

# AM10

## Notice of administrator's progress report

FRIDAY



A24 \*A67964C8\* 26/05/2017 #88  
COMPANIES HOUSE

### 1 Company details

Company number 0 0 1 6 4 2 9 1

Company name in full ARG Realisations 2016 Limited  
(formerly Austin Reed Group Limited)

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Catherine

Surname Williamson

### 3 Administrator's address

Building name/number AlixPartners

Street The Zenith Building

26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) Peter

Surname Saville

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number AlixPartners

Street 6 New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

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

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

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

*Cumme*

X

Signature date

d 2 d 5	m 0 m 5	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

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

# 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. ❶  
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

❶ You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

## 2 Insolvency practitioner's name

Full forename(s) Kevin

Surname Coates

## 3 Insolvency practitioner's address

Building name/number AlixPartners

Street The Zenith Building

26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country United Kingdom

# Administrators' Progress Report for the period 26 October 2016 to 25 April 2017

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

24 May 2017

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## 1. Why this report has been prepared

- 1.1 As you will be aware Peter Saville, Kevin Coates and Catherine Williamson (the **Administrators**) were appointed over all of the Companies with the exception of ARCS on 26 April 2016. The Administrators were appointed over ARCS on 5 May 2016.
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company enters into administration and every subsequent period of six months. This progress report covers the period 26 October 2016 to 25 April 2017 for all of the Companies other than ARCS, and 5 November 2016 to 4 May 2017 for ARCS (the **Period**).
- 1.3 This report has been prepared in accordance with rule 18.2 of the Insolvency Rules 2016, and should be read in conjunction with all previous reports.
- 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 an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:  
  
Objective 1: rescuing a company as a going concern;  
  
Objective 2: achieving a better result for a company's creditors as a whole than would be likely if a 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 respect of ARGL, ARL, ARGP and CCL the Administrators are pursuing the second statutory objective. The third objective is being pursued for ARCS. Further details on the actions taken to achieve these objectives 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 **[creditorreports@alixpartners.com](mailto:creditorreports@alixpartners.com)**, or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

## 2. Summary of information for creditors

### Estimated dividend for creditors

#### ARG Realisations 2016 Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo Capital Finance (UK) Limited ( <b>Wells Fargo</b> )	7.17 million	6.00 million
Secured creditor – Alteri Luxembourg 2 SARL and Alteri Europe L.P (together <b>Alteri</b> )	18.24 million	4.74 million
Preferential creditors	24,500	100 pence in the pound
Unsecured creditors	30.26 million	2 pence in the pound

#### AR Realisations 2016 Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo	7.17 million	507,827
Secured creditor – Alteri	18.24 million	2.70 million
Unsecured creditors	17.36 million	Less than 1 pence in the pound

#### ARG (Property) Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo	7.17 million	275,723
Secured creditor – Alteri	18.24 million	52,000
Unsecured creditors	1.02 million	Nil

#### CC Realisations 2016 Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo	7.17 million	389,427
Secured creditor – Alteri	18.24 million	316,000
Unsecured creditors	14.62 million	Nil



## ARCS Realisations 2016 Limited

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor – Wells Fargo	7.17 million	Nil
Secured creditor – Alteri	18.24 million	84,000
Unsecured creditors	1.08 million	2 pence in the pound

### Notes:

#### Secured creditors

The secured creditors hold cross-guarantees between all of the Companies and as such, each company is jointly and severally liable for the debts under the terms of the guarantees.

Wells Fargo holds first ranking charges and was owed £7.17 million at the date of appointment and has been repaid in full. Please note that since the last report a reconciliation of payments made and monies held by Wells Fargo has been conducted. The returns shown above include payments made to Wells Fargo directly from the Administration accounts as well as the amounts obtained under the invoice discounting facility (**ID facility**), further details of which were provided in the Administrators' Progress Report dated 25 November 2016 (the **Previous Report**).

Alteri holds second and third ranking charges and is owed a total of approximately £18.24 million. It is estimated that approximately £7.89 million will be available to Alteri.

#### Preferential creditors

On appointment there were a total of 1,155 staff employed by ARGL, ARL and CCL, and therefore only these entities were anticipated to have preferential claims. All arrears of wages were paid following the appointments of the Administrators. Employee preferential claims therefore comprise of accrued but unpaid holiday pay.

The employees' preferential claims have been reconciled against the claims received and agreed by the Redundancy Payments Office (**RPO**). The RPO has confirmed that only a number of former employees of ARGL have preferential claims. Claims totalling approximately £24,500 have been received and the Administrators have issued a formal letter enclosing a notice of intended dividend to these preferential creditors. Payment will be made in full within the next few months.

#### Unsecured creditors

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

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

Where a dividend is expected to be paid, creditors are invited to complete and return a Proof of Debt form, together with documentary evidence to substantiate their claim, to the Administrators at the address detailed in section 1.9. Forms are available on AlixPartners' creditor portal and a separate claim must be lodged for each company. If a claim has already been submitted, no further action is required at this time.

With regards to ARCS, as advised previously, the residual store card balances as at 31 May 2016 (being the date after which customers could no longer use their balances to purchase goods) have been automatically added as unsecured claims against the company. The Administrators have issued a formal letter enclosing a notice of intended dividend to all known creditors of ARCS and it is anticipated that a dividend of approximately two pence in the pound will be paid to these creditors within the next few months.

For cases where dividends are not expected to be paid, creditors are welcome to submit a claim if they wish to do so; however, no acknowledgement will be provided.

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

#### Objectives and strategy summary

##### ARGL, ARL, CCL and ARGP

- 3.1 As noted in the Previous Report, the trading companies were ARGL, ARL, CCL and ARGP (the **Trading Companies**). In an effort to protect the value of the goodwill in the business, the value of brands and intellectual property and to maximise stock realisations, trading continued for a short period whilst sales of the businesses and assets were pursued.
- 3.2 Whilst going concern sales were not achieved for the businesses, a sale of the concessions at five Boundary Mills outlets enabled 29 employees to transfer to the purchaser under the TUPE regulations, thereby reducing claims from employees who would have otherwise had preferential and unsecured claims in the Administrations of ARGL and ARL.

##### ARCS

- 3.3 ARCS operated a store card facility which, as well as a credit facility, enabled customers to make payments into their accounts to fund purchases at a later date.
- 3.4 Realisations from the account holders that owed money to ARCS will enable a distribution to be made to Alteri, thereby achieving the third statutory objective on this case.
- 3.5 Further details of the asset realisations achieved in the Period are provided in the following sections.
- 3.6 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.

#### Sale of business

- 3.7 The Trading Companies operated as clothing retailers and tailors and traded under the brand names Austin Reed, Country Casuals and Viyella.
- 3.8 As previously reported, a sale of certain assets of the Trading Companies and the concessions based in the five Boundary Mills outlets completed on 28 May 2016 realising a total of £3.3 million in ARGL.

- 3.9 Additionally, the Austin Reed, Country Casuals and Stephens Brothers IP rights and domain names were sold to Border IP Limited (**Border**) on 27 May 2016 for a total consideration of £3.0 million. This sale also included ARGP's 10% minority shareholding in Lascari Holdings, which owns the Viyella brand.

## Trading

- 3.10 The Trading Receipts and Payments Accounts (**TR&Ps**) at Appendix D are prepared on a cash basis. The Administrators are continuing to finalise all trading costs, including rates, utilities and supplier payments and an estimate of costs incurred but not yet paid is provided at Appendix F and summarised below. Time to finalise the accounts has become protracted as various suppliers and local councils have failed to provide accurate final invoices. The majority of the accounts have been finalised during the Period and it is anticipated that this exercise will complete within the next few months.
- 3.11 As previously reported, ARL operated licence agreements with a number of overseas companies enabling these partners to use the 'Austin Reed' trademark and distribute licensed goods in consideration for an annual royalty charge. After taking into account receipts to date (included within sales income at Appendix D) and amounts that have been set off by license holders against sums due from ARL, there is a balance currently outstanding of approximately £180,000 from three parties and the Administrators continue to pursue these balances.
- 3.12 During the Period, the Administrators received £588,532 which had been withheld by WorldPay to protect against its credit card chargeback risk. The sum of £481,531 of the above balance related to cash due to ARGL at the date of the appointment and has therefore be reflected in this entity. The remaining balance of £107,001 related to credit card receipts from sales by the other Trading Companies and the funds have been allocated accordingly.
- 3.13 It is expected that both ARGL and ARL will make profits for the Administration period. The final trading position of both ARGP and CCL is expected to be a loss; however, Alteri has agreed to fund the losses therefore this will have no impact on any other creditors. Funding from Alteri currently totals £250,000. There are also contributions from the fixed accounts to the floating accounts to cover costs of trading and administrative costs.
- 3.14 The estimated final trading outcomes are detailed below. The actual outcomes will be confirmed in the next report.

£	ARGL	ARL	ARGP	CCL
Current trading surplus/(deficit)	2,739,691	540,748	(437,449)	(342,422)
Future receipts – American Express funds (see section 3.25)	-	21,004	10,240	10,256
Costs outstanding	(86,000)	(24,000)	(22,000)	(16,000)
Anticipated final surplus/(deficit) *	2,653,691	537,752	(449,209)	(346,166)

\* The above trading positions are a prudent estimate and do not include the potential realisations from commissions and royalties that the Administrators continue to pursue.

## **Realisation of assets – fixed charge**

### **Property**

- 3.15 A summary of all sites that the Companies operated from was provided at Appendix C of the Proposals and details of the realisations achieved from lease assignments and sales were provided in the Previous Report.
- 3.16 As previously advised, the remaining leases do not hold any value and during the Period the Administrators have continued to liaise with a number of remaining landlords to try to obtain agreement to formally surrender these leases. Numerous landlords have advised that they will not accept a surrender at this time. No further sums are due to these landlords as the Companies are not in beneficial occupation and amounts due under the leases will rank as unsecured claims.

## **Realisation of assets – floating charge**

### **Stock**

- 3.17 The realisation of all stock was completed in the previous reporting period; however, during the Period a reconciliation of the accounts was undertaken and it was identified that VAT relating to stock had been overstated in ARGL by £62,700 due to movements in the level of realisations. This has now been rectified and is therefore shown as a receipt in the Period on the Receipts and Payments Account (**R&P**) at Appendix B.

### **Fixtures, fittings, office equipment and furniture**

- 3.18 The Previous Report detailed that monies were realised in respect of fixtures and fittings in the Companies' Thirsk head office. These funds totalling £19,706 were received into ARGL during the Period.

### **ARCS debtor balances**

- 3.19 As detailed in section 3.3, ARCS provided a credit facility which enabled customers to buy goods online and instore and repay the balance in instalments at a later date. According to ARCS' company records, a total of £325,000 was outstanding from customers on appointment.
- 3.20 During the Period, Credet Limited (**Credet**), a debt recovery specialist, continued to assist the Administrators with the collection of the remaining debts. Debts totalling £39,137 were collected in the Period, bringing total realisations to £140,128. This includes a total of £370 which was incorrectly paid to other group companies by debtors and has been reallocated during the Period.
- 3.21 Debts totalling approximately £142,000 have been written off as they were either disputed or ARCS records were not sufficient to pursue the debts further.

- 3.22 Given the low value nature of each of the remaining individual account balances and anticipated costs to recover the debts, the Administrators are currently assessing whether it is cost effective to continue to collect the remaining debts. Future realisations are therefore expected to be minimal and a further update will be provided in the next report.

### Concession monies and chargebacks

- 3.23 Concession commissions totalling £124,655 have been received during the Period, as reflected in the trading account of ARGL.
- 3.24 There remains funds to be recovered from six concession hosts in relation to both the pre-appointment and post-appointment period and these amounts total approximately £232,000. The Administrators have demanded payment from all parties and set a deadline of 24 May 2017 for all monies to be paid, failing which legal action may be taken to recover the balances. A further update will be provided in the next report.
- 3.25 As previously reported, funds totalling £41,500 have been withheld by American Express for potential chargebacks that may be claimed by customers for goods purchased that were not delivered or were faulty and could not be replaced. It was initially expected that these funds would be received in January 2017 when the chargeback period ended; however, although the monies have not yet been received, the Administrators have been advised by American Express that this has been approved internally and the funds have been released. Once received the monies will be allocated between the Companies as shown in the table at section 3.14.

### Refunds and sundry realisations

- 3.26 The following sums have been received during the Period by the Companies.

Assets\£	ARGL	ARL	ARGP	CCL	ARCS
Rates refunds	2,769	106	174	2,790	-
Utility refunds	-	7,607	-	-	-
Sundry refunds	-	1,134	-	293	-
Bank interest	1,451	1,555	221	371	44
<b>Total</b>	<b>4,220</b>	<b>10,402</b>	<b>395</b>	<b>3,454</b>	<b>44</b>

- 3.27 During the Period all loans between the Companies have been repaid as reflected in the R&P's at Appendix B.

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

- 3.28 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 employees. The Administrators are responsible for liaising with HMRC to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Companies, and for filing tax returns for the duration of the Administrations.
- 3.29 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.
- 3.30 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

## **Creditors (claims and distribution)**

- 3.31 Details of the estimated outcome for creditors can be found in section 5.
- 3.32 During the Period, time has been spent dealing with trade creditor correspondence and queries, lodging claims and updating records. Time has also been spent dealing with the preferential claims of employees.
- 3.33 Based on current information, only ARGL has preferential creditors and it is anticipated that a dividend of 100 pence in the pound will be distributed shortly.
- 3.34 There will also be dividends paid to the unsecured creditors of ARGL, ARL and ARCS. With regards to ARGL and ARL, until all assets have been realised and the associated costs discharged, the Administrators will not be able to confirm the exact timing or quantum of the dividends. The quantum of unsecured creditors is currently unknown but should claims be received in line with that detailed in the directors' Statements of Affairs (**SoA**), the dividend rates will be approximately two pence in the pound on ARGL and less than one pence in the pound on ARL.
- 3.35 With regards to ARCS, the Administrators are in a position to declare a dividend to its unsecured creditors and a formal letter has been issued with this report enclosing the notice of intended dividend. It is anticipated that a dividend of approximately two pence in the pound will be paid to these creditors within the next few months.
- 3.36 There will be no monies available to the creditors of ARGP and CCL and any claims submitted in relation to these companies will not be individually acknowledged.

## **4. Investigations**

- 4.1 The Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the Companies' insolvency, 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 The Previous Report advised that the Administrators were continuing to investigate a number of matters to ascertain whether there is a realistic prospect of recovering assets for the benefit of the creditors. These investigations have completed and the Administrators have concluded that there are no additional assets to recover and no further action will therefore be taken.



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

### **Secured creditor – Wells Fargo Capital Finance (UK) Limited**

- 5.1 Wells Fargo was granted first ranking legal charges on 21 May 2014 by the Companies. It holds cross-guarantees between all of the Companies and as at the date of appointment was owed £7.17 million under its security. Wells Fargo has been paid in full.

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

- 5.2 Alteri holds second and third ranking fixed and floating charges and also cross-guarantees from the Companies. A schedule of these charges was provided at *Appendix B of the Proposals*.
- 5.3 At the date of appointment, Alteri was owed approximately £18.24 million (excluding interest and charges) under its security. Distributions totalling £5.53 million have been paid to date from the Companies and the total return is estimated at £7.89 million, therefore Alteri will suffer a shortfall.

### **Preferential creditors**

- 5.4 ARGP and ARCS had no employees therefore no preferential claims will be received in these entities.
- 5.5 *There have been a total of 1,126 redundancies made by ARGL, ARL and CCL. All of the employees' claims have been reconciled and agreed with the RPO and it has been determined that only a number of former employees of ARGL have preferential claims. Claims totalling approximately £24,500 have been received and payment will be made in full within the next few months.*

### **Unsecured Creditors' Fund**

- 5.6 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'.
- 5.7 As all floating charges granted by the Companies post-date 15 September 2003, there is a requirement to create a fund in each case.
- 5.8 Based on present information, the Administrators estimate that there will be no floating charge surplus after costs in respect of ARGP and CCL. On this basis, the value of the net floating charge property for these entities is estimated to be nil and the value of the Unsecured Creditors' Funds are also nil.

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

- 5.9 The net floating charge property, value of the Unsecured Creditors' Fund and estimated dividend rate for ARGL, ARL and ARCS is summarised in the table below. *The returns are subject to change and the Administrators cannot guarantee the level of these funds or the rate of any unsecured dividend until the remaining assets are realised and all claims have been agreed.*

£	ARGL	ARL	ARCS
Net property	5.22 million	788,000	108,000
Unsecured Creditors' Fund	600,000	160,600	24,600
Estimated dividend rate	Two pence in the pound	Less than one pence in the pound	Two pence in the pound

## **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) 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) 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 route please see Appendix H.

For and on behalf of  
The Companies



**Catherine Williamson**  
Administrator

Encs

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

## Appendix A. Statutory information

### Company information

#### ARG Realisations 2016 Limited

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

#### AR Realisations 2016 Limited

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

#### ARG (Property) Limited

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

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

## CC Realisations 2016 Limited

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

## ARCS Realisations 2016 Limited

Company name	ARCS Realisations 2016 Limited (formerly Austin Reed Credit Services Limited)
Registered number	01529898
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Station Road, Thirsk, North Yorkshire, YO7 1QH
Court details	The High Court of Justice, Chancery Division, Leeds District Registry
Court reference	402 of 2016

## Appointors' information

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

## Administrators' information

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

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

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 have all been extended for a period of 12 months with the consent of the secured and, where applicable, preferential creditors. The Administrations of ARGL, ARL, ARGP and CCL will now end on or before 25 April 2018. The Administration of ARCS will now end on or before 4 May 2018.

## Appendix B. Receipts and Payments Accounts for the period 26 October 2016 to 25 April 2017 for all entities excluding ARCS Realisations 2016 Limited, and Cumulative Accounts for the period since appointment

Note: all of the following accounts may be subject to rounding differences.

### ARG Realisations 2016 Limited

Statement of Affairs £	Period £	Cumulative £
<b>Fixed charge assets</b>		
Receipts		
4,818,182 Leasehold property	-	6,998,000
Bank interest	562	1,937
	<b>562</b>	<b>6,999,937</b>
Payments		
Administrators' fees	200,000	200,000
Legal fees	53,399	56,430
Bank charges	16	64
	<b>(253,415)</b>	<b>(256,494)</b>
Distributions		
Fixed chargeholder - Wells Fargo	-	6,000,000
	-	<b>(6,000,000)</b>
<b>Balance of fixed charge assets</b>	<b>(252,853)</b>	<b>743,443</b>
<b>Floating charge assets</b>		
Receipts		
Furniture and equipment	19,706	58,663
7,394,594 Stock	62,700	3,324,649
Book debts	(360)	-
325,000 Duty deferment bond	-	330,954
18,545 PayPal	-	-
35,000 Credit card bond	-	-
Insurance refund	-	8,361
29,208 Cash at bank	481,531	528,932
Rates refund	2,769	3,715
Retentions	-	1,782
Bank interest	889	1,758
Court compensation	-	5,524
Sundry receipts	(346)	8,461
Trading surplus	375,115	2,739,691
	<b>942,004</b>	<b>7,012,490</b>

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

Statement of Affairs £	Period £	Cumulative £
Payments		
Preparation of Statement of Affairs	-	2,000
Category 1 disbursements:		
Stationery and postage	(1,942)	7,384
Statutory advertising	-	254
Cost of consignment stock sold to AROL	-	1,307,454
Debt collection fees	570	1,125
Agent's/valuer's fees	9,369	9,369
Employee claim processing costs	17,070	44,385
Legal fees and disbursements	-	51,136
Loans to group companies	(1,226,183)	-
Pre-appointment wages	-	158
Bank charges	98	2,587
	<b>1,201,018</b>	<b>(1,425,852)</b>
Distributions		
Floating chargeholder - Alteri	1,840,366	4,131,842
	<b>(1,840,366)</b>	<b>(4,131,842)</b>
<b>Balance of floating charge assets</b>	<b>302,656</b>	<b>1,454,796</b>
<b>Total balance</b>	<b>302,656</b>	<b>2,198,239</b>
<b>Represented by</b>		
Interest bearing accounts		2,196,647
VAT receivable		1,592
		<b>2,198,239</b>



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

## AR Realisations 2016 Limited

Statement of Affairs £	Period £	Cumulative £
<b>Fixed charge assets</b>		
Receipts		
Leasehold property	-	185,167
437,000 Intellectual property	-	2,450,000
627,158 Book debts	-	178,469
Concession receipts	-	2,436
Bank interest	120	406
	<b>120</b>	<b>2,816,478</b>
Payments		
Legal fees	40,015	43,046
Legal disbursements	2,392	2,392
Agent's/valuer's fees	17,250	17,250
Concession commission	-	66,104
Insurance of assets	-	241
	<b>(59,657)</b>	<b>(129,033)</b>
Distributions		
Fixed chargeholder - Wells Fargo	507,827	507,827
Fixed chargeholder - Alteri	1,400,000	1,400,000
	<b>(1,907,827)</b>	<b>(1,907,827)</b>
<b>Balance of fixed charge assets</b>	<b>(1,967,364)</b>	<b>779,618</b>
<b>Floating charge assets</b>		
Receipts		
Loans from group companies	(1,276,260)	-
Book debts	(10)	209,533
Tax refund	-	34
Rates refund	106	4,645
Bank interest	1,435	3,097
Sundry receipts	1,134	1,134
Utility refund	7,607	8,100
Unclaimed dividends from the CVA	-	24,188
Trading surplus/(deficit)	(141,902)	540,748
	<b>(1,407,890)</b>	<b>791,479</b>
Payments		
Category 1 disbursements:		
Stationery and postage	1,967	1,967
Employee agent costs	1,340	2,340
Legal fees and disbursements	-	50,326
Concession commission	-	81,306
Bank charges	80	140
	<b>(3,387)</b>	<b>(136,079)</b>
<b>Balance of floating charge assets</b>	<b>(1,411,277)</b>	<b>655,400</b>
<b>Total balance</b>		<b>1,435,019</b>
<b>Represented by</b>		
Interest bearing accounts		1,284,610
VAT receivable		150,409
		<b>1,435,019</b>

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

## ARG (Property) Limited

Statement of Affairs £	Period £	Cumulative £
<b>Fixed charge assets</b>		
Receipts		
Leasehold property	-	105,000
715,703 Intellectual property	-	37,500
Bank interest	10	10
Book debts	-	431,111
	<b>10</b>	<b>573,621</b>
<b>Payments</b>		
Contribution to floating costs	39,409	39,409
Legal fees	-	3,031
Agent's/valuer's fees	2,625	2,625
Concession commission	-	155,388
Bank charges	1	1
Sundry expenses	-	44
	<b>(42,035)</b>	<b>(200,498)</b>
<b>Distributions</b>		
Fixed chargeholder - Wells Fargo	275,723	275,723
	<b>(275,723)</b>	<b>(275,723)</b>
<b>Balance of fixed charge assets</b>	<b>(317,748)</b>	<b>97,400</b>
<b>Floating charge assets</b>		
Receipts		
Contribution from fixed account	39,409	39,409
Funding from secured creditor	(250,000)	250,000
Loans to group companies	(55,955)	-
Book debts	-	182,972
Tax refund	-	8
Rates refund	174	1,181
Bank interest	211	460
Sundry receipts	-	4,237
	<b>(266,161)</b>	<b>478,268</b>
<b>Payments</b>		
Trading deficit/(surplus)	(16,694)	437,449
Category 1 disbursements:		
Stationery and postage	507	507
Concession commission	-	40,243
Insurance	-	37
Bank charges	3	32
	<b>16,184</b>	<b>(478,268)</b>
<b>Balance of floating charge assets</b>	<b>(249,977)</b>	<b>-</b>
<b>Total balance</b>		<b>97,400</b>
<b>Represented by</b>		
Interest bearing accounts		69,879
VAT receivable		27,521
		<b>97,400</b>

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

## CC Realisations 2016 Limited

Statement of Affairs £	Period £	Cumulative £
<b>Fixed charge assets</b>		
Receipts		
Leasehold property	-	132,093
Intellectual property	-	512,500
620,588 Book debts	-	595,814
Bank interest	44	44
Concession receipts	-	5,140
	<b>44</b>	<b>1,245,591</b>
Payments		
Legal fees	-	3,031
Agent/valuer's fees	18,188	18,188
Concession commission	-	211,527
Contribution to floating account	260,312	260,312
Bank charges	2	2
	<b>(278,502)</b>	<b>(493,060)</b>
Distributions		
Fixed chargeholder - Wells Fargo	389,427	389,427
	<b>(389,427)</b>	<b>(389,427)</b>
<b>Balance of fixed charge assets</b>	<b>(667,885)</b>	<b>363,104</b>
<b>Floating charge assets</b>		
Receipts		
Contribution from fixed account	260,312	260,312
Funding from secured creditor	(350,000)	-
Book debts	-	181,537
Rates refund	2,790	10,664
Sundry receipts	293	293
Unclaimed dividends from the CVA	-	5,695
Bank interest	327	711
	<b>(86,278)</b>	<b>459,212</b>
Payments		
Trading deficit	3,688	342,422
Loan from group companies	(106,031)	-
Category 1 disbursements:		
Stationery and postage	1,590	1,752
Debt collection fees	444	444
Employee claim processing costs	1,000	5,700
Concession commission	-	58,246
Legal fees and disbursements	-	50,551
Bank charges	12	98
	<b>99,297</b>	<b>(459,213)</b>
<b>Balance of floating charge assets</b>	<b>13,019</b>	<b>-</b>
<b>Total balance</b>		<b>363,104</b>
<b>Represented by</b>		
Interest bearing accounts		355,388
VAT receivable		7,716
		<b>363,104</b>

## Appendix C. Receipts and Payments Accounts for the period 5 November 2016 to 4 May 2017 for ARCS Realisations 2016 Limited and a Cumulative Account for the period since appointment

Statement of Affairs £	Period £	Cumulative £
<b>Floating charge assets</b>		
Receipts		
180,966 Book debts	39,137	140,128
Bank interest	44	56
	<b>39,181</b>	<b>140,184</b>
Payments		
Category 1 disbursements:		
Stationery and postage	7,889	20,154
Statutory advertising	-	85
Debt collection fees	6,423	6,423
Sundry payments	-	218
Bank charges	1	141
	<b>(14,313)</b>	<b>(27,021)</b>
<b>Balance of floating charge assets</b>	<b>24,868</b>	<b>113,163</b>
<b>Represented by</b>		
Interest bearing account		110,283
VAT receivable		2,880
		<b>113,163</b>

## **Appendix D. Trading Receipts and Payments Accounts for the period 26 October 2016 to 25 April 2017 and Cumulative Accounts for the period since appointment for the Trading Companies**

### **ARG Realisations 2016 Limited**

	Period £	Cumulative £
<b>Sales</b>		
Sales	540,699	7,509,979
Concession sales	124,655	280,279
	<b>665,354</b>	<b>7,790,258</b>
<b>Purchases</b>		
Purchases	8,155	1,123,158
	<b>(8,155)</b>	<b>(1,123,158)</b>
<b>Other direct costs</b>		
Wages and salaries	432	879,970
PAYE and National Insurance	-	188,354
Sub-contractor payments	-	53,486
Direct expenses	-	5,162
	<b>(432)</b>	<b>(1,126,972)</b>
<b>Trading expenditure</b>		
Indirect labour costs	-	31,051
Rent	62,554	611,338
Rates	130,581	273,843
Utilities	-	38,803
Telephone	-	8,811
Carriage	58	140,995
Insurance	-	415
Bank charges	22,490	159,493
IT costs	52,886	142,263
Lease payments	-	9,846
Equipment hire	-	5,289
Repairs and maintenance	-	22,704
Branch expenses	320	49,771
Sales commission	40,060	40,060
Advertising	-	749
Stationery and packaging	-	24,944
Postage	-	6,598
Ransom payments	5,000	142,870
Employee costs	(2,297)	13,390
Consultant costs	-	404,529
Supplier deposits	(30,000)	3,000
Retention of title costs	-	669,675
	<b>(281,652)</b>	<b>(2,800,437)</b>
<b>Trading surplus</b>	<b>375,115</b>	<b>2,739,691</b>

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

## AR Realisations 2016 Limited

	Period £	Cumulative £
Sales		
Sales	53,669	7,101,878
	<b>53,669</b>	<b>7,101,878</b>
Purchases		
Purchases	-	3,525,474
	-	<b>(3,525,474)</b>
Other direct costs		
Wages and salaries	-	614,433
PAYE and National Insurance	-	131,581
Sub-contractor payments	-	11,044
Direct expenses	-	4,318
	-	<b>(761,376)</b>
Trading expenditure		
Indirect labour costs	-	21,692
Rent	133,209	489,186
Rates	59,921	168,836
Utilities	758	25,928
Telephone	-	5,715
Carriage	-	83,303
Insurance	-	419
Consultant costs	-	330,118
Bank charges	-	88,867
IT costs	-	57,976
Lease payments	-	6,387
Equipment hire	-	3,431
Repairs and maintenance	-	14,727
Branch expenses	-	32,077
Sales commission	1,488	214,619
Ransom payments	-	63,039
Advertising	-	756
Stationery and packaging	-	16,180
Postage	-	4,280
Bespoke suits, hirewear and tailoring	195	205,319
Employee costs	-	13,123
Jersey VAT payment	-	8,302
Retention of title costs	-	420,000
	<b>(195,571)</b>	<b>(2,274,280)</b>
<b>Trading surplus/(deficit)</b>	<b>(141,902)</b>	<b>540,748</b>

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

## ARG (Property) Limited

	Period £	Cumulative £
Sales		
Sales	26,402	3,221,915
	<b>26,402</b>	<b>3,221,915</b>
Purchases		
Purchases	-	2,000,695
	-	<b>(2,000,695)</b>
Other direct costs		
Wages and salaries	-	409,208
PAYE and National Insurance	-	87,632
Sub-contractor payments	-	5,241
Direct expenses	-	2,049
	-	<b>(504,131)</b>
<i>Trading expenditure</i>		
Indirect labour costs	-	14,447
Rent	7,990	245,073
Rates	1,654	68,931
Utilities	64	16,621
Telephone	-	3,760
Carriage	-	40,644
Insurance	-	204
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	-	420,436
Ransom payments	-	29,917
Employee costs	-	6,228
Consultant costs	-	160,608
Bank charges	-	58,458
	<b>(9,708)</b>	<b>(1,154,539)</b>
<b>Trading deficit</b>	<b>16,694</b>	<b>(437,449)</b>

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

## CC Realisations 2016 Limited

	Period £	Cumulative £
Sales		
Sales	26,442	3,167,901
	<b>26,442</b>	<b>3,167,901</b>
Purchases		
Purchases	-	1,836,552
		<b>(1,836,552)</b>
Other direct costs		
Wages and salaries	-	427,921
PAYE and National Insurance	-	91,640
Sub-contractor payments	-	5,502
Direct expenses	-	2,151
	-	<b>(527,214)</b>
Trading expenditure		
Indirect labour costs	-	15,107
Rent	12,685	212,821
Rates	17,427	75,501
Utilities	18	14,170
Telephone	-	3,213
Carriage	-	41,511
Insurance	-	209
Bank charges	-	49,963
IT costs	-	32,595
Lease payments	-	3,591
Equipment hire	-	1,929
Repairs and maintenance	-	8,280
Branch expenses	-	18,034
Sales commission	-	451,220
Advertising	-	377
Stationery and packaging	-	9,097
Postage	-	2,406
Ransom payments	-	31,405
Employee costs	-	6,537
Consultant costs	-	168,593
	<b>(30,130)</b>	<b>(1,146,557)</b>
<b>Trading deficit</b>	<b>(3,688)</b>	<b>(342,422)</b>



## Appendix E. Administrators' fees and pre-administration costs

### 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 rule 2.106 of the Insolvency Rules 1986. On 26 October 2016 the secured creditors and, where applicable, the preferential creditors approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administrations.

To date fees totalling £200,000 have been drawn on account from ARGL only.

### Administrators' fee estimate

The fee estimates were originally provided in the Proposals. A copy of the estimates of the anticipated amount of work and the costs associated with it is set out below for each case.

#### ARG Realisations 2016 Limited

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

#### AR Realisations 2016 Limited

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

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

### ARG (Property) Limited

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

### CC Realisations 2016 Limited

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

### ARCS Realisations 2016 Limited

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Trading	67	357	23,796
Realisation of assets	21	415	8,842
Administration (including statutory reporting)	10	463	4,811
Investigations	2	345	520
Creditors (claims and distribution)	10	367	3,771
<b>Total</b>	<b>110</b>	<b>379</b>	<b>41,741</b>

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

Please note that fees to be drawn in each case will not exceed the estimates detailed above. Where time costs exceed the fee estimates as a result of the change in strategy and wind down of the businesses, the additional time will be written off.

## Administrators' details of time spent to date

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

### ARG Realisations 2016 Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	73	361	26,388	344,816
Realisation of assets	118	371	43,742	223,438
Administration (including statutory reporting)	123	361	44,483	307,534
Investigations	1	191	191	27,750
Creditors (claims and distribution)	12	386	4,637	12,833
<b>Total</b>	<b>327</b>	<b>365</b>	<b>119,441</b>	<b>916,371</b>

### AR Realisations 2016 Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	74	353	26,155	225,716
Realisation of assets	34	319	10,852	36,442
Administration (including statutory reporting)	100	316	31,629	101,825
Investigations	-	-	-	3,062
Creditors (claims and distribution)	7	396	2,775	5,028
<b>Total</b>	<b>215</b>	<b>332</b>	<b>71,411</b>	<b>372,073</b>

### ARG (Property) Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	48	371	17,804	171,409
Realisation of assets	12	306	3,668	26,646
Administration (including statutory reporting)	47	334	15,684	52,851
Investigations	-	-	-	2,281
Creditors (claims and distribution)	2	504	1,007	2,630
<b>Total</b>	<b>109</b>	<b>350</b>	<b>38,163</b>	<b>255,817</b>

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

## CC Realisations 2016 Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	64	352	22,544	187,917
Realisation of assets	17	290	4,938	39,332
Administration (including statutory reporting)	53	319	16,913	60,932
Investigations	-	-	-	2,193
Creditors (claims and distribution)	5	395	1,977	2,785
<b>Total</b>	<b>139</b>	<b>334</b>	<b>46,372</b>	<b>293,159</b>

## ARCS Realisations 2016 Limited

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Trading	-	-	-	5,693
Realisation of assets	27	261	7,035	33,991
Administration (including statutory reporting)	23	297	6,839	42,495
Investigations	-	-	-	1,929
Creditors (claims and distribution)	5	434	2,171	4,661
<b>Total</b>	<b>55</b>	<b>291</b>	<b>16,045</b>	<b>88,769</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.

Based upon the current position, the Administrators believe that the fee estimate previously provided remains valid. This is because the Administrators have undertaken to restrict the time costs to be drawn from each estate to within the original estimates, and therefore any time costs incurred in excess of these estimates will not be borne by creditors.

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

## Pre-administration costs

The pre-administration costs were disclosed in the Proposals and approval has been sought from the secured and relevant preferential creditors to draw these. Approval from all parties was obtained on 26 October 2016; however, these will not be drawn.

As a reminder, the pre-administration fees charged and expenses incurred by the Administrators are set out below. For the avoidance of doubt, these costs are not included in the Administrators' details of time spent to date.

Name of recipient	Brief description of services provided	Total amount unpaid £
The Administrators	Working with the Companies' directors to understand the financial position and planning for the insolvency appointments	153,236
The Administrators	Disbursements	300
Alteri Agency Investments Limited	Pre-appointment planning to manage operational trading	129,000
Squire Patton Boggs UK LLP	Advice necessary to facilitate to appointments	40,000

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## 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 businesses was provided to creditors in the Proposals. An updated estimate is provided below.

Anticipated costs £	ARGL	ARL	ARGP	CCL	ARCS
Squire Patton Boggs UK LLP	109,375	109,375	15,625	62,500	-
MBM Commercial	500	500	500	500	-
ERA Solutions Limited	49,000	5,000	-	6,500	-
Alteri Agency Investments Limited ( <b>AAIL</b> )*	405,000	332,000	169,000	162,000	-
Travers Smith LLP	750	750	750	750	-
Olswang LLP	255	255	255	255	-
Gooch Cunliffe Whale LLP ( <b>GCW</b> )**	TBC**	17,250	2,625	18,188	-
Willis Trowers Watson Limited ( <b>Willis</b> )***	30,000	20,000	11,000	12,000	-
Credebt Limited	-	-	-	-	6,850
CAPA	1,125	-	42	444	-
Hilco Appraisal	15,000	2,000	2,000	1,000	-
<b>Total</b>	<b>611,005</b>	<b>487,130</b>	<b>201,797</b>	<b>264,137</b>	<b>6,850</b>

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

\*\* The fees due to GCW are currently disputed and subject to a legal mediation process. A further update will be provided in the next report

\*\*\*The Administrators are currently liaising with Willis to obtain an accurate cost of the insurance premiums, taking into account the phased disposal of the assets and remaining public liability cover. As such, the actual costs may differ to the estimates provided above.

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## Current position of Administrators' expenses

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

£	ARGL	ARL	ARGP	CCL	ARCS
Legal fees	-	10,847	-	-	-
Estimated trading costs*	86,000	24,000	22,000	16,000	-
Debt collection fees	-	-	42	-	400
<b>Total</b>	<b>86,000</b>	<b>34,847</b>	<b>22,042</b>	<b>16,000</b>	<b>400</b>

\* Trading costs include utilities, insurance, business rates and other sundry costs.

## Administrators' disbursements

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

£	ARGL	ARL	ARGP	CCL	ARCS
Category 1 disbursements:					
Specific penalty bond	225	225	225	225	225
Statutory advertising	170	170	170	170	170
Travel and subsistence	4,550	5,150	2,565	2,900	-
Storage	500	500	500	500	200
Stationery and postage	2,000	2,000	2,000	2,000	10,000
Telephone charges	50	50	50	50	100
Re-direction of mail	240	240	240	240	240
<b>Total</b>	<b>7,735</b>	<b>8,335</b>	<b>5,750</b>	<b>6,085</b>	<b>10,740</b>

Due to the significant number of creditors and debtors, stationery and postage costs have exceeded the initial estimate provided above. To date, costs of £31,764 have been discharged and further costs will be incurred issuing reports and correspondence. It is anticipated that a further £5,000 may be incurred.

Category 1 disbursements totalling £32,103 have been drawn across the cases to date. Approval to draw category 2 disbursements has been sought and received from the secured and, where applicable, the preferential creditors on 26 October 2016. No category 2 disbursements have been drawn 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, a vice president, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

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

The following services are being provided on 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	52,425
Debt collection	Credebt Limited	20% of collections	6,423
Debt collection	CAPA	20% of recoveries	1,569

### 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)	To be agreed
Alteri Agency Investments Limited (retail agent)	Daily rate and element of fixed cost
Hilco Appraisal Limited (valuation and disposal advice)	Hourly rate and disbursements



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

## Disbursements

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

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

## Charge-out rates

A schedule of AlixPartners' charge-out rates for these assignments effective from 1 January 2017 is detailed below, together with those applicable prior to this date. Time is charged by managing directors and case staff in units of six minutes.

<i>Description</i>	<i>Rates from 1 January 2017 £</i>	<i>Rates pre 1 January 2017 £</i>
Managing director	615-675	595-650
Director	590	570
Vice president	495	430-480
Associate	365-445	350-430
Analyst	210-365	200-350
Treasury and support	100-240	95-230

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

### **Dissolution of the Companies**

The Companies have no property to permit a distribution to their unsecured creditors, other than by way of the Unsecured Creditors' Fund in the cases of ARGL, ARL and ARCS. The Administrators will therefore 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 each company and its creditors. The appointments will end following the registration of each notice by the Registrar of Companies.

### **Discharge from liability**

The secured and, where necessary, the preferential creditors approved on 3 January 2017 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 ceases to have effect.