

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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09/04/2020

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COMPANIES HOUSE

1 Company details

Company number 0 5 0 1 5 0 4 7
Company name in full Montpelier Professional Limited

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

2 Administrator's name

Full forename(s) Paul Nicholas
Surname Dumbell

3 Administrator's address

Building name/number 1 St Peter's Square
Street Manchester
Post town M2 3AE
County/Region
Postcode
Country

4 Administrator's name ①

Full forename(s) David James
Surname Costley-Wood

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

5 Administrator's address ②

Building name/number 1 St Peter's Square
Street Manchester
Post town M2 3AE
County/Region
Postcode
Country

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

AM10

Notice of administrator's progress report


6 Period of progress report

From date	d	1	2	m	0	9	y	2	0	y	1	9
To date	d	1	1	m	0	3	y	2	0	y	2	0

7 Progress report

☐ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature	X		X								
Signature date	d	0	8	m	0	4	y	2	0	y	2	0

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Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Mariya Patel**

Company name **KPMG LLP**

Address **1 St Peter's Square**

Manchester

Post town **M2 3AE**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 161 246 4000**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



Joint
Administrators'
progress
report for the
period 12
September
2019 to 11
March 2020



Montpelier Professional
Limited - in Administration

8 April 2020

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website:

<http://www.insolvency-kpmg.co.uk/case+KPMG+MJ315A2420.html>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 8).

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1 Executive summary

- This progress report covers the period from 12 September 2019 to 11 March 2020 (the 'Period')
- Paul Dumbell and David Costley-Wood of KPMG LLP ('KPMG') were appointed Joint Administrators of the Company on 12 March 2019.
- The Company's assets are limited to its equity investment in its subsidiaries, together with any intercompany balances due in its favour.
- During the Period, we have continued to work to maximise value in the Company's subsidiaries and have identified (i) potential cash realisations from certain Company assets that do flow through to the administration estate, and (ii) potential cash realisations from other Company assets that do not flow through the administration estate.
- The majority of potential cash realisations from Company assets do not flow through the administration estate, as they flow directly to the Royal Bank of Scotland International Limited (the 'Bank') to pay down the Company's indebtedness. This is as certain subsidiaries had provided cross guarantees, dated 26 March 2010, in respect of the Company debt owed to the Bank. The Bank also has security registered directly against those subsidiaries, in addition to that registered against the Company. Additionally, sums due to the Company from certain subsidiaries have been assigned to the Bank.
- Where cash asset realisations from Company assets that do flow through the administration estate are insufficient to discharge the costs of the administration, it will be necessary for the Bank to put the administration estate in funds sufficient to do so.
- Our work in respect of the subsidiaries remains ongoing. At this time, the value generated from asset realisations flowing through the administration estate or to the Bank directly cannot be fully determined. We will provide further details in our next report, when we expect that the position will have been finalised.
- The Bank had outstanding debt of £3.667 million due from the Company. The Bank will see a reduction in the debt owed to it by the Company, by way of sums flowing to it from the subsidiaries that will not first pass through the administration estate, due to the security structure in place. The exact outcome to the Bank cannot be determined at this time, however it is unlikely that the Bank will recover its lending in full.
- It is highly unlikely that there will be a dividend to preferential or unsecured creditors.
- During the Period, the Bank, in its capacity as Secured creditor, granted a 12-month extension to the period of the administration.
- Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+MJ315A2420.html>.



Paul Dumbell
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

The Company's assets are limited to its equity investment in its subsidiaries, together with any intercompany balances due in its favour. During the Period, we have continued to work to maximise value in the Company's subsidiaries and have identified:

- potential cash realisations from certain Company assets that do flow through the administration estate; and
- potential cash realisations from other Company assets that do not flow through the administration estate. This is as they flow directly to the Bank to pay down the Company's indebtedness. This is as certain subsidiaries had provided a cross guarantees, dated 26 March 2010, in respect of the Company debt owed to the Bank. The Bank also has security registered directly against those subsidiaries, in addition to that registered against the Company. Additionally, sums due to the Company from certain subsidiaries have been assigned to the Bank.

During the course of the administration, we have been working to maximise value in the subsidiaries, in turn this would maximise sums (i) that flow into the administration estate, and (ii) that pay down the Bank lending to the Company, where funds flow directly to the Bank.

The majority of potential cash realisations from Company assets do not flow through the administration estate. However, where cash asset realisations from Company assets that do flow through the administration estate are insufficient to discharge the costs of the administration, it will be necessary for the Bank to put the administration estate in funds sufficient to do so.

Trading subsidiaries

At the date of our appointment, two of the Company's subsidiaries were trading under the control of the respective directors, those subsidiaries being Montpelier Professional (Fylde) Limited ('Fylde') and Montpelier Professional (Lancs) Limited ('Lancs'). The Joint Administrators facilitated sales processes for the business and assets of those entities, to assist the directors in achieving maximum value.

The Company was not party to these transactions and therefore we cannot disclose any details. However, in the case of Fylde and following a demand made under the cross guarantee provided by that subsidiary, the Bank has recovered £191,481, which has been applied in reducing the debt owed by the Company. In the case of Lancs, asset realisations remain ongoing and so the outcome is not yet fully established. In addition to sums that will be payable directly to the Bank once the matter of Lancs is finalised, we do expect that sums will also be paid into the administration estate, by way of settlement of a £1.577 million intercompany debt owed from Lancs to the Company. We will provide an update on this matter in our next report.

Non-trading subsidiaries

There are an additional three subsidiaries that had undergone a sale of their business and assets in the years preceding our appointment, Montpelier Professional (Borders) Limited ('Borders'), Montpelier Professional (Leeds) Limited ('Leeds'), and Montpelier Professional (West End) Limited ('West End'). A fourth subsidiary, Montpelier Professional (Galloway) Limited ('Galloway'), had undergone a sale of its shares and so was no longer properly a subsidiary at the date of our appointment. Please see our previous reports, where the details relevant to each subsidiary have been provided.

In the case of the Borders, Leeds and West End, assets realisations were still ongoing at the date of our appointment, mainly due to the ongoing collection of goodwill, which had been deferred on a contingent basis over a number of year from the date of sale. Some work-in-progress and book debt collections were also still ongoing. In the case of Galloway, deferred consideration was still payable by the purchaser on a monthly basis, however those sums had been assigned by the Company to the Bank, and so are being collected by the Bank.

As part of our duties, we have reviewed these transactions and assessed the implications for the administration estate and the Bank, and to whom cash sums are expected to flow. We have also taken part in discussions with the respective subsidiary directors, where there is an interest to the administration estate, but also facilitated discussions between those directors and the Bank, where necessary.

These matters are still ongoing and the value generated from asset realisations flowing through the administration estate or to the Bank directly cannot yet be fully determined. We will provide further details in our next report, when we expect that the position will have been finalised.

Dormant subsidiaries

In our previous reports, we have referred to a further five subsidiaries that are dormant or have been fully wound down, from which we do not anticipate there being any further value available to the administration estate or the Bank.

2.2 Asset realisations

The attached receipts and payments account (Appendix 2) shows that there has been no asset realisations in the Period.

Investigations

We are continuing to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission is confidential.

2.3 Costs

The attached receipts and payments account (Appendix 2) shows that no payments have been made in the Period.

An estimate of all anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 5).

Where realisations from Company assets that do flow through the administration estate are insufficient to discharge the costs of the administration, it will be necessary for the Bank to put the administration estate in funds sufficient to do so.

2.4 Schedule of expenses

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects

3.1 Secured creditor

The Royal Bank of Scotland International Limited

At the date of our appointment, the Bank had outstanding debt of £3.667 million due to it from the Company, which is secured by way of a debenture dated 27 August 2008, which comprises fixed and floating charges over the Company and its assets.

The Bank also has the benefit of cross guarantees over certain of the Company's subsidiaries (and other connected entities), with security registered directly against those subsidiaries, in addition to that registered against the Company. Additionally, sums due to the Company from certain subsidiaries have been assigned to the Bank.

During the Period, we appointed an independent third party solicitor, Nexus Solicitors Limited, to review the Bank's security structure to verify its validity. The outcome of this review is still pending.

As we have set out above, the Bank will see a reduction in the debt owed to it by the Company, by way of sums flowing to it from the subsidiaries that will not first pass through the administration estate, due to the security structure in place. The exact outcome to the Bank cannot be determined at this time, however it is unlikely that the Bank will recover its lending in full.

3.2 Preferential creditors

We estimate that preferential claims total £1,200.

Based on current estimates, it is highly unlikely that there will be a dividend available to preferential creditors.

3.3 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend available to unsecured creditors.

4 Joint Administrators' remuneration, disbursements

4.1 Joint Administrators' remuneration and disbursements

We propose to seek approval from the Bank, as Secured creditor, that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 6;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 6.

Approval to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It did not form part of our proposals, which were deemed to be approved by creditors on 22 May 2019.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

Time costs

During the Period, we have incurred time costs of £74,573. These represent 173 hours at an average rate of £430 per hour.

Remuneration

During the Period, we have not drawn any remuneration.

Disbursements

During the Period, we have incurred Category 1 disbursements of £48.

Additional information

We have attached a revised fees estimate at Appendix 4. Our estimated time costs have increased due to the reasons outlined in Appendix 4.

We have also attached a revised expenses estimate at Appendix 5. Our estimated expenses have increased due to the reasons outlined in Appendix 5.

We have attached (at Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG during the Period. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Continuing to assist in maximising value in the Company's subsidiaries, to in turn maximise sums that (i) will flow into the administration estate, and (ii) that will pay down the Bank lending to the Company, where funds flow directly to the Bank;
- Settling costs incurred in the administration. Given there have been no asset realisations to date, all costs will be discharged on receipt of funds from asset realisations;
- Should realisations into the administration estate from the Company's assets be insufficient to settle to the costs of the administration, we will liaise with the Bank to ensure that the administration estate is put in sufficient funds to do so; and
- Progressing the administration to closure and completing all statutory formalities.

5.2 Extension of the administration

During the Period, the Bank, in its capacity as Secured creditor, granted a 12 month extension to the period of the administration.

The administration is currently due to end on 11 March 2021.

5.3 Discharge from liability

We will seek approval from the Bank, in its capacity as Secured creditor, that we be discharged from liability in respect of any action as Joint Administrators upon the filling of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance against us.

5.4 Exit route from administration

Our exit route is yet to be determined and therefore we consider it prudent to retain all of the options available to us, to bring the administration to a conclusion in due course.

5.5 Future reporting

We will provide a further progress report within six months of 11 March 2021 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information

Company name	Montpelier Professional Limited
Date of incorporation	14 January 2004
Company registration number	05015047
Previous registered office	Suite 3, 5 Battalion Court, Colburn Business Park, Catterick Garrison, North Yorkshire, DL9 4QN
Present registered office	KPMG LLP, One St Peter's Square, Manchester, UK, M2 3AE
Company Director	Edward Watkin Gittins

Administration information

Administration appointment	The administration appointment granted in High Court of Justice In Leeds, 289 of 2019
Appointor	Qualifying floating charge holder
Date of appointment	12 March 2019
Joint Administrators' details	Paul Dumbell and David Costley-Wood
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	11 March 2021
Prescribed Part	The Prescribed Part is not applicable on this case as there is expected to be insufficient net property.
Application of EC Regulations	EC Regulations apply and these proceeding will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

Montpelier Professional Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 12/09/2019 To 11/03/2020 (£)	From 12/03/2019 To 11/03/2020 (£)
FIXED CHARGE ASSETS			
3,000,000.00	Investment in subsidiaries	NIL	NIL
		NIL	NIL
FIXED CHARGE CREDITORS			
(3,200,000.00)	RBS International	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
1,000.00	Furniture & equipment	NIL	NIL
133,899.00	Cash at bank	NIL	NIL
		NIL	NIL
PREFERENTIAL CREDITORS			
(1,200.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(200,000.00)	RBS International	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(37,705.00)	Trade & expense	NIL	NIL
(11,173,419.00)	Parent company	NIL	NIL
(407.00)	Non-preferential PAYE/NIC	NIL	NIL
(3,942.00)	Non-preferential VAT	NIL	NIL
(179,650.00)	Anthony Armitage	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(5,600,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(17,261,424.00)		NIL	NIL

Appendix 3 Schedule of expenses

Schedule of expenses (12/09/2019 to 11/03/2020)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Administrators' time costs	0.00	74,573.40	74,573.40
Legal fees	0.00	6,500.00	6,500.00
Books and Records storage	0.00	529.20	529.20
Total	0.00	81,602.60	81,602.60

Please note that the accrual for our remuneration has been based on time costs. This will be adjusted, where appropriate, when the basis of our remuneration is approved.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Mariya Patel at KPMG LLP, One St Peter's Square, Manchester, UK, M2 3AE.

Appendix 4 Joint Administrators' revised fees estimate

Montpelier Professional Limited - in Administration								
		Approved estimated time costs for the engagement			Revised estimated time costs for the engagement			
		Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)	Revised Estimated Total hours	Revised Estimated Time cost (£)	Revised Estimated Average hourly rate (£)	
Administration & planning								
Bankrupt/Director/Member		10.50	2,472.50	235.48	10.50	2,472.50	235.48	
Cashiering	Note 1	3.50	1,042.50	297.86	6.50	1,611.50	247.92	
General	Note 2	7.00	2,715.00	387.86	28.30	11,199.50	395.74	
Statutory and compliance	Note 3	248.00	77,873.50	314.01	384.80	132,906.00	345.39	
Tax	Note 4	46.20	17,534.00	379.52	57.35	20,961.00	365.49	
Creditors								
Creditors and claims		Note 5	55.40	22,247.00	401.57	80.60	34,640.00	429.78
Employees			14.00	4,833.00	345.21	14.00	4,833.00	345.21
Investigation								
Directors		Note 6	8.50	3,782.50	445.00	10.50	5,022.50	478.33
Investigations		Note 7	3.00	1,335.00	445.00	7.50	2,887.00	384.93
Realisation of assets								
Asset realisation		Note 8	194.10	89,512.00	461.16	326.30	146,141.40	447.87
Total			590.20	223,347.00	3,712.67	926.35	362,674.40	3,676.14

Below is further detail of the work to be undertaken for this engagement:

Note 1 – Cashiering

This work involves liaising with operating separate administration bank accounts, including weekly bank reconciliations and processing transactions during the course of administration.

Note 2 – General

Our estimated time costs have increased as we have spent additional time with general case administration matters. This includes arranging for electronic and paper records to be backed-up and collected and also regularly monitoring time costs.

Note 3 – Statutory and compliance

Our estimated time costs on Statutory and compliance have increased, largely due to time spent reviewing strategy and extending the administration, together with other statutory obligations that arise as the administration continues.

Note 4 – Tax

Our estimated time costs on Tax have increased due to additional tax work that will need to be completed.

This includes dealing with post-appointment tax matters including the preparation and filing of VAT and Corporation Tax returns.

Note 5 – Creditors and claims

Our estimated time costs have increased as we expect to incur additional costs preparing reports for creditors and increased reporting to the Bank.

Note 6 - Directors

Our estimated time costs have increased due to additional time dealing with director queries and ongoing correspondence with the directors.

Note 7 - Investigations

Additional time is being spent reviewing pre-appointment transactions.

Note 8 – Asset realisations

This time includes dealing with the Company's assets. Our estimated time costs have increased due to significantly increased time spent dealing with the Company's subsidiaries in order to maximise value for the benefit of the administration estate and the Bank.

Appendix 5 Joint Administrators' revised expenses estimate

Summary of Expenses from appointment

		Total for Administration			
Expenses (£)	Narrative	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
Cost of realisations					
Administrators' time costs	Note 1	152,136.00	0.00	362,674.40	362,674.40
Legal fees	Note 2	25,000.00	0.00	25,000.00	25,000.00
Legal fees – pre admin	Note 3	2,600.00	0.00	0.00	2,600.00
Legal disbursements – pre admin	Note 3	50.00	0.00	0.00	0.00
Agents'/Valuers' fees	Note 4	1,000	0.00	1,000	1,000
Insurance	Note 5	2,500.00	0.00	2,500.00	2,500.00
Statutory Advertising	Note 6	73.00	0.00	73.00	73.00
Books and Records	Note 7	0.00	0.00	529.20	529.20
TOTAL		183,359.00		391,776.60	391,776.60

Note 1 – Administrators' time costs

An estimate of the Joint Administrators' costs associated with dealing with the administration, more detail of which is detailed in our fees estimate in Appendix 4.

Note 2 – Legal fees

Estimated Legal costs associated with exploring options around the assets and the provision of general legal advice, including confirming the validity of the Bank security and the validity of the Joint Administrators' appointment.

Note 3 – Legal fees & legal disbursements – pre admin

We will not seek to pay pre-administration legal costs incurred.

Note 4 – Agents'/Valuers' fees

Estimated fee to Sanderson Weatherall LLP for assisting in marketing the two trading subsidiaries.

Note 5 - Insurance

Insurance premiums, including open cover insurance at appointment and appropriate public liability cover.

Note 6 – Statutory Advertising

Advertising in the Gazette in accordance with legislation.

Note 7 – Books and Records

Fees to Wensleydale Storage Solutions, a third party storage site that have been holding books and records belonging to the Company.

Appendix 6 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Mariya Patel on 0113 2313566.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for: Restructuring			
Grade	From 01 Jan 2019 £/hr	From 01 Oct 2019 £/hr	From 01 Jan 2020 £/hr
Partner	655	655	690
Director	590	590	620
Senior Manager	535	535	560
Manager	445	445	467
Senior Administrator	310	310	325
Administrator	225	225	236
Support	140	140	147

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements (excluding VAT) during the period 12 September 2019 to 11 March 2020.

SIP 9 – Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Travel	48.00		NIL		48.00
Total	48.00		NIL		48.00

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

The Category 2 disbursements have not been approved.

Narrative of work carried out for the period 12 September 2019 to 11 March 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;■ issuing regular press releases and posting information on a dedicated web page;■ preparing statutory receipts and payments accounts;■ obtaining approval from secured creditors of a 12-month extension of the administration;
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Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ ensuring compliance with all statutory obligations within the relevant timescales. ■ formulating, monitoring and reviewing the administration strategy, including meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Bank regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ dealing with post appointment tax compliance.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ reviewing the inter-company debtor position between the Company and other group companies. ■ liaising with management and formulating a strategy that would maximise the Companies return in respect of the disposal of its investment in subsidiaries; ■ liaising with subsidiary management teams in order to facilitate the sale of business process where applicable, or collection of asset realisations where the business has already been disposed of;
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ communicating and corresponding with HM Revenue and Customs;
Creditors and claims	<ul style="list-style-type: none"> ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ drafting our progress report.
Investigations / directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies;

Time costs

SIP 9 –Time costs analysis (12/09/2019 to 11/03/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
General			
Books and records	1.30	292.50	225.00
Fees and WIP	2.00	777.00	388.50
Statutory and compliance			
Appointment and related formalities	0.90	212.40	236.00
Checklist & reviews	18.50	6,401.00	346.00
Extension related formalities	5.75	1,670.50	290.52
Reports to debenture holders	40.05	19,433.00	485.22
Strategy documents	12.00	5,490.00	457.50
Tax			
Post appointment corporation tax	7.90	2,552.50	323.10
Post appointment VAT	1.25	387.50	310.00
Creditors			
Creditors and claims			
General correspondence	6.20	1,905.00	307.26
Statutory reports	12.00	5,940.00	495.00
Realisation of assets			
Asset Realisation			
Cash and investments	65.50	29,512.00	450.56
Total in period	173.35	74,573.40	430.19
Brought forward time (appointment date to SIP 9 period start date)	559.40	211,203.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	173.35	74,573.40	
Carry forward time (appointment date to SIP 9 period end date)	732.75	285,776.40	

Appendix 7 Glossary

Bank	The Royal Bank of Scotland International Limited
Borders	Montpelier Professional (Borders) Limited
Company	Montpelier Professional Limited – in Administration
Fylde	Montpelier Professional (Fylde) Limited
Galloway	Montpelier Professional (Galloway) Limited
Joint Administrators/we/our/us	Paul Dumbell and David Costley-Wood
KPMG	KPMG LLP
Lancs	Montpelier Professional (Lancs) Limited
Leeds	Montpelier Professional (Leeds) Limited
Legal Advisors	Addleshaw Goddard LLP
Secured creditor	The Royal Bank of Scotland International Limited
SW/Agents	Sanderson Weatherall LLP
West End	Montpellier Professional (West End) Limited

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 8 Notice: About this report

This report has been prepared by Paul Dumbell and David Costley-Wood, the Joint Administrators of Montpelier Professional Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Paul Nicholas Dumbell and David James Costley-Wood are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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