



OUTER HOUSE, COURT OF SESSION

[2024] CSOH 105

P949/24

OPINION OF LORD BRAID

In the Note of

(FIRST) ANTHONY JOHN WRIGHT AND (SECOND) ALASTAIR REX MASSEY, the joint administrators of PSL2021 REALISATIONS LIMITED (IN ADMINISTRATION) (FORMERLY PEACOCKS STORES LIMITED)

Noters

for

an order to extend the Joint Administrators' term of office in terms of paragraph 76 of Schedule B1 to the Insolvency Act 1986

Noters: Ower KC; Harper Macleod LLP

21 November 2024

Introduction

[1] The noters are the joint administrators of PSL2021 Realisations Ltd (formerly Peacocks Stores Ltd, part of the Edinburgh Woollen Mill group). In their note to the court, they sought an order extending the term of an administration for a period of 12 months. At a hearing on 12 November 2024, I granted that order, but since the effect of doing so was to take the administration into its fifth full year, and since the noters' initial approach to the

level of information given to creditors about the extension was somewhat blasé, I have elected to issue a written opinion (as I was invited to do by senior counsel for the noters).

[2] I will comment on three matters in particular: first, the information which ought to be given to creditors before an application is made to extend the period of an administration; second, the approach taken by the court when considering whether to grant an extension (and, if so, for how long); and, third, the date to which any year-long extension should be granted.

The law

[3] Paragraph 76 of Schedule B1 to the Insolvency Act 1986 provides:

- “(1) The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect.
- (2) But—
- (a) on the application of an administrator the court may by order extend his term of office for a specified period, and
 - (b) an administrator's term of office may be extended for a specified period not exceeding one year by consent.”

Paragraph 78 of Schedule B1 provides:

- “(1) In paragraph 76(2)(b) ‘consent’ means consent of—
- (a) each secured creditor of the company, and
 - (b) if the company has unsecured debts, the unsecured creditors of the company.
- (2) But where the administrator has made a statement under paragraph 52(1)(b)¹ ‘consent’ means—
- (a) consent of each secured creditor of the company, or
 - (b) if the administrator thinks that a distribution may be made to preferential creditors, consent of—
 - (i) each secured creditor of the company, and
 - (ii) the preferential creditors of the company.

¹ *Viz*, a statement in the statement of proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a), which provides for a prescribed part of the company's net property to be made available to unsecured creditors. Such a statement was made in the present case.

(2A) Whether the company's unsecured creditors or preferential creditors consent is to be determined by the administrator seeking a decision from those creditors as to whether they consent.

...

(4) An administrator's term of office—
 (a) may be extended by consent only once,
 (b) may not be extended by consent after extension by order of the court, and
 (c) may not be extended by consent after expiry.

..."

Rule 3.54 of The Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 provides:

“3.54.— Application to extend an administration and extension by consent (paragraph 76(2) of Schedule B1)

(1) This rule applies where an administrator makes an application to the court for an order, or delivers a notice to the creditors requesting their consent, to extend the administrator's term of office under paragraph 76(2) of Schedule B1.

(2) The application or the notice must state the reasons why the administrator is seeking an extension.

(3) A request to the creditors may contain or be accompanied by a notice that if the extension is granted a notice of the extension will be made available for viewing and downloading on a website and that no other notice will be delivered to the creditors.

(4) Where the result of a request to the creditors is to be made available for viewing and downloading on a website, the notice must comply with the requirements for use of a website to deliver documents set out in rule 1.44(2)(a) to (c), (3) and (4) with any necessary modifications and rule 1.44(5)(a) applies to determine the time of delivery of the document.

(5) Where the court makes an order extending the administrator's term of office, the administrator must as soon as reasonably practicable deliver to the creditors a notice of the order together with the reasons for seeking the extension given in the application to the court.

(6) Where the administrator's term of office has been extended with the consent of creditors, the administrator must as soon as reasonably practicable deliver a notice of the extension to the creditors except where paragraph (3) applies.

(7) ...”

[4] Some features of those provisions are worthy of comment. By default, in terms of paragraph 76 of schedule B1, an administration (if not terminated sooner) lasts for only 1 year. If the administrator wishes an extension, an application may be made to the court; alternatively, the creditors (in practice, by virtue of paragraph 78(2), usually only the

secured creditor(s), plus any preferential creditors if they are likely to receive a dividend) may consent to an extension of up to one further year. Thereafter, only the court can grant an extension, which need not necessarily be for a period of 1 year: it may be for a shorter (or, for that matter, a longer) period. Where an application is made to the court, the consent of the creditors (including secured and preferential creditors) is not required, but a practice has developed whereby administrators do seek the consent of secured creditors before making an application. There is no requirement to inform unsecured creditors who are unlikely to receive a dividend, let alone obtain their consent, but again a practice has developed (according to senior counsel, at the instigation of erstwhile commercial judges, Lord Hodge and Lord Glennie) that an administrator should give notice to unsecured creditors of an intention to seek an extension, and afford them the opportunity to notify the administrator by a specified date if they wish to object. The 2018 Rules require that after an extension has been granted, the administrator must notify creditors, by delivering a notice of the order to them together with the reasons for seeking the extension.

[5] Whether or not to grant an extension, and if so, for what period, is entirely a matter for the exercise of the court's discretion. As has been noted in various English authorities, that discretion is not circumscribed and the court should have regard to all the circumstances including (i) whether the purpose of the administration remains reasonably likely to be achieved, (ii) whether any prejudice would be caused to creditors by the extension, and (iii) any views expressed by the creditors (see, eg, *Nortel Networks UK Ltd* [2017] EWHC 3299 at 22, quoted in *Caversham Finance Ltd* [2022] BCC 876 at 35). (As an aside, the reference to the creditors' views underlines the importance of their being given the opportunity to express views in the first place.) Where a company is making distributions to its unsecured creditors within the administration process, it is likely to be appropriate that

the administrator's term of office should be extended to allow the distributions to be made rather than to require the company to go into liquidation, which might well increase the costs or delay the distribution process with no countervailing benefit (*ibid*). But, of course, in any given case, other circumstances may also be relevant, including the diligence with which the administration has been conducted to date, and how many extensions there have previously been. As was observed in *TPS Investments (UK) Ltd (In Administration)* [2020] BCC 437 at paragraph 8, observations with which I respectfully agree, four questions tend to arise in extension applications: (i) why has the administration not yet been completed? (ii) is any alternative insolvency regime more suitable? (iii) is the extension sought likely to achieve the purpose of the administration? (iv) if an extension is appropriate, for how long should it be granted? As the present case illustrates, a fifth question might usefully be added to that list: (v) have the creditors been given adequate notice of the intention to seek an extension?

The history of this administration

[6] The company was a fashion retailer of clothes and accessories, and traded across the United Kingdom, Republic of Ireland and the Channel Islands. It had approximately 4,500 employees across 503 stores and achieved annual turnover in excess of £350 million. It also engaged in trading from its website.

[7] The company having encountered financial difficulties, the noters were appointed as its joint administrators on 19 November 2020. The statutory objective of the administration, is that a better result will be achieved for the company's creditors as a whole than would be likely had the company been wound up (paragraph 3(1)(b) of schedule B1).

[8] The company has one secured creditor, Banbury Street Limited (BSL), which is the holder of qualifying floating charges, pursuant to bond and floating charges and debentures created on 11 March 2019. These charges were initially granted in favour of Barclays Bank PLC but through a series of assignments, BSL is now the lender in respect of the company's original debt facilities. The company had one preferential creditor, the Secretary of State for Business, Energy and Industrial Strategy (now the Secretary of State for the Department of Business and Trade), representing the former employees of the company, but the agreed preferential creditors' claims were settled in full on or around 15 November 2022. There are more than 1,000 unsecured creditors with total claims in the order of £70 million. The estimated outcome of the administration is, and has always been, that there will be a shortfall to BSL and that there will be no dividend payable to unsecured creditors, other than by way of the prescribed part pursuant to section 176(A)(2)(a) of the 1986 Act.

[9] Following their appointment as joint administrators, the noters continued to trade the company's business while they sought a buyer for the company's business. They did so for 19 weeks from the date of their appointment, until 1 April 2021, although due to COVID-19 restrictions trading from the company's stores was only possible for 4 weeks of that period.

[10] On 1 April 2021, the noters concluded an agreement for the sale of certain of the business and assets of the company. The agreement included provision for (i) a licence to the purchaser to occupy 253 of the company's stores for an initial 6-month period, which was subsequently extended until 30 June 2022; (ii) an option agreement over an additional 97 stores for an initial 3-month period, which was subsequently extended until 31 March 2022, when 30 of those stores were transferred by agreement to the licence to occupy; (iii) a

second option agreement for 16 Scottish stores, 13 of which were subsequently transferred to the licence to occupy; and (iv) a transitional service agreement for a 2-month period.

[11] The administration is not yet complete. It has previously been extended on three occasions: on the first occasion, with the consent of the company's secured and preferential creditors, until 18 November 2022; and on two subsequent occasions by this court, by interlocutors dated 26 October 2022, and 26 October 2023, extending the administration until 17 November 2023 and 16 November 2024 respectively. In the present application, the noters are seeking an extension until 16 November 2025. (I revert below to the question of dates, and the apparent "date creep", whereby a day has seemingly been lost each year.)

[12] The noters aver that they still require to:

- (i) complete the transfer of the company's business and assets to the purchaser in accordance with the various legal agreements in place;
- (ii) liaise with property agents to review the potential disposal of any leasehold interests that fall outside the purchaser's requirements, including 24 leases from former sites that have not yet been surrendered by the landlords;
- (iii) complete their trading account which is not yet complete due to currently unreconciled positions with a small number of trade suppliers, including landlords, ratings authorities and utility providers;
- (iv) continue to collate and provide additional information and deal with queries arising from BSL;
- (v) facilitate the ongoing interrogation of the company's records to identify and secure repayment of any amounts due and owing from time-to-time;
- (vi) continue to carry out investigations into the affairs and transactions of the company, as well as the conduct of directors and any person who is considered to be

a shadow or *de facto* director, during the period of 3 years prior to the appointment of the noters as joint administrators of the company;

(vii) continue with the ongoing management and monitoring of the remaining stores held under the licence to occupy and endeavour to conclude surrenders and/or assignments in a timely manner, including in respect of one property where a transaction has not yet been agreed or completed with the purchaser;

(viii) continue to liaise with the purchaser's finance and property teams;

(ix) review and manage costs arising from the unsold assets, until such assets are transferred or sold, or disclaimed by a subsequently appointed liquidator, if applicable;

(x) continue to review and deal with any further third party assets identified;

(xi) monitor ongoing rental receipts and other residual trading and non-trading income streams until concluded;

(xii) review and agree all unsecured creditor claims in order to ensure that all unsecured creditors receive their appropriate share of the prescribed part, noting that this process can only be initiated once the transfer of the company's business and assets to the purchaser is complete;

(xiii) liaise with HMRC in order to finalise the company's pre-administration tax position, obtain tax clearance for the period of the administration and compile and submit all necessary returns to HMRC;

(xiv) reconcile and agree VAT payable both pre and post the noters' appointment;

(xv) finalise all costs associated with the administration; and

(xvi) attend to and complete all statutory and administrative matters necessary for completion of the administration.

[13] It will be observed that some of those tasks, such as finalising costs and statutory formalities, are applicable in any administration, and to say that they are outstanding does not really go any way towards explaining why an extension is necessary. However, the noters further aver that an extension is needed, because:

- (i) the administration is one of the largest retail administrations in Scotland in recent times, and the number of stores which require to be transferred to the purchaser has led to additional time being required to allow for the completion of the administration. In particular, given the number of counterparties involved with the transfer of the properties, further time is required to conclude arrangements regarding the one property which the purchaser remains in occupation of, and to continue to negotiate surrenders or other arrangements with landlords of 24 other leases as and when the landlords are agreeable to such a surrender, a lengthy process which has been ongoing for the last 3 years;
- (ii) once the transfer of the company's business and assets to the purchaser is complete, the noters will require to attend to the remaining matters in the administration, beginning with the return of the requisite funds to the purchaser, and to deal with other post-completion issues, including but not limited to discharging the noters' obligations in respect of ongoing statutory and compliance work, issuing the periodic reports and, fulfilling tax obligations;
- (iii) in the noters' experience of dealing with HMRC, an extension of 12 months will be required to finalise the company's pre-administration tax position, obtain tax clearance for the period of the administration and compile and submit all necessary returns to HMRC; and to reconcile and agree VAT payable both pre and post the appointment of the noters as administrators; such tasks are likely to require

substantially longer than 6 months of correspondence between the noters and HMRC;

(iv) the noters are continuing to investigate the conduct of the directors of the company in the period prior to the noters' appointment; and

(v) unsecured creditors are likely to receive payment of distributions under the prescribed part. As the noters do not hold bank details for many of the 1,000 unsecured creditors, payment of creditors' claims will require to be made by cheque.

In accordance with banking convention, such cheques will be valid for 6 months from the date of the issue. The noters expect that they will be required to deal with queries in relation to the issue of cheques and to deal with unbanked cheques, and to conclude distributions to unsecured creditors.

Reports to creditors

[14] I have already noted the importance of notifying all creditors of any intention to apply to the court for an order extending the administration. In the present case, the noters have reported to creditors on their progress in conducting the administration by way of:

(i) the statement of proposals dated 11 January 2021; and (ii) successive 6-monthly progress reports, up to and including a progress report for the period 18 November 2023 to 17 May 2024. That most recent progress report, dated 30 May 2024, narrated the history of previous extensions (including the fact that BSL had previously been prepared to consent only to a 6 month extension), then contained the following statement:

“The progress of the administration will remain under regular review and this will in part be predicated by the speed of completion on the outstanding property aspects amongst other outstanding/ongoing realisations and/or investigations plus the prescribed part dividend.

All creditors will be updated in the next progress report on developments and likely longevity of the process to reach a resolution. It is envisaged that a further extension will be sought by application to court during the current period.”

This replicated, virtually word for word, what had been said in the progress reports for the corresponding in each of the two previous years, prior to the applications to this court in 2022 and 2023. No further intimation of any sort was given to unsecured creditors prior to the application being lodged with the court and there is no report, so far as I can see, actually updating creditors as to the likely longevity of the administration. On 9 September 2024, an email was sent on the noters’ behalf to one of the directors of BSL asking for confirmation by return of email that BSL had no objection to the administrators’ application to extend the administration for a further 12 month period. No response to that email was initially received.

The hearing of 30 October 2024

[15] Having perused the papers, and having some concern at the lack of proper intimation to creditors, and the absence of any response from the secured creditor, I fixed a hearing for 30 October 2024. After some discussion, senior counsel for the noters frankly acknowledged that the intimation given to creditors was inadequate in two respects: first, the progress report of 30 May 2024 did not inform creditors of the length of the extension which would be sought; and second, neither that nor any subsequent communication invited creditors to write to the administrators by a specified date in the event that they wished to object to a further extension. I was persuaded to continue the hearing for just under 2 weeks to afford the noters the opportunity of uploading a communication to creditors on the online portal, rectifying both of these omissions.

The continued hearing of 12 November 2024

[16] At the continued hearing, senior counsel advised me that a letter had been uploaded to the on-line portal on 31 October 2024, informing creditors that an application for a 12 month extension had been made, and inviting them to contact the administrators by 5.00pm on 11 November 2024 should they have any objection. Creditors who had signed up to the on-line portal had received an electronic communication alerting them to the fact that a letter had been uploaded. No objections had been received. Additionally the secured creditor had now given its consent to a 6-month extension (as it had done last year, when the court nonetheless granted a 12-month one).

[17] Senior counsel also submitted that the note should be granted. It was appropriate and expedient for the administration to be extended for a further 12 months. It would not be in the interests of the company and its creditors as a whole for the company to move to liquidation or dissolution at this stage. Distributions were to be made to secured creditors within the administration and the unsecured creditors were likely to receive a dividend under the prescribed part. Conversely, the company's creditors would suffer no prejudice from the continuation of the administration in order to allow completion of the objectives of the administration. The fact that the secured creditor was willing to consent only to a 6-month extension was not decisive. A 12 month extension was the most cost and time effective means of concluding the administration.

Decision

[18] It is important that administrators and their advisers bear in mind that an extension of an administration should never be applied for, or granted, as a matter of formality. It is not uncommon for the court to encounter cases where serial applications have been made,

often on (literally) the same grounds from 1 year to the next, with no discernible sign of progress being made; and of course, if there is an expectation that extensions will be granted without difficulty, there is a danger that administrators will not be incentivised into completing the administration within the existing deadline, confident that another one will be along in the fullness of time.

Intimation to creditors

[19] That said, I do not suggest that the present case, which I acknowledge is complex, falls into that category. Nonetheless, where an extension is to be applied for, basic concepts of fairness continue to apply no matter how complex the case and no matter how many creditors there are. Even unsecured creditors who are said to be unlikely to receive a dividend, and *a fortiori* unsecured creditors who are to receive a dividend out of the prescribed part, as here, have an interest in being kept advised of the progress of the administration and whether or not it is to be extended. Notes to extend an administration are unusual in that, by convention, and contrary to the position in almost every other type of court procedure, the court ordinarily dispenses with service, intimation and advertisement before they are considered by the court. I have already noted that the 2018 rules, somewhat curiously, require intimation of the extension and the reasons for seeking it only after it has been granted. The flip side of that not-inconsiderable concession is the now long-standing practice, which bears repeating, that the court does expect that all creditors are told, in advance, of the administrators' intention to seek an extension (and for how long) and are afforded the opportunity of intimating an objection to that course of action within a specified period.

[20] The court does not prescribe how that is to be done, but one obvious practical means, where there is an online portal, is to upload a letter to that portal, stating that an extension is to be applied for, and why, and inviting objections by a specified date. It may be that creditors who have not subscribed to the portal require to be informed by more traditional means. Alternatively, as sometimes happens, the administrator may rely upon the most recent 6-monthly progress report given to creditors. That is, in principle, likely to be acceptable if the administrator knows at the time when the report is written that an extension will be required (bearing in mind that often, perhaps usually, the progress report will be written some 6 months before the due expiry date, when the administrator may or may not know if an extension will be needed or not, or if so, for how long). However, if the progress report is to be relied upon it is essential that it contains meaningful information, rather than the somewhat anodyne statement in the progress report in the present case, which on no view provided creditors with a sufficient level of information about any proposed application for an extension, and simply repeated what had been said in previous reports. Reports which simply repeat what was in the previous report, which itself repeated what was in the report before that, are less than satisfactory. It is also essential that creditors are given a meaningful opportunity to intimate any objections by a specified date.

[21] The failings in the present case were rectified by the letter posted on the online portal which did contain the requisite information to creditors and giving them some, albeit not very much, intimation of the hearing on 12 November 2024. On balance, I am satisfied that the creditors have been given adequate notice of the application.

[22] Before leaving this issue, it is fortunate that the saving grace of the note was that it was presented in time for the court to consider it when there was still an opportunity to rectify the lack of proper intimation; had that not been done, the noters would have

potentially run into difficulties given that paragraph 78(4)(c) of schedule B1 would appear to exclude the possibility of an application for an extension being considered after the date of expiry has come and gone (even if the note was lodged before that date). Senior counsel suggested at least one “work around”, namely, a shorter, or interim, extension, to allow for intimation to be made, but in the event that was not necessary in this case. However, I mention this because, on occasion, the court is presented with notes, to be considered as a matter of urgency, where the administration is due to expire in a matter of days, which is clearly far from satisfactory, and usually down to oversight on the part of the administrators or their advisers. I repeat that extensions must never be seen as a formality, and that the court must be afforded sufficient time for applications to be considered properly.

[23] The next issue raised by the present note is that the secured creditor, BSL, has consented only to a 6 month extension. No reason has been given for that stance; for example, it has not said that in its view the administrators ought to be capable of completing the administration within a shorter period than 12 months, nor that it or any other creditor will be prejudiced in some way by the extension. The absence of any reasons diminishes the weight to be attached to the response. Further, since the noters have reported that they are investigating possible claims against certain of the directors of BSL who were directors of the company, the interests of those directors may not wholly align with those of the creditors. Nonetheless, *quantum valeat*, I will take the views of the secured creditor into account.

[24] This brings me to the second and fundamental question, which is whether an extension should be granted, and, if so, for how long. I am mindful of the fact that the administration has already lasted for 4 years, and the ostensibly formidable to-do list presented by the noters does not immediately fill one with comfort that the end is in sight

any time soon. As I have already mentioned, there is, it seems to me, a danger that if extensions are too readily granted by the court, administrators will feel under no pressure to complete an administration within the prevailing deadline, even if, pulling out all the stops, they might be able to do so. There is undoubtedly a version of Parkinson's Law to the effect that an administration will expand to fill the time which the court is willing to allot it. At the very least, when a previous extension has been granted on ostensibly the same grounds as those prayed in aid of a further extension, as is often the case, the administrators should in their note to the court explain why they have been unable to complete the outstanding steps in the time available.

[25] Applying a critical eye to the proffered justification for the extension sought here, it is not immediately obvious why all of the tasks listed should have taken more than 4 years: for example, those in subparagraphs (iii) (unreconciled issues with a small number of trade suppliers); (iv) (queries arising from BSL); (v) (interrogation of the company's records), (vi) continuing investigations into the affairs and transactions of the company, as well as the conduct of directors; (viii) (continued liaison with the purchaser's finance and property teams); (x) (reviewing and dealing with any third party assets) are but five examples which on the face of it were capable of being concluded before now (absent further explanation, which has not been provided). Delving deeper into one of those examples, the unreconciled issues with a small number of trade suppliers, the first progress report for the period to 18 May 2021 stated that:

"The Administrators' trading account is not yet complete due to unreconciled positions with several of the cash processing providers and trade suppliers alike. It is envisaged that all these matters will be finalised in the next reporting period."

A statement to similar effect has been included in every succeeding progress report, the last two of which have asked any supplier with an open account to contact the noters without

delay. However, the repeated expressed hope that “these matters” will be finalised in the following reporting period is by now sounding somewhat hollow. It is unclear why that has not been achieved by now. Taking another example, investigation of the directors, the same or very similar wording has appeared in every successive report to the effect that investigations are ongoing, and again it is unclear why more time is required. In short, many of the reasons advanced as to why it is appropriate to perpetuate the administration, with the increased costs which that will inevitably incur, do not stand up to scrutiny.

[26] That all said, having regard to the size of the administration and the sheer number of stores which had to be transferred to the purchaser, or otherwise dealt with, I am prepared to take at face value the assertion that further time is required to conclude arrangements with the purchaser and with landlords under 24 leases which have not yet been surrendered. I also note that there is yet to be a distribution to the unsecured creditors out of the prescribed part and that the purpose of the administration, to achieve a better result for creditors as a whole than if the company were wound up, remains possible, having regard to the complications and costs which winding up would involve. Thus, in answer to the first three questions posed in para [5] above, (i) an explanation has been provided as to why the administration has not been completed, which is at least partially satisfactory; (ii) no alternative statutory regime is more suitable and (iii) the extension is likely to achieve the purpose of the administration. In reaching these answers, I have had regard to the absence of any objection from the creditors and the qualified agreement of BSL to an extension.

[27] As to the length of extension required, senior counsel suggested that the court might recently have instituted a policy of not granting year-long extensions. There is no such policy. That said, it is equally the case that there is no inherent presumption that an

extension if granted should be for a year. Each case must necessarily be considered on its own merits. Interestingly, I have dealt with several cases in the past year or so where, on the papers, the circumstances did not seem to merit the year-long extension sought, and where the administrators have, when pressed, accepted a shorter period, which in most cases, does not appear to have resulted in a further application being made to extend the administration again.

[28] In the present case, the noters aver that they have given careful consideration to the question of whether a shorter extension would be sufficient but they have concluded that it would not; and that a shorter period would result in their having to seek a further extension, at further expense to the administration. Here, there is a balance to be struck between, on the one hand, imposing a realistic deadline on the administrators so that the outstanding tasks identified in [12] above can actually be completed; and on the other hand, running the risk of involving the administration in extra costs, if the extension granted is genuinely too short for all the work that requires to be done, recognising, too, that in some instances, the time taken is outwith the administrators' control (the time taken by HMRC to deal with queries being a reason which is often cited by administrators). Ultimately I have decided to grant the administrators the 12 months sought on this occasion. If that proves to be insufficient time to complete the administration it should not be assumed that any further extensions for that, or any other, period, will be granted.

Dates

[29] I mention this at senior counsel's suggestion, as the present administration has been extended for a day short of a year in each of the last two orders. The starting point here is to note that under paragraph 76 of schedule B1 an administrator's appointment ceases to have

effect at the end of the period of 1 year beginning with the date on which it takes effect.

Thus, as senior counsel submitted, an administration which takes effect on (say) 1 January 2025 will cease to have effect on 31 December 2025. If a year-long extension is sought, it should be *to* 31 December 2026. If the extension is sought *from* 31 December 2025, then it would expire on 30 December 2026, resulting in a day being lost. Possibly, this explains why 2 days have been lost in the last 2 years. I appreciate that in the grander scheme of things it may make little difference; then again, if an administration is to be continued year on year, it is neater all round (including for reporting purposes) if it expires on the same date in each year. In the present case, I have granted an order extending the administration until 16 November 2025.