have held a meeting with the members of the Informal Committee and have also provided regular updates on the progress of the investigations by correspondence. For further information on the Administrators' investigations, please see section 4 of this report.

## **4. Investigations**

- 4.1 The Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the Companies' insolvencies, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations.
- 4.2 During the Period, the Administrators have interviewed the directors and have put forward questions to other stakeholders of the Companies, including the pre-appointment auditors and ultimate shareholders, to assist with their investigations.
- 4.3 Amongst other statutory matters, the Administrators reviewed the stock movement between JCSL and JCL, the circumstance of the sale of the intellectual property by JCL to KLL pre-appointment, the movement in creditor balances and the Companies' overall working capital in the period leading up to the appointments. Based on the Administrators' findings, it is not expected that any actions can be pursued that will enhance or bring additional recoveries to the creditors of the Companies.
- 4.4 The Administrators are investigating a final matter in respect the Companies' financial statements and have requested additional information from the pre-appointment auditors.
- 4.5 The Administrators expect to conclude their investigations shortly and will provide an update in the next progress report.

## **5. Estimated outcome for creditors**

### **Secured creditor – Kings Landing Limited (KLL)**

- 5.1 The Companies granted floating charges to KLL pursuant to the Assignment on 30 March 2017 and also subject to the debenture dated 5 April 2013, supplemental debentures dated 26 March 2014, 14 October 2015 and 2 December 2015. KLL's debt is cross-guaranteed by all of the Companies and as such, the Companies are jointly and severally liable for the entire debt to KLL.
- 5.2 At the date of the appointments, KLL was owed £33.83 million (excluding accrued interest and charges) under its security. The Administrators can confirm that secured creditor distributions totalling £3.01 million and £197,864 have been made from JCSL and JCL, respectively. No distributions have been made from JLL and JHL to date.
- 5.3 As detailed in section 3.8, the total sale consideration of £9.2 million was applied in release of the debt owed by the Companies to KLL. The Administrators therefore expect the total outstanding debt to have been reduced, however, we are awaiting confirmation from KLL as to their current level of indebtedness.
- 5.4 The secured creditor is likely to suffer a shortfall, the quantum of which cannot be confirmed until the trading position has been finalised.
- 5.5 As set out in the Proposals, Jaeger (UK) Limited (**JUKL**) is also a secured creditor for all the Companies subject to the initial debenture dated 12 May 2010, the First 2012 Security Agreement and the Second 2012 Security Agreement both dated 16 April 2012. The Administrators have received confirmation that JUKL has agreed to turn over all monies, obligations and liabilities due or to become due from the Companies to KLL pursuant to the Assignment. On this basis, all references to secured creditor are in relation to KLL only.
- 5.6 Lloyds Bank PLC (**Lloyds**) was also listed as a secured creditor for the Companies on appointment. Lloyds has confirmed that the outstanding amounts in relation to corporate charge cards totalling £10,846 were deducted from JCSL's cash at bank on appointment and, as such, no further amounts are outstanding to them.
- 5.7 Prior to the Administrators' appointments, Lloyds provided a bank guarantee to HMRC in respect of a bonded warehouse located at Kings Lynn. Lloyds held deferred JCL funds on appointment to meet any formal demands for deferred payments from HMRC in respect of JCL's bonded warehouse.
- 5.8 The deferment arrangement with HMRC has been cancelled following the appointments as the guarantee facility was no longer required. HMRC submitted their claim against the Lloyds guarantee in the Period and funds totalling £360,847 have been deducted by Lloyds from deferred JCL funds.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

### **Preferential creditors**

- 5.9 Based on current information, preferential creditors are anticipated to be in the region of £126,373 for JCSL and £5,810 for JLL. It is expected that preferential creditors of both JCSL and JLL will receive a dividend of 100 pence in the pound.
- 5.10 There are no preferential creditors of JLL or JHL.

### **Unsecured Creditors' Fund**

- 5.11 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'.
- 5.12 All floating charges granted by the Companies post-date 15 September 2003, therefore there is a requirement to create Unsecured Creditors' Funds should the Companies have sufficient net floating charge realisations to do so.
- 5.13 Based on present information, the Administrators have set out estimates of the expected return to the Companies' creditors below.

#### **The Jaeger Company's Shops Limited**

- 5.14 Under the terms of the sale and the relevant release of KLL's debts as opposed to a cash consideration, it was agreed that KLL would contribute any shortfall to JCSL's Prescribed Part as a result of the stock allocation.
- 5.15 The Administrators can therefore confirm that the maximum Prescribed Part of £600,000 is available for the unsecured creditors of JCSL before any relevant costs in completing the distributions. Based on the level of creditors per the SOA, the estimated Unsecured Creditors' Fund dividend is approximately two pence in the pound.

#### **The Jaeger Company Limited**

- 5.16 As detailed in section 3.14, the allocation of the licence to occupy consideration is pro-rated equally based on the number of leases held by JCSL, JHL and JLL, that are licenced to the Purchaser in accordance with the terms of the sale. KLL has also agreed to contribute to any shortfall in JCL's Prescribed Part as a result of this allocation and the non-cash consideration from the sale.
- 5.17 Based on realisations made to date and the contribution from KLL, the Administrators estimate the value of JCL's net floating charge property to be £1.1 million. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £230,000 which, based on the level of creditors listed in the SOA, will represent a dividend rate of approximately two pence in the pound.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

#### Jaeger London Limited

- 5.18 The Administrators do not anticipate that there will be any funds available for the unsecured creditors of JLL.

#### Jaeger Holdings Limited

- 5.19 The Administrators estimate the value of JHL's net floating charge property to be £40,000. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £11,000 which will represent a dividend rate of approximately 20 pence in the pound, based on the creditors listed in the SOA.

## **6. What happens next**

### **Creditors' rights**

- 6.1 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 in the relevant 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.
- 6.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors in the relevant 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**

- 6.3 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 H.

For and on behalf of  
The Companies



**Catherine Williamson**  
Administrator

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The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## **Appendix A. Statutory information**

### **Company information**

#### **The Jaeger Company's Shops Limited**

Company name	The Jaeger Company's Shops Limited
Registered number	00355439
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	The White Building, 11 Evesham Street, London, W11 4AJ
Trading address	Various – See Administrators' Statement of Proposals
Trading name	Jaeger
Court details	The High Court of Justice, Chancery Division, Companies Court
Court reference	002887 of 2017

#### **The Jaeger Company Limited**

Company name	The Jaeger Company Limited
Registered number	00431769
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	The White Building, 11 Evesham Street, London, W11 4AJ
Court details	The High Court of Justice, Chancery Division, Companies Court
Court reference	002886 of 2017

#### **Jaeger London Limited**

Company name	Jaeger London Limited
Registered number	06587828
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	The White Building, 11 Evesham Street, London, W11 4AJ
Court details	The High Court of Justice, Chancery Division, Companies Court
Court reference	002885 of 2017



The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Jaeger Holdings Limited

Company name	Jaeger Holdings Limited
Registered number	00019149
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	The White Building, 11 Evesham Street, London, W11 4AJ
Court details	The High Court of Justice, Chancery Division, Companies Court
Court reference	002888 of 2017

## Appointor's information

Name	Address	Position
Christopher Richard Horobin	c/o The White Building, 11 Evesham Street, London, W11 4AJ	Director
Kenneth Charles Pratt	c/o The White Building, 11 Evesham Street, London, W11 4AJ	Director

## Administrators' information

Name	Address	IP number	Name of authorising body
Peter Mark Saville	c/o AlixPartners Services UK LLP, 6 New Street Square, London, EC4A 3BF	9029	Insolvency Practitioners Association
Ryan Kevin Grant	c/o AlixPartners Services UK LLP, 35 Newhall street, Birmingham, B3 3PU	9637	Insolvency Practitioners Association
Catherine Mary Williamson	c/o AlixPartners Services UK LLP, 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.

The Jaeger Company's Shops Limited (JCSL), The Jaeger Company Limited (JCL), Jaeger London Limited (JLL) and Jaeger Holdings Limited (JHL) – all in Administration (together the **Companies**)

## Appendix B. Property summary

### Leasehold properties

Schedule 1: Leasehold properties currently occupied by the Administrators

Company	Site name	Site address
JCSL	Edinburgh	35 George Street / 70 Hanover Street, EH2 2HN
JHL	Henley <sup>1</sup>	The Old Brewery, 24 Thameside, RG9 2LI
JCSL	Livingston	Unit 61, Livingston Designer Outlet, Almondvale Avenue, Livingston, West Lothian, EH43 6QX
JCSL	Southport	479/481 Lord Street, PR9 0AQ

<sup>1</sup> Please note that on 21 October 2017, JCSL ceased its trading operations from the store and vacated the property. The lease was subsequently surrendered back to the landlord on 23 October 2017.

Schedule 2: Leasehold properties - Licenced to the Purchaser

Company	Site name	Site address
<b>Non-retail</b>		
JLL	The White Building <sup>1</sup>	2nd Floor, The White Building, 11 Evesham Street, London
<b>Retail</b>		
JHL	Amersham	20/20a High Street, HP7 0DJ
JCSL	Ashford	Unit 63 Designer Outlet, Kimberley Way, Ashford, Kent, TN24 0SD
JCSL	Birmingham GWA	23/24 Colmore Row, Great Western Arcade, Birmingham, B2 5HU
JCSL	Braintree	Unit 60 (K9), Freeport Braintree, Charter Way, Chapel Hill, Braintree, Essex, CM77 8YH
JCSL	Bridgend	58/9 McArthur Glen Designer Outlet Village, Bridgend, CF32 9SU
JCSL	Bridgewater	Unit 56, The Outlet, Banbridge, Co Down, N. Ireland, BT32 4GJ
JHL	Brighton	12 Pavilion Buildings, BN1 1EE
JHL	Bury St Edmunds	90 St John's Street, IP33 1SJ
JCSL	Chelsea	145 Kings Road, Chelsea, SW3 5TX, Chelsea, SW3 5TX
JCSL	Cheshire Oaks	Unit 48, Ellesmere Port, South Wirral, CH65 9JJ
JCSL	Gloucester Quays	Unit 17 Gloucester Quays Outlet Centre, GL1 5SF
JCSL	Harrogate	5 Cambridge Crescent, HG1 1PE
JCSL	Hatfield	Unit 24, The Galleria, Comet Way, AL10 0XR
JCSL	Jersey	Unit 1 Highland House, Halkett Street, St. Helier, JE2 4WJ
JCSL	Kildare	Unit 3 Kildare Village, Nurney Road, Kildare Town, County Kildare, Ireland
JCSL	Kings Lynn	Unit 13, Paxman Road, Hardwick Ind Est, Norfolk, PE30 4NE
JHL	Knutsford	Unit 2/3, 12-18 Regent Street, WA16 6GR
JHL	Leamington Spa	Unit SU1a, 2 Livery Street, Regent Arcade Shopping Centre, CV32 4NP

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

JCSL	Mansfield	Unit 67a, East Midlands Designer Outlet, Mansfield Rd, South Normanton, Alferton, Derbyshire E55 2JW
JCSL	Marylebone	12 Marylebone High Street, London, W1U 4NR, London
JCSL	Portsmouth Gunwharf Quays	Unit 26, Gunwharf Quays, Portsmouth, PO1 3TZ
JCSL	Stamford	40 St Mary's Street, PE9 2DS
JCSL	Stratford Upon Avon	13 Bridge Street, CV37 6AB
JCSL	Street	Unit 30, Clarks Village Outlet Centre, Farm Rd, Street, Somerset, BA16 0BB
JHL	Swindon	25-27 Swindon Designer Outlet, Kemble Drive, Churchward Village, Swindon, SN2 2DY
JCSL	York	Unit 31/32 McArthur Glen Designer Outlet, St Nicholas Avenue, Fulford, York, YO19 4TA

<sup>1</sup> Please note that after the sale and a period of transition, the Purchaser vacated The White Building. Following their vacation of the property, the Administrators of JLL notified the landlord that it had no further interest in the lease, offered surrender of the lease by operation of law and vacated the property on 20 September 2017.

### Schedule 3: Leasehold properties vacated by the Administrators in the Period

<b>Company</b>	<b>Site name</b>	<b>Site address</b>
<b>Non-retail</b>		
JLL	Bard Road	Unit 4, 1 Bard Road, London
JCSL	Kings Lynn	Lubeck Road, North Lynn Industrial Estate, Kings Lynn, Norfolk
<b>Retail</b>		
JCSL	Belfast	17-19 Arthur Street, Belfast, Antrim, BT1 5PY
JHL	Beverley	45/46 Saturday Market Place, HU17 8AA
JHL	Blewater	U104b Upper Guild Hall, DA99 9SS
JCSL	Cambridge	16 Trinity Street, CB2 1TB
JCSL	Canary Wharf (M)	Unit 2, Cabot Place West, Canary Wharf, London, E14 4QS
JCSL	Canary Wharf (W)	U330, 15 Cabot Square, Canary Wharf, London, E14 4QT
JCSL	Chester	16 Eastgate Row, CH1 1LF
JCSL	Chichester	38/39 Little London, PO19 1PL
JCSL	Guildford	160 High Street, GU1 3HJ
JHL	Oxford	Oxenford House, 13/15 Magdalen Street, OX1 3AE
JCSL	Ringwood	Unit 19/20 The Furlong Shopping Centre, BH24 1AT
JCSL	Truro	83 Lemon Street, TR1 2QA
JCSL	Wilmslow	61/63/65 Alderley Road, SK9 1NZ
JCSL	Winchester	71 & 73 St Georges Street, Winchester, Hampshire, SO23 8AH
JCSL	Windsor	Unit 24/25 Windsor Royal Station, SL4 1PJ
JCSL	Canary Wharf (Storage)	1st Floor, Cabot Place East, Canary Wharf, E14 4QT
JCSL	Wilmslow	Rear Car Parking, 3 Spaces, SK9 1NZ

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Concession stores

### Schedule 4: Concession stores operated by the Administrators in the Period

#### Site name

House of Fraser concession, Bath
House of Fraser concession, Bournemouth
House of Fraser concession, Cheltenham
House of Fraser concession, Edinburgh
House of Fraser concession, Exeter
House of Fraser concession, Glasgow
House of Fraser concession, High Wycombe
House of Fraser concession, Leeds
House of Fraser concession, Manchester
House of Fraser concession, Milton Keynes
House of Fraser concession, Oxford Street
House of Fraser concession, Solihull (Mens & Womens)
House of Fraser concession, Victoria
House of Fraser concession, Worcester

Please note that the House of Fraser concession was successfully novated to the Purchaser outside of the Period, on 30 October 2017. All benefits and liabilities in respect of the concession agreement transferred to the Purchaser on the same date. All staff employed in these stores also transferred by way of TUPE to the Purchaser.

### Schedule 5: Concession stores transferred to the Purchaser

#### Site name

John Lewis Concession, Aberdeen
John Lewis Concession, Brent Cross
John Lewis Concession, Bristol
John Lewis Concession, Cambridge
John Lewis Concession, Cardiff
John Lewis Concession, Glasgow
John Lewis Concession, High Wycombe
John Lewis Concession, Kingston
John Lewis Concession, Leicester
John Lewis Concession, Newcastle
John Lewis Concession, Milton Keynes
John Lewis Concession, Nottingham
John Lewis Concession, Oxford Street
John Lewis Concession, Peterborough
John Lewis Concession, Peter Jones
John Lewis Concession, Reading
John Lewis Concession, Sloane Square
John Lewis Concession, Solihull
John Lewis Concession, Southampton
John Lewis Concession, Watford
John Lewis Concession, Welwyn Garden City

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

John Lewis Concession, Birmingham Grand Central

John Lewis Concession, York

Fenwicks concession, Brent Cross

Fenwicks concession, Newcastle

Boundary Mills concession, Colne

Boundary Mills concession, Grantham

Boundary Mills concession, Walsall

Boundary Mills concession, Newcastle

Boundary Mills concession, Sheffield

Camp Hopson, Newbury

Creaseys, Guernsey

Independent concession, Wimbledon

Hoopers, Tunbridge Wells

Jarrolds, Norwich

J Warren, Lymington

Hoopers, Torquay

Arnotts, Dublin

#### Schedule 6: Concession stores vacated by the Administrators in the Period

##### **Site name**

John Lewis Concession, Edinburgh

John Lewis Concession, Birmingham Grand Central Accessories

House of Fraser concession, Dundrum

House of Fraser concession, Reading

Fenwicks concession, Canterbury

Fenwicks concession, Tunbridge Wells

Fenwicks concession, Kingston

Fenwicks concession, York

Fenwicks concession, Leicester

Dublin, Richard Alan

The Jaeger Company's Shops Limited (JCSL), The Jaeger Company Limited (JCL), Jaeger London Limited (JLL) and Jaeger Holdings Limited (JHL) – all in Administration (together the Companies)

## Appendix C. Receipts and Payments Accounts for the period 10 April 2017 to 9 October 2017

### The Jaeger Company's Shops Limited

Statement of Affairs £	£
<b>Floating charge assets</b>	
Receipts	
- Rental income	62,078
1,158,000 Book debts	52,446
9,639,000 Stock	-
400,000 Leaseholds	-
1,200,000 Fixtures, fittings, IT and artwork	-
- Tax refund	7,767
1,190,000 Cash at bank	307,402
- Rent refund	33,380
- Rates refund	60,143
- Service charge refunds	314
- Bank interest	606
- Trading surplus	1,398,104
- Suspense account	2,021,615
	<b>3,943,856</b>
Payments	
Costs paid on behalf of the Purchaser	778,512
Category 1 disbursements:	
Statutory advertising	169
Storage costs	1,747
Stationery, postage and photocopying	2,645
Property agent's fees	119,555
Bank charges	17,082
	<b>(919,711)</b>
Distributions	
Floating chargeholder	3,011,246
	<b>(3,011,246)</b>
<b>Balance of floating charge assets</b>	<b>12,900</b>
<b>Total balance</b>	<b>12,900</b>
<b>Represented by</b>	
Interest bearing account	1,548,227
VAT payable	(1,535,326)
	<b>12,900</b>

Note: The above is subject to small rounding differences.

The Receipts and Payments Accounts are prepared on a cash basis. As the sale consideration was applied in release of the debt owed by the Companies to KLL, it is not shown in the above accounts.

The costs paid on behalf of the Purchaser were made in accordance with the sale agreement. A reconciliation of these costs is currently being completed and refunds are expected.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## The Jaeger Company's Shops Limited – Euro Account

Statement of Affairs £	€
<b>Floating charge assets</b>	
Receipts	
- Cash at bank	87,778
- Utility refund	2,524
- Trading surplus	269,857
	<b>360,160</b>
Payments	
Costs paid on behalf of the Purchaser	272,225
Bank charges	1,046
	<b>(273,271)</b>
<b>Balance of floating charge assets</b>	<b>86,889</b>
<b>Total balance</b>	<b>86,889</b>
<b>Represented by</b>	
Interest bearing account	217,910
VAT payable	(131,021)
	<b>86,889</b>

Note: The above is subject to small rounding differences.

The Receipts and Payments Accounts are prepared on a cash basis. As the sale consideration was applied in release of the debt owed by the Companies to KLL, it is not shown in the above accounts.

The costs paid on behalf of the Purchaser were made in accordance with the sale agreement. A reconciliation of these costs is currently being completed and refunds are expected.

The Company traded a number of stores in Ireland therefore, the above account is shown in Euro.

The Jaeger Company's Shops Limited (JCSL), The Jaeger Company Limited (JCL), Jaeger London Limited (JLL) and Jaeger Holdings Limited (JHL) – all in Administration (together the **Companies**)

## The Jaeger Company Limited

Statement of Affairs £		£
<b>Floating charge assets</b>		
	Receipts	
616,000	Book debts	634,317
927,000	Cash at bank	927,413
-	Rates refund	2,981
-	Foreign exchange gain	73,658
-	Bank interest	591
		<b>1,638,959</b>
	Payments	
	Category 1 disbursements:	
	Stationery, postage and photocopying	530
	Bonded warehouse costs	360,847
	IT costs	10,752
	Bank charges	196
		<b>(372,325)</b>
	Distributions	
	Floating chargeholder	197,864
		<b>(197,864)</b>
	<b>Balance of floating charge assets</b>	<b>1,068,770</b>
	<b>Total balance</b>	<b>1,068,770</b>
	<b>Represented by</b>	
	Interest bearing account	1,068,670
	VAT receivable	100
		<b>1,068,770</b>

Note: The above is subject to small rounding differences.

The Receipts and Payments Accounts are prepared on a cash basis. As the sale consideration was applied in release of the debt owed by the Companies to KLL, it is not shown in the above accounts.

As detailed in the Proposals, Lloyds provided a bank guarantee to HMRC in respect of a bonded warehouse located at the Distribution Centre. During the Period, it was found that any formal demands by HMRC in respect of the bonded warehouse was due and payable by JCL. The deferment arrangement with HMRC was no longer required post-appointment and as such, the facility was cancelled and HMRC's final demand totalling £360,847 was settled by Lloyds via deferred cash at bank.



The Jaeger Company's Shops Limited (JCSL), The Jaeger Company Limited (JCL), Jaeger London Limited (JLL) and Jaeger Holdings Limited (JHL) – all in Administration (together the **Companies**)

## Jaeger London Limited

Statement of Affairs £	£
<b>Floating charge assets</b>	
Receipts	
- Contribution to costs	172,714
	<b>172,714</b>
Payments	
Trading deficit	161,559
Category 1 disbursements:	
Stationery, postage and photocopying	38
	<b>(161,597)</b>
<b>Balance of floating charge assets</b>	<b>11,116</b>
<b>Total balance</b>	<b>11,116</b>
<b>Represented by</b>	
VAT receivable	8
VAT control account	11,109
	<b>11,116</b>

Note: The above is subject to small rounding differences.

The Receipts and Payments Accounts are prepared on a cash basis. As the sale consideration was applied in release of the debt owed by the Companies to KLL, it is not shown in the above accounts.

Contribution to costs have been provided by KLL.

## Jaeger Holdings Limited

Statement of Affairs £	£
<b>Floating charge assets</b>	
Receipts	
21,000 Cash at bank	20,863
- Rent refund	1,043
- Contribution to costs	64,303
- Bank interest	2
	<b>86,210</b>
Payments	
Trading deficit	63,295
	<b>(63,295)</b>
<b>Balance of floating charge assets</b>	<b>22,915</b>
<b>Total balance</b>	<b>22,915</b>
<b>Represented by</b>	
Interest bearing account	21,514
VAT receivable	1,401
	<b>22,915</b>

Note: The above is subject to small rounding differences.

The Receipts and Payments Accounts are prepared on a cash basis. As the sale consideration was applied in release of the debt owed by the Companies to KLL, it is not shown in the above accounts.

Contribution to costs have been provided by KLL.

The Jaeger Company's Shops Limited (JCSL), The Jaeger Company Limited (JCL), Jaeger London Limited (JLL) and Jaeger Holdings Limited (JHL) – all in Administration (together the **Companies**)

## **Appendix D. Trading Receipts and Payments Accounts for the period 10 April 2017 to 9 October 2017**

### **The Jaeger Company's Shops Limited**

	£
Sales	
Sales	10,219,044
Concession sales	538,408
Sales due to the Purchaser	(1,600,000)
	<b>9,157,452</b>
Purchases	
Stock	1,221,498
Packaging costs	47,426
Sundry costs	454
Import Duty costs	320,830
	<b>(1,590,209)</b>
Other direct costs	
Sub-contractors	25,867
Wages and salaries	1,912,663
Employee expenses and benefits	12,785
PAYE and National Insurance	517,120
	<b>(2,468,435)</b>
Trading expenditure	
Pension contributions	49,150
Rents	838,508
Rates	274,154
Utilities	8,789
Telephone and related costs	8,328
Carriage	241,792
Insurance	7,229
Service charges	102,999
Bank charges	327
Strip-out costs	84,073
Marketing and related costs	133,780
Security and maintenance	46,306
Sundry expenses	5,590
Sales commission	130,327
Card merchant charges	75,659
Storage	440
Retention of Title costs	414,571
IT costs	578,684
Licence fees	700,000
	<b>(3,700,705)</b>
<b>Trading surplus</b>	<b>1,398,104</b>

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## The Jaeger Company's Shops Limited – Euro Account

	€
Sales	
Sales	647,262
Concession sales	2,285
	<b>649,547</b>
Purchases	
Stock	205,758
	<b>(205,758)</b>
Other direct costs	
Wages and salaries	70,914
	<b>(70,914)</b>
Trading expenditure	
Rents	86,585
Telephone and related costs	305
Service charges	14,496
Sundry expenses	1
Card merchant charges	1,632
	<b>(103,018)</b>
<b>Trading surplus</b>	<b>269,857</b>

The Company traded a number of stores in Ireland therefore, the above account is shown in Euro.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Jaeger London Limited

	£
Trading expenditure	
Rents	139,447
Service charges	22,112
	<b>(161,559)</b>
<b>Trading deficit</b>	<b>(161,559)</b>

## Jaeger Holdings Limited

	£
Trading expenditure	
Rents	59,630
Insurance	117
Service charges	1,298
Strip-out costs	2,250
	<b>(63,295)</b>
<b>Trading deficit</b>	<b>(63,295)</b>

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Appendix E. 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 Informal Committee for JCL has been established to provide updates to creditors on the progress of the Administrators' investigations. The Informal Committee has no voting rights and approval of the Administrators' fees is not required from these creditors. Therefore, fee approval is only required from KLL and the preferential creditors of JCSL and JLL.

The Administrators' fees are fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration. The basis of the Administrators' fees were approved by the relevant creditors as set out below:

Company	Creditor approval	Approval date
JCSL	Secured and preferential creditors	15 June 2017
JCL	Secured creditor only	30 June 2017
JHL	Secured creditor only	15 June 2017
JLL	Secured and preferential creditors	15 June 2017

To date, no fees have been drawn by the Administrators.

### Administrators' fee estimate

The fee estimate was originally provided when the basis of the Administrators' fees was approved. A copy of that estimate of the anticipated amount of work and the costs associated with it is set out below.

#### The Jaeger Company's Shops Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Trading	1,261	375	473,485
Realisation of assets	104	387	40,217
Administration (including statutory reporting)	215	573	123,292
Investigations	5	424	2,120
Creditors (claims and distribution)	128	346	44,268
<b>Total</b>	<b>1,713</b>	<b>399</b>	<b>683,382</b>

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## The Jaeger Company Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Trading	26	436	11,325
Realisation of assets	17	357	6,066
Administration (including statutory reporting)	74	579	42,823
Investigations	3	332	995
Creditors (claims and distribution)	58	384	22,298
<b>Total</b>	<b>178</b>	<b>469</b>	<b>83,507</b>

## Jaeger London Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Realisation of assets	10	426	4,256
Administration (including statutory reporting)	46	558	25,672
Investigations	2	267	534
Creditors (claims and distribution)	49	395	19,345
<b>Total</b>	<b>107</b>	<b>465</b>	<b>49,807</b>

## Jaeger Holdings Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Realisation of assets	9	375	3,371
Administration (including statutory reporting)	46	558	26,572
Investigations	2	267	534
Creditors (claims and distribution)	49	395	19,345
Trading	25	590	14,750
<b>Total</b>	<b>130</b>	<b>490</b>	<b>63,673</b>

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

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Administrators' details of time spent to date

### The Jaeger Company's Shops Limited

The Administrators' time costs for the Period are £1,088,175. This represents 2,688 hours at an average rate of £405 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Trading	1,481	388	575,193
Realisation of assets	456	443	202,136
Administration (including statutory reporting)	678	418	283,694
Investigations	53	382	20,270
Creditors (claims and distribution)	20	344	6,882
<b>Total</b>	<b>2,688</b>	<b>405</b>	<b>1,088,175</b>

### The Jaeger Company Limited

The Administrators' time costs for the Period are £130,975. This represents 301 hours at an average rate of £435 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Trading	27	512	13,825
Realisation of assets	24	402	9,654
Administration (including statutory reporting)	178	435	77,415
Investigations	65	430	27,946
Creditors (claims and distribution)	7	305	2,135
<b>Total</b>	<b>301</b>	<b>435</b>	<b>130,975</b>

The Jaeger Company's Shops Limited (JCSL), The Jaeger Company Limited (JCL), Jaeger London Limited (JLL) and Jaeger Holdings Limited (JHL) – all in Administration (together the **Companies**)

## Jaeger London Limited

The Administrators' time costs for the Period are £22,386. This represents 59 hours at an average rate of £379 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Trading	3	423	1,268
Realisation of assets	3	302	905
Administration (including statutory reporting)	38	392	14,881
Investigations	10	356	3,563
Creditors (claims and distribution)	5	354	1,769
<b>Total</b>	<b>59</b>	<b>379</b>	<b>22,386</b>

## Jaeger Holdings Limited

The Administrators' time costs for the Period are £33,775. This represents 84 hours at an average rate of £402 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £
Trading	34	433	14,709
Realisation of assets	4	239	957
Administration (including statutory reporting)	33	403	13,369
Investigations	10	354	3,535
Creditors (claims and distribution)	3	402	1,205
<b>Total</b>	<b>84</b>	<b>402</b>	<b>33,775</b>

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 currently believe that the fee estimate provided in the Proposals is insufficient to complete their duties. This is due to the following reasons:

- Protracted asset realisations – During the Period, the Administrators have incurred further time realising the Companies' assets due to an extended sales negotiation with the Purchaser. Due to the structure of the sale, additional time has also been incurred in dealing with individual lease assignments for the stores.
- Extension of the trading period beyond initial estimate – Due to the extended sales negotiation with the Purchaser, the Administrators have continued to operate stores for longer than initially anticipated whilst the sale was finalised. Additionally, the Administrators continue to trade from three stores and are incurring time dealing with payroll, reviewing trading costs and reconciling sales receipts for these stores.



The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

- Dealing with employees – The Administrators have spent significant time consulting with employees through meetings and FAQs. The Administrators have also spent time dealing with the redundancies in JCSL and JLL, which have been carried out over the course of the Administrations due to the phased wind-down of a number of stores.
- Extensive investigations – The Administrators have incurred considerable time investigating the conduct of the directors prior to appointments and the events leading to the Companies' insolvencies. The Administrators have carried out a comprehensive review of the Companies affairs prior to the Administrations and have spent time reporting on the findings from these investigations.
- Holding creditor meetings – The Administrators held an initial meeting with the creditors of JCL in June 2017, at which the Informal Committee was established. To date, the Administrators have held a further meeting with members of the Informal Committee and have spent time preparing for and holding these meetings and dealing with any post-meeting actions.

Based upon current circumstances and the time the Administrators' anticipate will be required to complete their duties, the Administrators will seek approval of the increase in their fee estimate from the creditors originally responsible for approving the basis of their remuneration. In JCSL and JLL, that is the secured and preferential creditors whilst in JCL and JHL, only the secured creditors' approval is required.

Please note that the revised fee approval will be issued to the relevant creditors of the Companies and once approved, the Administrators will confirm the revised fee estimates their next update to creditors.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## Appendix F. 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 business was provided to creditors in the Proposals; a copy of that estimate is set out below.

Anticipated costs	JCSL £	JCL £	JLL £	JHL £
Legal costs	70,000	10,000	10,000	10,000
Employee agent's fees	5,000-10,000	-	1,500	-
Property holding costs <sup>1</sup>	50,000-70,000	-	15,000	10,000
<b>Total</b>	<b>125,000-150,000</b>	<b>10,000</b>	<b>26,500</b>	<b>20,000</b>

<sup>1</sup>Property holding costs are the costs incurred whilst preserving the assets. These include insurance, security, utilities, business rates and repairs and maintenance.

### Current position of Administrators' expenses

An analysis of the costs paid to date, together with those incurred but not paid as at the end of the Period is provided below.

#### JCSL

	Paid in the period £	Incurred but not paid £	Total anticipated cost £
Legal costs <sup>1</sup>	-	78,321	100,000
Employee agent's fees	-	14,033	16,000
Property holding costs <sup>2</sup>	1,294,591	-	150,000
<b>Total</b>	<b>1,294,591</b>	<b>92,354</b>	<b>266,000</b>

#### JCL

	Paid in the period £	Incurred but not paid £	Total anticipated cost £
Legal costs <sup>1</sup>	-	28,865	35,000
<b>Total</b>	<b>-</b>	<b>28,865</b>	<b>35,000</b>

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## JLL

	Paid in the period £	Incurred but not paid £	Total anticipated cost £
Legal costs <sup>1</sup>	-	4,876	6,000
Employee agent's fees	-	-	1,500
Property holding costs <sup>2</sup>	161,559	65,000	226,559
<b>Total</b>	<b>161,559</b>	<b>69,876</b>	<b>234,059</b>

## JHL

	Paid in the period £	Incurred but not paid £	Total anticipated cost £
Legal costs <sup>1</sup>	-	11,003	12,000
Property holding costs <sup>2</sup>	63,295	1,705	65,000
<b>Total</b>	<b>63,295</b>	<b>12,708</b>	<b>77,000</b>

<sup>1</sup>Legal costs have exceeded the initial estimate due to the protracted sales process, complex landlord and concession negotiations and the number of ROT claims received.

<sup>2</sup>Please note that the Administrators' initial property holding costs estimate was based on trading for approximately 15-20 weeks, however due to the sales process completing later than expected and the ongoing trading of three final stores, property holding costs have been significantly higher than previously estimated.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## 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 Accounts in Appendix C.

Anticipated costs	JCSL £	JCL £	JLL £	JHL £
<b>Category 1 disbursements:</b>				
Specific penalty bond	225	225	225	225
Statutory advertising	258	172	172	172
Travel and subsistence	15,000	5,000	1,000	1,000
Storage	2,000	1,000	1,000	1,000
Stationery and postage	4,000	2,000	500	500
Telephone charges	500	-	-	-
Re-direction of mail	500	-	-	-
<b>Total</b>	<b>22,483</b>	<b>8,397</b>	<b>2,897</b>	<b>2,897</b>

Category 1 disbursements of £4,561 have been drawn for JCSL, £530 have been drawn for JCL and £38 have been drawn for JLL. Approval to draw category 2 disbursements has been given by KLL and the preferential creditors of JCSL and JLL, however, no category 2 disbursements have been drawn by the Companies to date.

## Appendix G. 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 to JCSL and JLL by an external sub-contractor.

Service type	Service provider	Basis of fee arrangement	Cost paid to date £
Employee claim processing	Insol Group Limited	Rate per employee and per site visit	-

### 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
Eversheds Sutherland International LLP (legal advice)	Hourly rate and disbursements
Gordon Brothers International LLC (valuation advice)	Fixed fee
Willis Towers Watson (insurance)	Risk based premium
Consultiam Property Limited (valuation advice)	Fixed fee

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 these assignments and the basis of their fee arrangement with them.

The Jaeger Company's Shops Limited (**JCSL**), The Jaeger Company Limited (**JCL**), Jaeger London Limited (**JLL**) and Jaeger Holdings Limited (**JHL**) – all in Administration (together the **Companies**)

## 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 these assignments is detailed below. Time is charged by managing directors and case staff in units of six minutes.

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

## **Appendix H. Exit routes and discharge from liability**

### **Dissolution of the Companies**

Based on present information, the Administrators think that dividends will be paid to the unsecured creditors of JCSL, JCL and JHL from the Unsecured Creditors' Funds. In this situation, the Administrators of JCSL, JCL and JHL will file notices together with their final progress reports at court and with the Registrar of Companies for the dissolution of JCSL, JCL and JHL once all funds have been distributed. The Administrators will send copies of these documents to each company and its creditors. The Administrations of JCSL, JCL and JHL will end following the registration of the notices by the Registrar of Companies.

In JLL, the Administrators think that the company has no property which might permit a *distribution to its unsecured creditors*. The Administrators of JLL will therefore file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of JLL. The Administrators will send copies of these documents to JLL and its creditors. The Administration will end following the registration of the notices by the Registrar of Companies.

### **Compulsory liquidation**

A liquidator of a company has certain powers such as the ability to disclaim onerous contracts or assets that are not available to an administrator. If such powers become necessary, the Administrators may make an application to court to end the Administrations and request that the court places the Companies into compulsory liquidation. The Administrators will send notice of any such application to the Companies and their creditors.

### **Discharge from liability**

Subject to the approval of the relevant class of creditors, the Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointments as Administrators ceases to have effect.