



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

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)	Richard
Surname	Harrison

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)	Howard
Surname	Smith

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	1 Sovereign Square
Street	Leeds
Post town	LS1 4DA
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	d	2	m	0	m	9	y	2	y	0	y	2	y	0
To date	d	1	d	1	m	0	m	3	y	2	y	0	y	2	y	1

7 Progress report

☐ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	2	d	6	m	0	m	3	y	2	y	0	y	2	y	1
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**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 **Ryan Manuel**

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 2020 to 11 March 2021

Montpelier Professional
Limited - in Administration

26 March 2021

Deemed delivered: 29 March
2021

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.

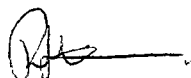
Please also note that an important legal notice about this progress report is attached (Appendix 8).

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1 Executive summary

- This progress report is in respect of the administration of Montpelier Professional Limited (the 'Company') and covers the period from 12 September 2020 to 11 March 2021 (the 'Period')
- Paul Dumbell and David Costley-Wood of KPMG LLP ('KPMG') were appointed Joint Administrators of the Company on 12 March 2019.
- Please note that on 18 March 2021 an order was made in the High Court appointing Rick Harrison and Howard Smith of KPMG as Joint Administrators of the Company in place of Paul Dumbell and David Costley-Wood, following their resignation. In accordance with the order, creditors will be given notice of the replacement of Paul Dumbell and David Costley-Wood as Joint Administrators by advertisement in the London Gazette.
- The Company's assets are limited to its equity investment in its subsidiaries, together with any intercompany balances due from those subsidiaries.
- During the Period, we have been working to maximise the return to the administration estate and The Royal Bank of Scotland International Limited (the 'Bank') as Secured creditor, from realising the respective interests in the Company's subsidiaries. A summary of the current position is provided in Section 2. Work is continuing in connection with two subsidiaries.
- The Bank had an outstanding debt of £3.667 million due from the Company. The Bank will see a reduction in the debt owed by the Company, largely by way of cash sums flowing to the Bank from the Company's subsidiaries that will not first pass through the administration estate. The outcome to the Bank cannot be fully determined at this time, however it is unlikely that the Bank will recover its lending in full.
- Based on current estimates, we now anticipate that preferential creditors should receive a dividend.
- It is highly unlikely that there will be a dividend to unsecured creditors.
- The period of the administration has been extended to 10 March 2022 by order of the Court.
- Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+MJ315A2420.html>.



Rick Harrison
Joint Administrator

2 Progress to date

2.1 Strategy and progress to date

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

The Company's assets are limited to its equity investment in its subsidiaries, together with intercompany balances due from certain subsidiaries. It has been ascertained that cash sums arising from the realisation of Company assets can be categorised as:

- Cash sums expected to flow through the administration estate, and
- Cash sums that are not expected to flow through the administration estate, as they are subject to an assignment of debt to the Bank. Therefore, those sums would be expected to flow directly to the Bank.

In respect of those Company assets that upon their realisation flow directly to the Bank, the Bank has made an interim payment of £91,000 into the administration estate. This is in order to cover the costs of the administration in relation to dealing with those assets.

Trading subsidiaries

At the date of our appointment, two of the Company's subsidiaries were trading under the control of their directors, those subsidiaries being Montpelier Professional (Fylde) Limited ('Fylde') and (ii) Montpelier Professional (Lancs) Limited ('Lancs').

We facilitated sales processes for the business and assets of these entities, to assist their directors in achieving maximum value. The Company was not party to these transactions, but insofar as they affect the outcome for the Company's creditors:

- (a) In relation to Fylde, the Bank has directly recovered £191,481 following a demand made under its cross guarantee raised after the date of the sale of the business and assets. The amount recovered has been applied to reduce the debt owed by the Company.
- (b) In relation to Lancs, matters remain ongoing and we are in dialogue with Lancs' directors in order to bring them to a close as quickly as possible. We expect that most of the proceeds generated from the sale of Lancs' business and assets will be payable directly to the Bank, who will likely make a demand under a cross guarantee that Lancs provided. However, we expect that sums will also be paid into the administration estate, by way of a compromised settlement of a £1.577 million intercompany debt owed from Lancs to the Company, which is not the subject of an assignment to the Bank.

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, those subsidiaries being 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 share sale and so was not a subsidiary at the date of our appointment. An element of the

sale consideration was deferred and assigned to the Bank. The Bank is overseeing collection of the deferred consideration without our involvement.

In the case of Borders, Leeds and West End, assets realisations by those entities were continuing at the date of our appointment, mainly due to the ongoing collection of goodwill, which had been deferred on a contingent basis from the date of each sale.

We have reviewed these transactions and assessed the implications for the administration estate and the Bank, and we have verified to whom cash sums are expected to flow. We have also participated in discussions with the respective subsidiaries' directors, where there is an interest to the administration estate, but also facilitated discussions between those directors and the Bank. Insofar as they affect the outcome for the Company's creditors:

- (a) In relation to Leeds, the Bank has now recovered an agreed sum to discharge the debt due to the Company from Leeds (which had been assigned to the Bank). The sum collected has been applied to reduce the debt owed to the Bank from the Company.
- (b) In relation to West End, the Bank (which had been assigned the debt due to the Company) is now overseeing the collection of cash sums payable directly to the Bank without our further involvement. Again, the sum collected has been applied to reduce the debt owed to the Bank from the Company
- (c) In relation to Borders, matters remain ongoing, but we expect they will shortly be completed by way of a share sale, which will see cash sums flow directly into the administration estate. A sale price has been agreed and we are now attending to the legal formalities.

2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

RBS Contribution to costs

The Bank has made an interim payment of £91,000 into the administration estate as a contribution to costs. This is in order to cover the costs incurred in dealing with the realisation of Company assets where the corresponding cash flows directly to the Bank.

Investigations

We reviewed the affairs of the Company to find out if there are any actions that can be taken against third parties to increase recoveries for creditors. We do not consider it appropriate to carry out further investigation work.

2.3 Costs

Payments made in this Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the Period are provided below.

Agents' fees

A total of £1,000 has been paid to Sanderson Weatherall LLP for marketing assistance provided in respect of Lancs and Fylde.

Legal fees

A total of £6,000 has been paid to Nexus Solicitors Limited for carrying out a review of the security registered against the Company, but also the Bank's security structure in respect of the subsidiaries, including the assignment of debts. This helped inform our strategy in respect of each subsidiary.

A total of £17,173 has been paid to Addleshaw Goddard LLP for appointment related legal formalities, specific advice surrounding the various strategies adopted with regards to the subsidiaries, and the application to Court to secure an extension to the period of the administration.

Storage costs

A total of £151 has been paid for the storage of Company records

Insurance of assets

A total of £1,197 has been paid for an open cover insurance policy taken out at the outset of the administration.

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 creditors

The Royal Bank of Scotland International Limited

At the date of our appointment, the Bank had an 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. Additionally, sums due to the Company from certain subsidiaries had been assigned to the Bank.

We appointed an independent solicitor, Nexus Solicitors Limited, to review the Bank's security structure, which they have confirmed as valid.

The Bank will see a reduction in the debt owed to it by the Company, largely by way of sums flowing to it from the subsidiaries that will not first pass through the administration estate. The 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 the value of preferential claims to be £1,200.

Based on current estimates, we now anticipate that preferential creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.

3.3 Unsecured creditors

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

4 Joint Administrators' remuneration and disbursements

4.1 Joint Administrators' remuneration and disbursements

During the Period, the Bank, in its capacity as Secured creditor, has provided approval 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 time cost estimate provided in our last progress report and KPMG's usual charge-out rates for work of this nature.

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.

It should be noted that our remuneration will be limited to £225,000.

However, as there are now anticipated to be sufficient funds available to enable a distribution to the preferential creditors, we are also seeking approval from the preferential creditors that our future remuneration and disbursements be drawn on the basis outlined above.

Time costs

From 12 September 2020 to 11 March 2021, we have incurred time costs of £74,216. These represent 134 hours at an average rate of £552 per hour.

From the date of our appointment to 11 March 2021, we have incurred time costs of £413,926. These represent 989 hours at an average rate of £419 per hour.

Please see detailed analysis of the time spent and a narrative description of the work performed (Appendix 6) and in our previous progress reports.

Remuneration

During the Period, we have not drawn any remuneration.

Disbursements

During the Period, we have incurred disbursements of £39.

Additional information

We have attached a revised time cost estimate at Appendix 4. Our estimated time costs for the administration have increased due to us spending more time than was envisaged in progressing matters relating to Lancs and Borders, where detailed reconciliations have been carried out to determine the final position regarding net asset realisations in those subsidiaries. This work informed our decision making in order to maximise the return to the Company and the Bank.

Although our estimate of time costs to complete the administration has increased, and although we are now required to seek approval from the preferential creditors to the basis of our fees, we will not be seeking to draw fees above the current limit of £225,000, as already approved by the Bank in its capacity as Secured creditor.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 12 September 2020 to 11 March 2021. 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:

Continue to progress matters in order to realise the Company's interest in respect of Borders and Lancs. We will also continue to seek to maximise the return to the Bank, where funds flow directly to it from those subsidiaries;

Settle costs incurred in the administration; and

Otherwise progress the administration to closure and complete all statutory formalities.

5.2 Extension of the administration

During the Period, an application to Court was made for a 12-month extension to the period of the administration. The Court granted this order on 12 February 2021.

The administration is now due to end on 10 March 2022.

5.3 Discharge from liability

During the Period, the Bank in its capacity as Secured creditor, has granted approval that we be discharged from liability in respect of any actions as Joint Administrators, upon the filling of our final receipts and payments account with the Registrar of Companies.

However, we now anticipate that there will be sufficient funds to enable a distribution to the preferential creditors. Therefore, we are also seeking approval from the preferential creditors 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 action against us.

5.4 Future reporting

We will provide a further progress report within one month of 11 September 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
Present registered office	KPMG LLP, One St Peter's Square, Manchester, UK, M2 3AE

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	Richard Harrison and Howard Smith
Prescribed Part	The Prescribed Part is not applicable on this case as there is expected to be insufficient net property.
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	10 March 2022

Appendix 2 Joint Administrators' receipts and payments account

Montpelier Professional Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 12/09/2020 To 11/03/2021 (£)	From 12/03/2019 To 11/03/2021 (£)
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
OTHER REALISATIONS			
	Bank interest, gross	1.89	1.89
	RBS contribution to costs	91,000.00	91,000.00
		91,001.89	91,001.89
COST OF REALISATIONS			
	Agents'/Valuers' fees	(1,000.00)	(1,000.00)
	Legal fees	(23,173.00)	(23,173.00)
	Storage costs	(150.95)	(150.95)
	Insurance of assets	(1,196.61)	(1,196.61)
		(25,520.56)	(25,520.56)
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

Montpelier Professional Limited - in Administration**Abstract of receipts & payments**

Statement of affairs (£)		From 12/09/2020 To 11/03/2021 (£)	From 12/03/2019 To 11/03/2021 (£)
		NIL	NIL
DISTRIBUTIONS			
(5,600,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(17,261,424.00)		65,481.33	65,481.33
REPRESENTED BY			
	Floating ch. VAT rec'able		4,864.79
	Floating charge current		60,616.54
			65,481.33

Appendix 3 Schedule of expenses

Schedule of expenses (12/09/2020 to 11/03/2021)			
Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
Cost of realisations			
Administrators' time costs	0.00	70,407.80	70,407.80
Legal fees	0.00	5,020.00	5,020.00
TOTAL	0.00	75,427.80	75,427.80

Please note that there is a difference between the payments made during the Period of £25,521 (per the receipts and payments account) and the expenses incurred and paid in the Period of £0 (per the schedule of expenses).

This is because the payments made in the Period relate to expenses incurred in a prior period.

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 Ryan Manuel at KPMG LLP, One St Peter's Square, Manchester, UK, M2 3AE.

Appendix 4 Joint Administrators' revised time cost estimate

Revised estimated time costs for the engagement							
	Narrative	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	Note 1	10.50	2,472.50	235.48	10.50	2,472.50	235.48
Cashiering	Note 2	7.30	1,853.70	253.93	15.30	5,699.40	372.51
General	Note 3	25.80	10,962.00	424.88	25.00	10,394.00	415.76
Statutory and compliance	Note 4	362.80	125,985.00	347.26	394.90	139,558.70	374.34
Tax	Note 5	58.25	22,176.50	380.71	56.25	21,056.50	374.34
Creditors							
Creditors and claims	Note 6	105.60	51,902.50	491.50	127.60	64,036.50	501.85
Committees		-	-	-	-	-	-
Employees	Note 7	14.00	4,833.00	345.21	14.00	4,833.00	345.21
Investigation							
Directors	Note 8	8.50	3,782.50	445.00	8.50	3,782.50	445.00
Investigations	Note 9	6.50	2,420.00	372.31	6.50	2,420.00	372.31
Realisation of assets							
Asset realisation	Note 10	354.80	168,243.90	474.19	413.00	201,495.90	487.88
Trading							
Trading		-	-	-	-	-	-
		954.05	394,631.60	413.64	1,071.55	455,749.00	425.32

Whilst specific notes have been provided below to give more context around the revised time cost estimate, these should be read in conjunction with the report as a whole.

Important note: The above table indicates the estimated time costs that we anticipate incurring in bringing the administration to a conclusion. However, the fees we draw will be limited to £225,000.

Note 1

This work involves liaising with directors and members with regards to certain formalities. Our estimated time costs remain the same as no further work is to be carried out.

Note 2

This work involves operating administration bank accounts, including weekly bank reconciliations and processing transactions during the administration. Our estimate of time costs here has increased from our prior estimate.

Note 3

Arranging for electronic and paper records to be backed-up and collected respectively, including utilising internal contacts to undertake the electronic back-up, obtaining fee approval, time-costs to be monitored regularly and fees to be raised. Our estimated time costs have increased for dealing with these matters.

Note 4

Undertaking post-appointment related formalities, formulating and regularly reviewing the administration strategy, arranging an adequate level of bonding, assisting with the preparation of the Statement of Affairs and closure related formalities. Our estimate of time costs has increased as a result of additional formalities associated with the extension of the administration.

Note 5

Undertaking a review of tax matters on appointment, including VAT, Corporation Tax and PAYE, dealing with post-appointment tax matters including the preparation and filing of VAT and Corporation Tax returns. Time costs estimated to be incurred here have decreased marginally.

Note 6

Notifying the creditors of our appointment, dealing with creditor queries, preparing statutory reports. Our estimated time costs have increased as we expect to incur higher costs arising from additional reporting requirements to the Bank and additional progress reports to creditors.

Note 7

This work includes dealing with direct employee matters and connected matters such as pensions schemes. Our estimated time costs remain the same as no further work is to be carried out.

Note 8

Drafting and submission of the D form, dealing with director queries and ongoing correspondence with the directors. Our estimated time costs remain the same as no further work is to be carried out.

Note 9

Our estimated time costs remain the same as no further work is to be carried out in dealing with investigations and undertaking a review of pre-appointment transactions.

Note 10

This time includes dealing with the Company's assets, specifically seeking to maximise the return to the Bank and the administration estate when realising the respective interests in the subsidiaries. Our estimated time costs have increased due to us spending more time than was envisaged in progressing matters relating to Lancs and Borders, where detailed reconciliations have been carried out to determine the final position regarding net asset realisations in those subsidiaries. This work informed our decision making in order to maximise the return to the Company and the Bank.

Appendix 5 Joint administrators' revised expense estimate

Summary of Expenses from appointment					
Total for Administration					
Expenses (£)	Narrative	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
Cost of realisations					
Administrators' fees	Note 1	225,000.00	0.00	225,000.00	225,000.00
Administrators' disbursements	Note 1	0.00	0.00	195.01	195.01
Legal fees (AG)	Note 2	25,000.00	17,173.00	12,000.00	29,173.00
Legal fees (Nexus)	Note 3	6,000.00	6,000.00	0.00	6,000.00
Agents'/Valuers' fees	Note 4	1,000.00	1,000.00	0.00	1,000.00
Insurance	Note 5	1,196.61	1,196.61	0.00	1,196.61
Statutory advertising	Note 6	73.00	0.00	0.00	0.00
Storage costs (books and records)	Note 7	1,000.00	150.95	849.05	1,000.00
TOTAL		259,269.61	25,520.56	238,044.06	263,564.62

Note 1

The Joint Administrators will not draw fees exceeding £225,000. We anticipate drawing disbursements of £195.

Note 2

Estimated costs of our legal advisers, Addleshaw Goddard, associated with exploring options around the assets and the provision of other general legal advice. Our estimate has increased since our last report, this is due to the additional costs incurred in extending the period of administration by way of an application to Court.

Note 3

Costs of Nexus Solicitors, for providing confirmation as to the validity of our appointment and of the Bank's security

Note 4

Fee to Sanderson Weatherall LLP for marketing the two trading subsidiaries business' and assets.

Note 5

Insurance premiums for the assets and public liability cover.

Note 6

Advertising in the Gazette in accordance with legislation. This has been paid as a disbursement of KPMG.

Note 7

Fees to Wensleydale Storage Solutions who are a third-party storage site that have been holding books and records belonging to the Company. Also, forward storage charges to Iron Mountain who will hold records on behalf of the Joint Administrators.

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 and pensions (up to 1 March 2020) 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/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Ryan Manuel on 0161 246 4151.

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 2020 £/hr	From 01 Oct 2020 £/hr	From 01 Jan 2021 £/hr
Partner	690	690	690
Director	620	620	620
Senior Manager	560	560	560
Manager	467	467	467
Senior Administrator	325	325	325
Administrator	236	236	236
Support	147	147	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 during the period 12 September 2020 to 11 March 2021.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	7.23		NIL		7.23
Postage	31.92		NIL		31.92
Total	39.15		NIL		39.15

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

Narrative of work carried out for the period 12 September 2020 to 11 March 2021

The key areas of work have been:

Statutory and compliance	obtaining approval from Court of a 12-month extension of the administration; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy	formulating, monitoring and reviewing the administration strategy and meetings with

documents, Checklist and reviews	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; dealing with queries arising during the appointment; 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	• providing written and oral updates to representatives of the Bank regarding the progress of the administration and case strategy.
Cashiering	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; preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; reviewing and processing employee expense requests; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	dealing with post appointment tax compliance.
General	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	liaising with directors of Lancs and Borders with regard to the Company's interests and seeking to maximise the return.
Creditors and claims	responding to enquiries from creditors regarding the administration and submission of their claims; drafting our progress report.

Time costs

SIP 9 –Time costs analysis (12/09/2020 to 11/03/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	8.40	3,345.50	398.27
Reconciliations (& IPS accounting reviews)	0.40	94.40	236.00
General			
Fees and WIP	1.00	560.00	560.00
Statutory and compliance			
Appointment and related formalities	3.00	1,860.00	620.00
Checklist & reviews	3.00	1,680.00	560.00
Extension related formalities	10.50	5,146.90	490.18
Reports to debenture holders	4.30	2,408.00	560.00

SIP 9 –Time costs analysis (12/09/2020 to 11/03/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Tax			
Post appointment corporation tax	0.60	195.00	325.00
Creditors			
Creditors and claims			
General correspondence	0.50	280.00	560.00
Statutory reports	24.50	13,900.00	567.35
Realisation of assets			
Asset Realisation			
Cash and investments	78.20	44,746.00	572.20
Total in period	134.40	74,215.80	552.20
Brought forward time (appointment date to SIP 9 period start date)	854.15	339,710.40	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	134.40	74,215.80	
Carry forward time (appointment date to SIP 9 period end date)	988.55	413,926.20	

Appendix 7 Glossary

Bank/Secured creditor	Royal Bank of Scotland International Limited
Borders	Montpelier Professional (Borders) Limited
Company	Montpelier Professional Limited - in Administration
Court	High Court of Justice, Business and Property Courts in Leeds
Fylde	Montpelier Professional (Fylde) Limited
Galloway	Montpelier Professional (Galloway) Limited
Joint Administrators/we/our/us	Rick Harrison and Howard Smith
KPMG	KPMG LLP
Lancs	Montpelier Professional (Lancs) Limited
Leeds	Montpelier Professional (Leeds) Limited
Period	12 September 2020 to 11 March 2021
West End	Montpelier 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 Richard Harrison and Howard Smith, 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.

Richard Harrison and Howard Smith 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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