

# AM10

## Notice of administrator's progress report

FRIDAY



A27 \*A786D083\* 15/06/2018 #237  
COMPANIES HOUSE

### 1 Company details

Company number 0 6 8 2 9 5 7 7

Company name in full Parabis Holdings Limited

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

### 2 Administrator's name

Full forename(s) Anne Clare

Surname O'Keefe

### 3 Administrator's address

Building name/number The Zenith Building

Street 26 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 A B

Country

### 4 Administrator's name ①

Full forename(s) Peter

Surname Saville

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

### 5 Administrator's address ②

Building name/number

Street 6 New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country

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

## 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) Benjamin

Surname Browne

### 3 Insolvency practitioner's address

Building name/number

Street 6 New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country

AM10

Notice of administrator's progress report

**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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# Administrators' Progress Report for the period 23 November 2017 to 22 May 2018

ARL Realisations Limited (formerly  
Argent Rehabilitation Limited) and  
Parabis Holdings Limited  
In Administration

14 June 2018

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Appendix F.	Extensions and exit routes

## 1. Why this report has been prepared

- 1.1 As you will be aware, Peter Saville, Benjamin Browne and Anne O’Keefe (the **Administrators**) were appointed on 23 November 2015.
- 1.2 The Administrators were also appointed over eight additional companies as detailed below. These, together with the Companies, form the group (the **Group**).

Entity name	Entity abbreviation
Parabis Management Limited	PML
Parabis Group Limited	PGL
Parabis Limited	Limited
Parabis Law LLP	LLP
Argent Risk Management Solutions Limited	ARMS
AAI Realisations Limited (formerly Argent Adjusting and Investigations Limited)	AAI
CM Realisations Limited (formerly Carmichaels (KC) Limited)	CM
Woodfield Consultancy Services (UK) Limited	Woodfield

- 1.3 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 23 November 2017 to 22 May 2018 (the **Period**) and should be read in conjunction with all previous reports in relation to the Group.
- 1.4 This report has been prepared in accordance with rule 18.2 of the Insolvency (England and Wales) Rules 2016.
- 1.5 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators’ fees and the expected outcome for each class of creditor.
- 1.6 As a reminder the administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
- Objective 1: rescuing the company as a going concern;
- Objective 2: achieving a better result for the company’s creditors as a whole than would be likely if the company were wound up (without first being in administration); or
- Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.

ARL Realisations Limited (**ARL**) and Parabls Holdings Limited (**Holdings**)  
Both in Administration (together the **Companies**)

- 1.7 In these cases the Administrators are pursuing the second and third statutory objectives in ARL and Holdings, respectively. Further details on the actions taken to achieve those objectives can be found in section 3 of this report.
- 1.8 Details of the Administrators' fees and disbursements incurred are provided at Appendices C to E.
- 1.9 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-In details to access this information can be found within the covering letter you have received.
- 1.10 If you require a hard copy of this report or have any queries in relation to its contents or the Administrations generally, please contact Paul Butterfield on 0161 838 4539, 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

Description	Estimated debt £	Likely level of return £
<b>Group</b>		
<b>Secured Creditors:</b>		
Super senior debt	6.5 million	6.5 million
First lien	38.2 million	24.1 million
Second lien	26.9 million	Nil
<b>ARL</b>		
Preferential creditors	2,957	100 pence/£
Unsecured creditors	19.8 million	2.88 pence/£
<b>Holdings</b>		
Unsecured creditors	28.8 million	Nil

### Notes:

#### Secured Creditors

The estimated level of debt, is the debt owed to the Secured Creditors (defined in section 4.2) by the Group at the date of the Administrators' appointments.

The Secured Creditors' position reflects the total debt and return across the Group, which has joint and several liability for all companies in the Group who acceded to the debenture as detailed in section 4.

The return shown above is the estimated return based on current information after the costs of the Administrations. Due to improvements in the level of asset realisations across the Group, the estimated return to the first lien lenders has increased by £0.9 million in the Period and remains subject to change.

#### Preferential creditors

Claims totalling £2,957 in respect of unpaid employers' pension scheme contributions were received in ARL. A preferential distribution of 100 pence in the pound was paid on 2 March 2017.

Holdings did not have any employees, therefore there are no preferential claims.



## Unsecured creditors

### ARL

The Administrators issued a first and final dividend to the unsecured creditors of ARL on 8 March 2018 and the rate of return was 2.88 pence in the pound. The final value of admitted unsecured claims totalled £19.8 million, which was significantly lower than the value estimated in the previous report. The difference is primarily due to the final claim of HM Revenue and Customs (**HMRC**) being significantly lower than was estimated at the commencement of the Administration. HMRC's estimated claim included a provision for a significant contingent liability in respect of an ongoing query which was resolved prior to payment of the unsecured dividend.

### Holdings

In respect of Holdings, total unsecured claims are estimated to be £28.8 million. There are insufficient realisations to enable a dividend to be paid to the unsecured creditors of Holdings.

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

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

### 3. Progress of the Administrations

- 3.1 Attached at Appendix B are the Administrators' Receipts and Payments Accounts for the Period, together with Cumulative Accounts for the period since the date of the appointments. 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 D.
- 3.2 In addition to their statutory objectives, 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 C and D 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.

#### Transitional Services Agreement (TSA)

##### Overview and conclusion

- 3.3 To facilitate the sale of certain of the Group's businesses, it was agreed that all parties would enter into a TSA whereby central management services, such as facilities and payroll, would continue to be provided for a specified period of time.
- 3.4 PML incurred all costs associated in the provision of TSA services and subsequently recharged these costs amongst the various purchasers of the Group's businesses and assets (the **Purchasers**) in accordance with their respective Sale and Purchase Agreements. The balance of these costs are allocated to those Group entities whose asset realisations were enhanced as a result of the TSA (AAI, ARL, ARMS, Holdings and LLP) (together the **TSA Companies**) and are referred to as Management Charges.
- 3.5 Whilst all TSA related matters are concluded, total asset realisations across the TSA Companies continue to change, therefore Management Charges and other costs will continue to be reallocated amongst the TSA Companies. The final allocation of Management Charges and other TSA costs will be determined once the Group's asset realisations are complete. No reallocations have been required in the Period.

#### Realisation of assets - ARL

##### Goodwill

- 3.6 Funds totalling £9.5 million have been attributed to goodwill in accordance with the relevant sale agreements which were completed on the appointment of the Administrators. In the Period, the Administrators have completed the necessary filings with HMRC and the tax position is now finalised. Corporation tax liabilities of £1,303 have been settled in the Period.

### Book debts

- 3.7 A total of £8.4 million was held in escrow following the sale of ARL's debtor ledger to Premex and release to the Administration was dependent upon various conditions of the sales agreement being met, the most significant of which was that Premex exceeded net debtor realisations of £11.0 million. The final quantum to be released was dependent upon the level of collections by Premex.
- 3.8 Collections continued through to 23 November 2017 in accordance with the sale agreement. Based on the level of collections by Premex, a total of £5.7 million was payable to ARL under the sale agreement which was received in full on 14 December 2017.

### Medical Law Report (**MLR**) debtors

- 3.9 Debtors with a book value of £7.8 million in relation to MLRs were excluded from the sale to Premex.
- 3.10 A sale of the outstanding debtors was completed to Capita Medical Limited (**CML**) on 13 June 2016. Sale consideration is deferred in that ARL receives 50% of collections made by CML on a monthly basis. The collection process will end on 14 September 2018, at which point a valuation of the remaining ledger will be completed and CML will purchase the remainder of the ledger on the basis of this valuation. Collections continue and a total of £3.0 million has been collected to date, of which £316,868 was received in the Period.

### Intercompany lending

- 3.11 With the consent of the Secured Creditors, ARL loaned a total of £3.6 million to Group entities in order to ensure that the costs and expenses of the Administrations could be met, as required.
- 3.12 At the date of the last report, the sole outstanding matter was repayment of funds loaned to Limited. This loan has been repaid in the Period and ARL has therefore been repaid all of its intercompany lending in full.

### Nominal receipts

- 3.13 Bank interest of £2,152 has been received in the Period.
- 3.14 Sundry refunds of £1,775 have been received in the Period.

## Realisation of assets - Holdings

### Parabis South Africa (**PSA**)

- 3.15 PSA is being wound up on a solvent basis which may result in a shareholder distribution to Holdings. The quantum and timing of any potential distribution remains uncertain whilst the winding up process of PSA continues. It is anticipated that the formal winding up process of PSA will commence in the next couple of months.

- 3.16 Holdings is party to a South African Share Pledge (the **Pledge**) dated 26 October 2012 together with PSA and the Secured Creditors. Pursuant to the Pledge, Holdings will retain ownership of its shareholding in PSA and any distribution from PSA will be remitted directly to the Secured Creditors.

#### Nominal receipts

- 3.17 Bank interest of £12 has been received in the Period.

#### Intercompany receivables

- 3.18 The Companies are party to an Intercreditor agreement dated 21 December 2011, subsequently amended on 22 June 2015 (the **Agreement**), between certain Group entities and the Secured Creditors. The net effect of the Agreement is that the Secured Creditors are entitled to the benefit of intercompany dividends paid to the parties subject to the Agreement.
- 3.19 ARL and Holdings have lodged unsecured claims across the Group totalling £14.4 million and £0.3 million, respectively, relating to AAI, ARMS, CM, Limited, LLP and PML. The Companies also have intercompany creditors totalling £1.2 million and £13.7 million, respectively. In the Period, unsecured dividends have been issued by AAI, ARL, ARMS and Limited. In accordance with the Agreement the dividend awards payable by ARL, together with the dividend awards payable to the Companies, have been have remitted directly to the Secured Creditors.
- 3.20 As CM is not party to the Agreement, the dividends payable to the Companies have been retained in the Administrations and are detailed in the Receipts and Payments Accounts at Appendix B. The amounts received by ARL and Holdings are £1,292 and £10,199, respectively. The rate of return to CM's unsecured creditors was four pence in the pound.
- 3.21 PML has insufficient floating charge funds to enable a dividend to be paid to its unsecured creditors. The anticipated rate of return to the unsecured creditors of LLP is approximately one pence in the pound, and the final level of return will be confirmed by LLP when the dividend is issued, which will be on or before 20 August 2018. The dividend payments in respect of LLP's intercompany creditors will be remitted to the Secured Creditors in accordance with the Agreement.

#### Administration (including statutory reporting)

- 3.22 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, which includes preparing bi-annual reports to creditors advising of the progress of the Administrations. The Administrators are also responsible for liaising with HMRC to determine the final position in respect of corporation tax, VAT and other taxes that may be owed by or to the Companies, and for filing tax returns for the duration of the Administrations.

- 3.23 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.
- 3.24 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)**

- 3.25 Details of the estimated outcome for creditors can be found in section 4.

#### **Secured Creditors**

- 3.26 The Administrators have continued to provide both formal and informal updates to the Secured Creditors. The Administrators' updates provide information in relation to asset realisations and general progress in the Group's Administrations in order to monitor the estimated outcome for each class of creditor on an ongoing basis.

#### **Unsecured creditors**

- 3.27 The principal work completed in the Period relates to the finalisation of claims and the payment of the dividend to the unsecured creditors of ARL. Further details are provided in section 4.

## 4. Estimated outcome for creditors

- 4.1 The below table details the Group's borrowing at the date of the Administrators' appointments, which was previously updated to include the results of a reconciliation completed shortly after appointment. Full details of the Group's lending has been provided in previous reports.

Description	Group financing (£m)	Total (£m)
Super senior		
Cross Ocean Partners ( <b>COP</b> )	6.5	<b>6.5</b>
First lien:		
Lloyds Banking Group ( <b>LBG</b> )	16.1	
Royal Bank of Scotland ( <b>RBS</b> )	8.5	
Cross Ocean Partners ( <b>COP</b> )	13.6	<b>38.2</b>
Second lien:		
Ares Management ( <b>AM</b> )	26.9	<b>26.9</b>
Loan notes:		
Duke Street LLP ( <b>DS</b> )	43.2	
Vendor loan notes	23.9	
Management loan notes	43.1	<b>110.2</b>
<b>Total Group lending</b>		<b>181.8</b>

### Secured Creditors

- 4.2 LBG acts as security agent under the facilities agreement between the syndicated lenders LBG, RBS, COP and AM (together the **Secured Creditors**).
- 4.3 Following the appointments, the Administrators investigated the loan notes and confirmed that these are unsecured against companies in the wider group, being Trilliam Intermediate Limited and Trilliam Loanco Limited.
- 4.4 The parent company, Trilliam Midco Limited, originally granted a debenture dated 21 December 2011 to the security agent. A total of 13 of the wider group companies subsequently acceded to this by way of additional charges on 12 September 2012. This included the Companies.
- 4.5 The security agent subsequently hedged its debt under an intercreditor agreement dated 21 December 2011 with AM, Santander UK Plc and RBS. COP bought into the syndicate in June 2015 having purchased the debt originally held by Santander UK Plc.
- 4.6 COP extended a further £6.5 million in June 2016 on a super senior basis, meaning it has an elevated priority of payment in relation to the other secured debt. The super senior debt due to COP of £6.5 million has been paid in full from fixed charge realisations in ARL.

- 4.7 The debt due to the first and second lien lenders at the date of appointment totalled £66.9 million. Following a review of funds held in various company/client bank accounts, the sum of £1.8 million was identified as available for the secured lenders under set-off. The revised total secured first and second lien debt therefore stands at £65.1 million across the Group.
- 4.8 In the Period, ARL has distributed a further £4.9 million from floating charge realisations and distributions to date total £17.0 million. Holdings has not issued any distributions in the Period but has distributed a total of £1.8 million from fixed charge realisations in previous periods.
- 4.9 Based on current information and realisations to date, it is estimated that the first lien lenders will receive a total return of £24.1 million across the Group. As this number is based on an element of estimated future realisations, the final return is subject to change. The first lien lenders will suffer a shortfall on their lending.
- 4.10 The second lien lenders will not receive a distribution on their lending.
- 4.11 The Secured Creditors also benefit from the Agreement as detailed at section 3.17. Based on current information, the intercompany debts payable to the Secured Creditors are anticipated to total approximately £1.1 million.

### **Preferential creditors**

- 4.12 ARL's preferential claims totalled £2,957 and a distribution of 100 pence in the pound was paid on 2 March 2017.
- 4.13 Holdings has no preferential creditors.

### **Unsecured Creditors' Fund**

- 4.14 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'.

### **ARL**

- 4.15 The Company's net floating charge property totals approximately £9.8 million, arising from which was the statutory maximum Prescribed Part fund of £600,000. The costs of agreeing claims and making the distribution were £29,253, leaving £570,747 available for the unsecured creditors. The final value of admitted unsecured claims was £19.8 million, resulting in a dividend rate of 2.88 pence in the pound.
- 4.16 The first and final dividend was issued on 8 March 2018. The Administrators are unable to declare any further dividends as the funds realised have now been distributed, and the remainder paid or allocated for paying the expenses of the Administration.

## Unclaimed dividends

- 4.17 All cheques paid to the unsecured creditors of ARL should be banked as soon as possible, and in any event must be banked within six months of the date of the cheque. Any cheques which have not cleared by 8 September 2018 will be cancelled and the proceeds will be forwarded to The Insolvency Service, Estate Accounts Directorate, Unclaimed Monies Team, PO Box 3690, Birmingham, B2 4UY.
- 4.18 If your cheque is cancelled on or after this date, please allow ten working days to pass before submitting a claim to The Insolvency Service. To make a claim, creditors should contact the Insolvency Service by email at: **eaips.unclaimed@insolvency.gsi.gov.uk** and put 'ARL Realisations Limited' as the subject.
- 4.19 The transfer of responsibility to the Insolvency Service is a routine step which requires administrators of an insolvent company to transfer unclaimed dividends to the agency six months after the cheques were issued. The agency will hold the funds for the next six years, after which it will return any money that remains unclaimed to HM Treasury, however, this does not affect creditors' rights to claim funds after the six years has passed.

## Holdings

- 4.20 Total unsecured creditors are estimated to be £28.8 million. As Holdings has insufficient floating charge assets, the value of both its net property and Prescribed Part fund are nil. Consequently, there will be no funds available for the unsecured creditors of Holdings.



## **5. What happens next**

### **Creditors' rights**

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

### **Next report**

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

For and on behalf of  
The Companies



**Anne O'Keefe**  
Administrator

Encs

ARL Realisations Limited (**ARL**) and Parabis Holdings Limited (**Holdings**)  
Both in Administration (together the **Companies**)

## Appendix A. Statutory information

### Company information

#### ARL

Company name	ARL Realisations Limited (formerly Argent Rehabilitation Limited)
Registered number	05679151
Registered office	c/o AlixPartners, The Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA
Trading address	Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA
Trading name	Argent Rehabilitation
Court details	High Court of Justice, Chancery Division, Companies Court
Court reference	CR-2015-009046

#### Holdings

Company name	Parabis Holdings Limited
Registered number	06829577
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA
Trading address	N/A
Trading name	N/A
Court details	High Court of Justice, Chancery Division, Companies Court
Court reference	CR-2015-009051

### Appointor's information

Name	Address	Position
Jason Powell	Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA	Director

ARL Realisations Limited (**ARL**) and Parabis Holdings Limited (**Holdings**)  
Both in Administration (together the **Companies**)

## **Administrators' information**

Name	Address	IP number	Name of authorising body
Peter Mark Saville	AlixPartners, 6 New Street Square, London, EC4A 3BF	009029	Insolvency Practitioners Association
Benjamin James Browne	AlixPartners, 6 New Street Square, London EC4A 3BF	014190	Insolvency Practitioners Association
Anne Clare O'Keefe	AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association

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

## **Extension of Administrations**

The Administrations were initially extended for a period of 12 months with the consent of the Companies' creditors to 22 November 2017. As it was not possible to conclude all matters prior to this date, the Administrators successfully sought orders of the court to extend the Administrations for a further 12 months to 22 November 2018.

The Administrators anticipate that the Administrations will be in a position to close within the next six months; therefore, no further extensions are expected.

## Appendix B. Receipts and Payments Accounts for the period 23 November 2017 to 22 May 2018 and Cumulative Accounts for the period since appointment

### ARL

Statement of Affairs £	Period £	Cumulative £
<b>Fixed charge assets</b>		
Receipts		
1 Intellectual property	-	1
1 Business name	-	1
13,567,692 Goodwill	-	9,460,588
Bank interest	-	658
	-	<b>9,461,248</b>
Payments		
Bank charges	-	35
	-	<b>(35)</b>
Distributions		
Secured Creditors	-	9,449,981
	-	<b>(9,449,981)</b>
<b>Balance of fixed charge assets</b>	-	<b>11,232</b>
<b>Floating charge assets</b>		
Receipts		
Specific contracts	-	1
Employee records	-	1
Customer records	-	1
Customer data	-	2
STEP programme	-	2
WARP documentation	-	1
907,885 Work in progress	-	907,885
16,599,595 Book debts	5,696,659	17,296,254
4,504,742 MLR debtors	316,868	2,998,848
Employee loans	-	4,681
42,896 Fixtures and fittings	-	-
Cash at bank	-	143,653
Utility refunds	-	39
Uncertain Intercompany receivables	1,292	1,292
9,235,458 VAT assessments	-	-
Sundry refunds	1,775	3,955
Salary funding	-	86,345
Bank interest	2,152	7,263
	<b>6,018,746</b>	<b>21,450,223</b>

ARL Realisations Limited (**ARL**) and Parabis Holdings Limited (**Holdings**)  
Both in Administration (together the **Companies**)

Statement of Affairs £	Period £	Cumulative £
Payments		
Intercompany lending	(201,748)	-
Pre-administration costs:		
Administrators' fees and disbursements	-	369,668
Agent's/valuer's fees	-	808
Contractor's fees and expenses	-	180,000
Administrators' fees:		
General	-	334,355
Prescribed Part	20,000	20,000
Category 1 disbursements:		
Stationery and postage	2,049	11,279
Statutory advertising	-	85
Employee claim/payroll agent's fees	-	60
Data room costs	-	2,109
Legal fees and disbursements	9,749	180,067
Pre-appointment employee costs	-	222,951
Post-appointment employee costs	-	86,345
Contribution to Woodfield costs	-	18,945
Management charges	-	2,901,135
Management charges - professional fees	-	532,204
Corporation tax	1,303	1,303
Framework agreements	-	5,410,910
Insurance of assets	904	904
Bank charges	478	1,676
	<b>167,265</b>	<b>(10,274,804)</b>
Distributions		
Preferential creditors, 02/03/17, 100 pence/£	-	2,957
Floating chargeholder	4,878,000	7,566,746
Unsecured creditors, 08/03/18, 2.88 pence/£	570,678	570,678
	<b>(5,448,678)</b>	<b>(8,140,381)</b>
<b>Balance of floating charge assets</b>	<b>737,333</b>	<b>3,035,039</b>
<b>Total balance</b>		<b>3,046,270</b>
<b>Represented by</b>		
Interest bearing accounts		3,050,672
VAT payable		(4,402)
		<b>3,046,270</b>

Notes:

The above is subject to small rounding differences.

Due to certain unsecured dividend cheques being reissued at the end of the Period, the amount detailed in the Receipts and Payments Account above is lower than the total amount distributed. Once the reissued cheques are banked by the relevant creditors, the amount detailed in the Receipts and Payments Account will equal the total amount distributed, being £570,747.

ARL Realisations Limited (**ARL**) and Parabis Holdings Limited (**Holdings**)  
Both in Administration (together the **Companies**)

## Holdings

Statement of Affairs £	Period £	Cumulative £
<b>Fixed charge assets</b>		
Receipts		
WARP shares	-	2,400,000
LPG shares	-	10,000
360Globalnet shares	-	200,001
Uncertain Intercompany receivables	10,199	10,199
Bank Interest	12	3,318
	<b>10,211</b>	<b>2,623,518</b>
Payments		
Pre-administration costs:		
Administrators' fees and disbursements	-	41,074
Administrators' fees	-	46,992
Category 1 disbursements:		
Stationery and postage	-	48
Statutory advertising	-	85
Legal fees and disbursements	-	144,823
Professional fees and disbursements	-	14,704
Purchase of CM shares	-	160,000
Management charges	-	292,219
Management charges - professional fees	-	78,254
Bank charges	-	45
	-	<b>(778,244)</b>
Distributions		
Fixed chargeholder	-	1,833,966
	-	<b>(1,833,966)</b>
<b>Balance of fixed charge assets</b>	<b>10,211</b>	<b>11,307</b>
<b>Represented by</b>		
Interest bearing accounts		11,307
		<b>11,307</b>

**Note:**

The above is subject to small rounding differences.

## Appendix C. 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 was sought in accordance with insolvency legislation. On 12 February 2016, ARL's secured and 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 Administration. In respect of Holdings, its Secured Creditors approved the same on 25 January 2016.

To date, fees of £334,355 and £46,992 have been drawn in ARL and Holdings, respectively. Of the amount drawn in respect of ARL, £20,000 relates to fees drawn from the Prescribed Part in relation to adjudicating the claims of unsecured creditors and issuing the dividend.

### Administrators' fee estimate

The fee estimates were originally provided when the bases of the Administrators' fees were approved, copies of which are set out below.

#### ARL

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Administration (including statutory reporting)	72	250	18,070
Realisation of assets	51	421	21,409
TSA	862	341	294,085
Investigations	10	291	2,910
Creditors (claims and distribution)	280	427	119,585
<b>Total</b>	<b>1,275</b>	<b>358</b>	<b>456,059</b>

#### Holdings

Activity category	Hours anticipated	Blended rate per hour £	Anticipated cost £
Administration (including statutory reporting)	75	248	18,590
Realisation of assets	4	429	1,714
Investigations	12	263	3,150
Creditors (claims and distribution)	87	318	27,545
<b>Total</b>	<b>178</b>	<b>287</b>	<b>50,999</b>

ARL Realisations Limited (**ARL**) and Parabis Holdings Limited (**Holdings**)  
Both in Administration (together the **Companies**)

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

The Administrators are required to seek the approval of the increase in their fee estimate from the creditors originally responsible for approving the basis of remuneration. In these cases, following the payment of preferential debts in full, that is the Secured Creditors.

The approval of any revised estimate will be sought directly from the Secured Creditors prior to drawing any fees in excess of the initial estimate which has already been approved.

## **Administrators' details of time spent to date**

### **ARL**

The Administrators' time costs for the Period are £92,200. This represents 210 hours at an average rate of £439 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 £	Cumulative time cost £
TSA	Nil	Nil	Nil	69,379
Realisation of assets	24	355	8,660	195,651
Administration (including statutory reporting)	151	481	72,464	446,476
Investigations	Nil	Nil	Nil	4,455
Creditors (claims and distribution)	35	316	11,076	42,032
<b>Total</b>	<b>210</b>	<b>439</b>	<b>92,200</b>	<b>757,993</b>

### **Holdings**

The Administrators' time costs for the Period are £6,571. This represents 19 hours at an average rate of £344 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 £	Cumulative time cost £
TSA	Nil	Nil	Nil	7,633
Realisation of assets	5	257	1,310	100,253
Administration (including statutory reporting)	14	376	5,261	127,042
Investigations	Nil	Nil	Nil	2,198
Creditors (claims and distribution)	Nil	Nil	Nil	8,168
<b>Total</b>	<b>19</b>	<b>344</b>	<b>6,571</b>	<b>245,294</b>



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

Details of the progress of the Administrations to date, and matters that are outstanding or partially complete, together with an explanation of why the work was undertaken are set out in section 3. Any references to TSA represent the Transactional Services Agreement as outlined in previous reports.

## Pre-administration costs

The pre-administration costs were disclosed in the Administrators' Statement of Proposals dated 17 December 2015. On 12 February 2016, ARL's secured and preferential creditors, together with Holdings' Secured Creditors, approved the Administrators' pre-appointment costs.

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.

### ARL

Name of recipient	Brief description of services provided	Total amount approved £	Paid to date £	Payment made by	Amount unpaid £
The Administrators	Marketing of AR and negotiation of the sale to Premex	1,005,046	367,503	LLP and Holdings	637,953
The Administrators	Disbursements	2,165	2,165	ARL	-
Lawyer (Hogan Lovells International LLP)	Legal fees	8,000	-	N/A	8,000
Agent (Hilco Valuation Services)	Valuation of tangible assets	808	808	ARL	-
<b>Total</b>		<b>1,016,019</b>	<b>370,476</b>		<b>645,953</b>

### Holdings

Name of recipient	Brief description of services provided	Total amount approved £	Paid to date £	Payment made by	Amount unpaid £
The Administrators	Agree sale of WARP shares to Premex	111,670	40,834	LLP	70,882
The Administrators	Disbursements	240	240	N/A	-
Lawyer (Hogan Lovells International LLP)	Legal fees	11,000	-	N/A	11,000
<b>Total</b>		<b>122,910</b>	<b>41,074</b>		<b>81,882</b>

## Appendix D. Administrators' expenses and disbursements

### Expenses of the Administrations

The estimates of expenses anticipated to be incurred by the Administrators from third parties whilst dealing with the Administrations were provided to creditors in the Administrators' proposals; a copy of those estimates are set out below.

	ARL £	Holdings £
Legal costs	120,000	15,000
Bank charges	500	500
<b>Total</b>	<b>120,500</b>	<b>15,500</b>

### Current position of Administrators' expenses

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

#### ARL

	Paid in prior periods £	Paid in the Period £	Incurred but not paid £	Total cost to date £
Legal costs	170,318	9,749	8,338	188,405
Insurance	Nil	904	Nil	904
Employee agent's fees	60	Nil	Nil	60
Bank charges	1,233	478	Nil	1,711
<b>Total</b>	<b>171,611</b>	<b>11,131</b>	<b>8,338</b>	<b>191,080</b>

Unpaid legal fees relate to the costs incurred in relation to the court application to extend the Administration by a further 12 months, together with costs incurred in relation to residual sale and purchase agreement matters, and have been paid outside of the Period.

#### Holdings

	Paid in prior periods £	Paid in the Period £	Incurred but not paid £	Total cost to date £
Legal costs	144,823	Nil	3,588	148,411
Bank charges	45	Nil	Nil	45
<b>Total</b>	<b>144,868</b>	<b>Nil</b>	<b>3,588</b>	<b>148,456</b>

Unpaid legal fees relate to the costs incurred in relation to the court application to extend the Administration by a further 12 months and have been paid outside of the Period.

ARL Realisations Limited (**ARL**) and Parabis Holdings Limited (**Holdings**)  
Both in Administration (together the **Companies**)

The significant increase in anticipated legal expenditure in the Administration of Holdings is due to the revised realisation strategy of the WARP shares as detailed in previous reports

### **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 at Appendix B.

	ARL £	Holdings £
Category 1 disbursements:		
Specific penalty bond	225	225
Statutory advertising	170	170
Storage	200	83
Stationery and postage	15,100	100
Telephone charges	1,000	50
<b>Total</b>	<b>16,695</b>	<b>628</b>

Category 1 disbursements of £11,364 and £133 have been drawn on account in ARL and Holdings, respectively. Approval to draw category 2 disbursements has been given by ARL's secured and preferential creditors, and Holdings' Secured Creditors, however none have been drawn to date.

## **Appendix E. Additional information in relation to the Administrators' fees**

### **Policy**

Detailed below is AlixPartners' policy in relation to:

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

### **Staff allocation and the use of sub-contractors**

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

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

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

The Administrators have not utilised the services of any sub-contractors in these cases.

### **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.

<b>Name of professional advisor</b>	<b>Basis of fee arrangement</b>
Hogan Lovells International LLP (legal advice)	Hourly rate and disbursements
Willis Towers Watson Limited (insurance)	Risk based premium
Hilco Capital Limited (valuation and disposal advice)	Fixed fee
Woodsta Consulting Limited (consulting 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 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' hourly charge-out rates for this assignment effective from 1 January 2018, together with those applicable prior to that date, is detailed below. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates from 1 January 2018 £	Rates pre 1 January 2018 £
Managing director/Appointee	705	615-675
Director	615	590
Senior vice president*	520	495
Vice president*	380-465	365-445
Consultant*	210-315	210-315
Treasury and support	105-250	100-240

\* A firm-wide renaming of certain staffing grades of AlixPartners has been implemented with effect from 2 January 2018. The senior vice president grade was formerly vice president, vice president was formerly associate, and consultant was formerly analyst.

## **Appendix F. Extensions and exit routes**

### **Extensions**

The Administrations were initially extended for a period of 12 months with the consent of the Companies' creditors to 22 November 2017. As it was not possible to conclude all matters prior to this date, the Administrators successfully sought orders of the court to extend the Administrations for a further 12 months to 22 November 2018.

The Administrators anticipate that the Administrations will be in a position to close within the next six months; therefore, no further extensions are expected.

### **Exit routes**

#### **ARL**

ARL issued a dividend to its unsecured creditors by way of its Unsecured Creditors' Fund on 8 March 2018. Following conclusion of all outstanding matters in the Administration, the Administrators will file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of ARL. The Administrators will send copies of these documents to ARL and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

#### **Holdings**

Holdings has no floating charge property to permit a distribution to its unsecured creditors. The Administrators will therefore file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of Holdings. The Administrators will send copies of these documents to Holdings and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

# 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  
Melissa Fielding

Company name  
AlixPartners

Address  
The Zenith Building

26 Spring Gardens

Post town  
Manchester

County/Region

Postcode  
M 2 1 A B

Country

DX

Telephone  
0161 838 4529



### 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)