



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

1 Company details

Company number	0	2	3	5	4	1	1	1
Company name in full	T & G Allan Morpeth Limited							

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

2 Administrator's name

Full forename(s)	Chris
Surname	Ferguson

3 Administrator's address

Building name/number	RMT
Street	Gosforth Park Avenue
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 2 8 E G
Country	

4 Administrator's name ①

Full forename(s)	
Surname	

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

5 Administrator's address ②

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

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

AM10

Notice of administrator's progress report

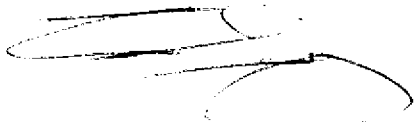
6 Period of progress report

From date	^d 2	^d 9	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0	
To date	^d 2	^d 8	^m 0	^m 9	^y 2	^y 0	^y 2	^y 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 1	^d 4	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0	

**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	Simon H. Stephenson									
Company name	RMT Accountants and Business Advisors Ltd									
Address	Gosforth Park Avenue Newcastle Upon Tyne									
Post town	NE12 8EG									
County/Region										
Postcode										
Country										
DX										
Telephone	0191 256 9500									

**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

**Administrator's Third Progress Report for the period from 29 March 2020 to 28 September
2020 relating to**

**The Fountain Group Limited, T&G Allan Holdings Limited, T&G Allan Morpeth Limited, The
Pen Shop Limited and Kingsley Brands Limited (together "the Group") - all in
Administration**

Issued on 14 October 2020

Private and Confidential

Our ref LP0301/CJF/LAF/SHS/CW

Date 14 October 2020

Dear Sirs

The Fountain Group Ltd, T&G Allan Holdings Limited, T&G Allan Morpeth Limited, The Pen Shop Limited and Kingsley Brands Limited (together "the Group") - all in Administration

I was appointed as Joint Administrator of the Group together with Linda Ann Farish on 29 March 2019. Linda Ann Farish ceased to act as Joint Administrator on 4 June 2020 and from that date I continue as sole administrator.

This is my report on the progress of the Administration of the Group for the six-month period from 29 March 2020 to 28 September 2020. The report should be read in conjunction with my progress reports issued on 25 October 2019 and 23 April 2020.

RMT Accountants and Business Advisors Ltd uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how RMT Accountants and Business Advisors Ltd uses your personal information on our website at www.r-m-t.co.uk.

If creditors have any queries regarding the conduct of the Administrations, or if they want hard copies of any of the documents made available on-line, they should contact me or Simon Stephenson on 0191 256 9500, or by email at chris.ferguson@r-m-t.co.uk or simon.stephenson@r-m-t.co.uk.

Finally, please note that the affairs, business and property of the Group are being managed by the Administrator, Christopher John Ferguson. The Administrator acts as agent of the Group and contracts without personal liability.

Yours faithfully



Christopher John Ferguson
ADMINISTRATOR

Encs.

The Fountain Group Ltd, T&G Allan Holdings Limited, T&G Allan Morpeth Limited, The Pen Shop Limited and Kingsley Brands Limited (together "the Group") - all in Administration

ADMINISTRATOR'S PROGRESS REPORT TO CREDITORS

For the six months ending 28 September 2020

EXECUTIVE SUMMARY

I was appointed as Joint Administrator of the Group together with Linda Ann Farish on 29 March 2019. Linda Ann Farish ceased to act as Joint Administrator on 4 June 2020 and from that date I continue as sole administrator. The Administrator continues to manage the business, affairs and property of the Group. The Administrator acts as agent of the Group and contracts without personal liability.

Immediately following the appointment of the Joint Administrators, substantially all the Group's business and assets were sold to two entities incorporated by the former directors, following a period of marketing. In accordance with the disclosure requirements of Statement of Insolvency Practice, 'SIP', 16, details were provided in my report and proposals dated 4 April 2019. A summary of the position follows in my report below.

Following the sale, I have dealt with the realisation of assets excluded from the sale, matters arising from the sale, and issues relating to former employees, ROT, and landlords.

At the date of this report I anticipate that there will be a small dividend to the preferential creditors of The Pen Shop Ltd, and no distribution to secured or non-preferential unsecured creditors in any of the Group entities. Since my last report I have continued to deal with queries raised by several former employees in respect of their claims to the Redundancy Payments Scheme managed by The Redundancy Payments Office, 'RPO'. I understand that these queries have been dealt with and I am awaiting receipt of the RPO's final claim.

The Administrators obtained approval from the secured, and where necessary, preferential creditors, to extend the period of the administrations to 28 March 2021, to enable these final matters to be dealt with. Until receipt and agreement of the RPO claim, I am unable to confirm when the dividend will be declared. However, I aim to progress outstanding matters in the Group administrations to conclusion before the requirement to obtain Court approval to further extend the period of the administrations.

STATUTORY INFORMATION

Statutory information in respect of the Group companies is attached at Appendix 1.

On 29 January 2020 and 30 January 2020, the secured and, where applicable, preferential creditors agreed to extend the Administration of the Group for a period of 12 months, such that the Administrations will now automatically end on 28 March 2021 unless extended by order of the Court.

ADMINISTRATORS' ACTIONS SINCE LAST PROGRESS REPORT

Immediately following the Administrators' appointment, a sale of the business and certain trading assets of the Group was completed to The Pen Shop Trading Limited and T&G Allan Limited ("the Purchaser"), entities incorporated by the Directors of the Group, as part of a pre-pack sale from Administration. The Group ceased to trade at the date of appointment, following the sale of the business and assets to the Purchaser.

The rationale behind the use of a pre-pack sale from Administration was explained in detail in my report and proposals dated 4 April 2019 and summarised again in my first progress report dated 25 October 2019. I would not propose to reiterate that information in this report, but if creditors require copies of my earlier reports,

including my second progress report dated 23 April 2020, hard copies may be requested from me, or alternatively downloaded from RMT's website using login details previously published.

The following work has been undertaken in the reporting period, in addition to statutory and compliance work detailed in Appendix 2: -

- Dealing with employee claims and queries (including pension matters), including telephone and email correspondence with employees and the Redundancy Payments Office;
- Attending to creditor claims and queries, including work to establish the preferential claim of the Redundancy Payments Office;
- Instructions to agents and supply of information in connection with the refund of property rates;
- Dealing with the surrender of property leases.
- Preparation of the second progress report to creditors.

These are tasks that are required by statute or regulatory guidance or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still must be carried out.

There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since our appointment as Administrators is contained in Appendix 2.

RECEIPTS AND PAYMENTS ACCOUNT

My receipts & payments accounts for the Group for the period from 29 March 2020 to 28 September 2020, incorporating receipts and payments for the whole period to 28 September 2020 are attached at Appendices 3(i) to 3(v).

The balance of funds are held in interest bearing estate bank accounts.

ASSETS

The assets were sold for £91,000, using the vehicle of a Pre-Packaged Administration ('Pre-Pack') Sale, immediately following my appointment as Joint Administrator of the Group.

In accordance with the disclosure requirements of Statement of Insolvency Practice 16, in relation to a Pre-Pack sale of assets, I provided creditors with a full explanation of the events leading up to the sale, our role as insolvency practitioners, alternative restructuring options, basis of asset valuations, marketing of the business, and outcome of the sale, in Section 4 of my report and proposals issued to creditors on 4 April 2019. I do not propose to re-iterate the full disclosure in this report, sufficed to say that if a creditor requires, I will provide copies of my earlier reports, which are also available for viewing on RMT's website.

However, I have summarised the details of the Pre-Pack sale below.

A sale of the business and assets of the Group was concluded on 29 March 2019 to The Pen Shop Trading Limited and T&G Allan Limited, entities incorporated by the Directors, being Colin McClymont and Sally McClymont, to acquire the business and assets of the Group.

The sale consideration was paid in full on completion, and there were no conditions of the contract that could materially affect the consideration. There were no options, buy-back arrangements, deferred consideration, or other conditions attached to the contract of sale. Book debts and contingent claims (such as insurance claims, legal claims or tax repayments) were excluded from the sale.

The sale consideration is broken down as follows: -

Asset	The Pen Shop Ltd £	Kingsley Brands Ltd £	T&G Allan Morpeth Ltd £	Total Proceeds £
Acquiring entity	The Pen Shop Trading Ltd		T&G Allan Ltd	
Stock	30,000	Nil	10,000	40,000
Fixtures, fittings & equipment	Nil	Nil	2,000	2,000
Intellectual property	44,100	4,900	Nil	49,000
Total sale proceeds				91,000

The apportionment of the sale consideration was based on the legal entity holding ownership of the specific asset and the offer letter received from the Purchaser. In the case of the intellectual property assets, and based on advice from Hilco, 10% of the sale consideration associated with The Pen Shop Limited IP was applied to Kingsley Brands Limited, in respect of the 'Kingsley' brand, trademarks and copyrights.

The sale price achieved was the best reasonably obtainable in all the circumstances of this case, given that the offer from the Directors exceeded the estimated realisable value of the assets (after costs) than that which was estimated to be realised in a liquidation outcome.

No other offers for the business and assets of the Group were received.

The sale preserved the employment of 40 of the 65 employees of the Group, reducing the impact of employee claims in the Administration.

Leasehold Property

The Group had 11 leasehold properties at the date of appointment.

Prior to my appointment, Sanderson Weatherall LLP was instructed to value the Group's leasehold portfolio and they did not consider that there were any realisable lease premiums.

The Purchaser occupied 5 properties under monthly licences following the sale. During the period the Purchaser negotiated with landlords to assign or take new leases, and it was necessary to extend the licences several times, which increased legal and Administrators' costs. The position can be summarised as follows: -

The Pen Shop Limited

Newcastle – assigned 3 June 2019
Birmingham – assigned 3 June 2019
Trafford Centre – assigned 5 July 2019
Glasgow – assigned 30 July 2019

T & G Allan Morpeth Ltd

Morpeth, Newgate Street – assigned 29 July 2019

The Purchaser has paid all licence fees due which have now been paid to the relevant landlords following assignment.

The Purchaser paid a contribution of £2,000 towards costs incurred arising from delays in the assignment of this lease.

The following stores were closed and vacated on the weekend preceding administration. The Administrators invited the landlords to accept surrenders of the leases. The position is summarised as follows: -

The Pen Shop Ltd

Manchester, King Street – not yet surrendered
City, Liverpool Station, London – not yet surrendered
Edinburgh, Multrees Walk – Landlord has requested a formal surrender - ongoing
Leadenhall Market – surrendered
Cardiff – Landlord has requested a surrender - ongoing
Leeds, Trinity - surrendered

Fixtures, fittings & Equipment

The majority of the Group's fixtures, fittings and equipment comprised shop fixtures and fittings located at stores located across the UK, and a small amount of computer and IT equipment located at its head office.

In Sanderson Weatherall's opinion, due to the nature of the items located at each store, custom installation, geographic spread, and their experience of dealing with similar cases, the costs of recovering and realising the assets situated at the individual locations outweighed the realisable value of these assets.

Stock

In Sanderson Weatherall's opinion, due to the type, amounts, mix, and because the suppliers were mature commercial organisations, reservation of title 'ROT' would be alleged in most cases. It was anticipated that the determination of those claims would become protracted and costly in a liquidation sale process. Drawing on our experience and theirs, the stock was discounted as previously detailed, on the basis that the Purchaser would be required to reach agreement with the relevant supplier in the case of an ROT claim being proved. However, the realisation value achieved for stock exceeded Sanderson Weatherall's liquidation value.

Intellectual Property

Hilco Appraisal Limited, 'Hilco', provided their recommendation to proceed with the offer on the basis that the costs associated with marketing and selling the IP in a liquidation scenario would likely result in a lower net outcome than their 'Low' case valuation.

Debtors / Cash in Transit

When my initial report and proposals were published, the latest available management information at 28 February 2019 (unreconciled), disclosed book debts/cash in transit amounting to £40,525. Of this amount £22,813.74 has been realised in respect of monies received into the Pen Shop Ltd's former bank account following my appointment.

In the Directors' statement of affairs, accounts receivable were recorded with a book value of £16,230, estimated to realise Nil.

I have conducted a review of the ledger, and I am satisfied that the balance remaining relates to unreconciled or mis-posted items, and as anticipated there have been no further realisations.

Other Assets

Consultiam Property Ltd t/a CAPA were instructed to audit the rating accounts of the Group's properties, to consider if rate refunds were available from relevant local authorities. A large amount of information was provided to them to enable this audit to be completed.

In most cases, credits in respect of over-rated properties have been contra'd against outstanding rate claims by the local authorities concerned and in my last report, apart from the £1,339 received in respect of the Glasgow premises, I anticipated that there would be no further realisations in this respect.

I am pleased to report that a further refund of £10,696.95 has been received in respect of the Leeds property during this reporting period.

I do not anticipate further realisations.

LIABILITIES

By the time my report and proposals were issued on 4 April 2019 the Group Directors had not provided statements of affairs for the Group entities, and for the purpose of that report I provided at Appendix 1 of that report an Estimated financial position, 'EFP', of the Group as at 29 March 2019. The Group Directors subsequently affirmed a statement of affairs for each Group entity on 4 July 2019 and these were filed with Companies House on 8 July 2019.

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Group granted numerous charges which are detailed for each Group entity in Appendix 1.

Each Group entity has granted a fixed and floating charge to National Westminster Bank Plc 'the Bank', which post-dates 15 September 2003. The Pen Shop Limited granted a floating charge to NatWest on 23 April 2008. Under a guarantee dated 27 May 2015, each Group entity guaranteed the Pen Shop Ltd's indebtedness to the Bank.

The Bank demanded £216,656 from the Group, subject to accruing interest.

No payments have been made to the Bank, either under the guarantee, or fixed and floating charges granted by Group entities.

The Insolvency legislation requires that if the Company has created a floating charge after 15 September 2003, a 'prescribed part' of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. Further details are provided below under 'Prescribed part'.

Preferential Creditors

Preferential creditor claims arise solely in the Pen Shop Limited. The statement of affairs anticipated £47,399 (EFP £72,800) in preferential creditors, relating to employee claims for arrears of salary and accrued holiday pay, up to statutory limits. Employees have made claims to the Redundancy Payments Service, 'RPS', under the provisions of the Redundancy Fund.

Claims to the RPS included salary arrears of employees retained by the Purchaser, allowed under the regulations.

Shortly before publication of my last progress report the RPS submitted what they considered was their final preferential claim amounting to £50,390.59. However, I was advised that several former employees were querying payments made to them under the redundancy payments scheme, the resolution of which would result in a change of the RPS's claim.

I understand that these queries have been dealt with and I have been pressing the RPS to lodge their final claim.

To date no claims have been received from employees in excess of statutory limits.

Crown Creditors

The statement of affairs included £223,441 (EFP £185,100) owed to HMRC.

HMRC's initial claim of £200,172 in respect of VAT has been received, which includes an assessment of the VAT liability for the final quarter to 31 March 2019. The final pre administration VAT return was not completed by the Group.

The Group entities operated VAT under a group registration scheme.

No claims have been received from HMRC in respect of PAYE and NIC. Prior to administration, HMRC demanded £36,131 in respect of underpaid PAYE and NIC for months 3 to 9. It is expected that this liability will increase once the formal claim is received.

Non-preferential unsecured Creditors

The statements of affairs included non-preferential unsecured creditors with an estimated total liability of £2,222,419 (EFP £2,573,400). I have received claims from 31 creditors at a total of £266,822.

DIVIDEND PROSPECTS

Secured creditors

There will be no funds available to enable a distribution to the secured creditors.

Preferential creditors

It is anticipated that subject to further administration costs and expenses, a small dividend will be payable to the preferential creditors in The Pen Shop Ltd. I am unable to determine the level or when the dividend will be paid until the matters mentioned above have been resolved.

Floating charge creditors

There will be no funds available to enable a distribution to the floating charge creditors.

Non-preferential unsecured creditors

There will be no funds available to enable a distribution to the non-preferential unsecured creditors of the Group, either under the prescribed part, or otherwise. Details about the prescribed part are given below.

Prescribed part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator must set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

As previously advised, the Group entities gave floating charges to NatWest which post-date 15 September 2003, as

summarised in Appendix 1, and the prescribed part provisions apply. However, based on realisations to date, no anticipated further realisations, and after considering the costs of the Administration to date, and payment of a preferential dividend, the net property of the Group will be as follows: -

	£
The Fountain Group Limited	Nil
T&G Allan Holdings Limited	Nil
T&G Allan Morpeth Limited	Nil
The Pen Shop Limited	Nil
Kingsley Brands Limited	Nil

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Group's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

Concerns were raised by one creditor regarding potential wrongful trading by the directors in the period immediately preceding the Administration. However, from my investigations to date I am satisfied that there are no grounds to pursue an action of wrongful trading.

I have reviewed bank statements for the period prior to the Group ceasing to trade obtained from the Group's records and compared the information in the Group's last set of accounts with that contained in the statements of affairs lodged in the Administration and made enquiries about the reasons for any changes. I have also reviewed the Directors' loan accounts in the period leading up to administration, to confirm if any payments were made to them in reduction of their claims against the Group. In those areas of investigation, I have not established any matters that require further action.

Within three months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

The Directors of the Group instructed me to advise them in relation to the proposed sale of the Group, including advising on a sale of the business and assets of the Group via a pre-pack Administration, on 18 February 2019. They agreed that I should be paid my pre-administration costs on a time cost basis estimated at £25,000 and these costs have been paid in full.

In addition, the following professional costs were also incurred as part of the pre-appointment work. All costs are exclusive of VAT: -

Advisor	Fee (£)	Expenses (£)	Total (£)
Eversheds Sutherland	25,000	395	25,395
Sanderson Weatherall	10,750	-	10,750
Hilco Appraisal	6,000	-	6,000
Bradley Hall	250	-	250

The above costs were settled in full prior to the Administration.

ADMINISTRATOR'S REMUNERATION

My remuneration was authorised on a mixture of a time cost basis and as a fixed fee and % of realisations by the secured and preferential creditors.

I was authorised to draw time costs for my work in respect of investigations and creditors. This approval was based on my total fees estimate of £42,795, across the Group at 4 April 2019, which is summarised at Appendix 4. The fees estimate acts as a cap, and I cannot draw remuneration in excess of that estimate without first seeking approval from the secured and preferential creditors.

On 15 January 2020, in respect of The Pen Shop Ltd, I sought the approval of the secured and preferential creditors to increase my estimate for my work in respect of creditors by £20,309, to £38,569, from my initial estimate of £18,260 at 4 April 2019.

This request was necessary because in respect of my time costs in relation to Creditors, I have undertaken the following additional work that was not envisaged when I issued my fees estimate on 4 April 2019, namely a significant number of enquiries that were raised by former members of the Group's workforce necessitating further investigation of payroll records, meetings with the former payroll staff and directors, and resulting subsequent correspondence with the Redundancy Payments Office. We did not anticipate the length of time that would be required for the Purchaser to complete the assignment of leases, which consequently created significant further time costs dealing with the Purchaser, our lawyers, requirement for further licences to occupy, and where necessary contact with the landlords concerned. Although ROT was expected to be a significant issue in this case, we did not anticipate the level of engagement that would be required to review and subsequently deal with the adjudication of ROT claims notified to us by suppliers and liaising with the Purchaser regarding this.

This additional work did not give direct financial benefit to the creditors, but I had to undertake it in order to meet my requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that I must follow.

This increase was approved by the secured and preferential creditors and authorises me to draw time costs for my work in respect of investigations and creditors up to a total fee estimate of £63,104.00 across the Group, which is summarised at Appendix 4. The fees estimate acts as a cap, and I cannot draw remuneration in excess of that estimate without first seeking approval from the secured and preferential creditors.

My total time costs for such work to 28 September 2020 across the Group amount to £48,537, representing 211.65 hours of work at a blended charge out rate of £229.32 per hour, of which £3,113 was charged in the period since 28 March 2020, at a blended charge out rate of £247.06 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £224.48 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate, because the experience required of certain staff to perform certain tasks has differed slightly from the staff originally anticipated when I completed my time estimate. My time costs for each Group entity are summarised at Appendix 4.

I have not been able to draw any remuneration in respect of work done for which my fees were approved on a time cost basis in respect of The Fountain Group Ltd, T&G Allan Holdings Ltd, and Kingsley Brands Ltd.

In total I have drawn £20,511 to 28 September 2020 in respect of The Pen Shop Ltd and T&G Allan Morpeth Ltd, of which £Nil was drawn in the period since 28 March 2020 in respect of work done for which my fees were approved on a time cost basis as summarised at Appendix 4.

I was also authorised to draw fixed fees across the Group for my work in respect of administration and planning, and I have drawn fees in the Administration period to 28 September 2020, summarised as follows: -

	Authorised £	Drawn in reporting Period £	Total drawn to period end £
The Fountain Group Limited	5,000	-	Nil
T&G Allan Holdings Limited	5,000	-	Nil
T&G Allan Morpeth Limited	20,000	-	10,219
The Pen Shop Limited	20,000	-	20,000
Kingsley Brands Limited	5,000	-	4,794
Total	55,000	-	35,013

I have not been able to draw any remuneration in respect of work done for which my fees were approved as a fixed fee in respect of The Fountain Group and T&G Allan Holdings Ltd.

I have drawn £35,013 in total to 28 September 2020 in respect of work done for which my fees were approved as a fixed fee in respect of T&G Allan Morpeth Ltd, The Pen Shop Ltd, and Kingsley Brands Ltd of which £Nil was drawn in the period since 28 March 2020.

Finally, I was authorised to draw 10% of realisations for my work in respect of the realisation of assets included in the Pre-pack sale, and 30% of realisations for my work in respect of any other subsequent realisations. Based on realisations I have achieved to date, I am entitled to remuneration of £20,786.02 in respect of the Group, and I have drawn amounts in the period as follows: -

	Assets in Pre-pack sale £ (10%)	Other Assets £ (30%)	Total authorised £	Drawn in reporting Period £	Total drawn to period end £
The Fountain Group Limited	Nil	Nil	Nil	Nil	Nil
T&G Allan Holdings Limited	Nil	Nil	Nil	Nil	Nil
T&G Allan Morpeth Limited	1,200	82.53	1,282.53	Nil	1,277.86
The Pen Shop Limited	7,410	11,602.10	19,012.10	Nil	15,342.11
Kingsley Brands Limited	490	1.39	491.39	Nil	Nil
Total	9,100	11,686.02	20,786.02	Nil	16,619.97

I have not been able to draw any remuneration in respect of work done for which my fees were approved as a % of realisations in respect of The Fountain Group Ltd, T&G Allan Holdings Ltd, and Kingsley Brands Ltd.

I have drawn £16,619.97 in total to 28 September 2020, in respect of work done for which my fees were approved as a % of realisations, in respect of T&G Allan Morpeth Ltd and The Pen Shop Ltd of which £Nil was drawn in the period since 28 March 2020.

A detailed schedule of my time costs incurred to 28 September 2020 compared with my original fees estimate is attached as Appendix 4.

As at 28 September 2020, I do not anticipate that the total time costs I will incur in this matter in respect of the other Group entities in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the secured and preferential creditors.

I only anticipate needing to seek approval to draw fees in excess of the estimates approved by the secured and preferential creditors in The Pen Shop Ltd and T & G Allan Morpeth Ltd if my additional work leads to further areas of investigation, potential further asset recoveries, or any associated action, such as arbitration or legal proceedings.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/fees>. There are different versions of these Guidance Notes, and in this case please refer to the April 2017 version. Please note that we have also provided further details in our practice fee recovery policy sheet attached as Appendix 5.

ADMINISTRATORS' EXPENSES

I have incurred total expenses of £2,078.25 since my appointment as Administrator as summarised below: -

Type of Expense	Amount incurred/ Accrued since appointment (£)	Paid to 28 September 2020 (£)	Amount Outstanding (£)	Total estimate (£)
Bonding	199.00	110.00	89	308.00
Insurance	672.00	672.00	-	1,000.00
Statutory Advertising	437.40	174.96	262.44	500.00
Storage	374.85	-	374.85	200.00
Court Fees	125.00	125.00	-	-
Company Searches	270.00	270.00	-	-

I have drawn £1,351.96 to 28 September 2020.

I have used the following professional advisors in the period: -

Professional Advisor	Amount incurred/ Accrued since appointment (£)	Paid to 28 September 2020 (£)	Amount Outstanding (£)	Total estimate (£)
Eversheds Sutherland	11,992.20	11,992.20	-	20,000.00
Courts Trustees – Pension advice	200.00	200.00	-	250.00
Hopwood VAT -VAT Specialist	200.00	200.00	-	-
CAPA	2,674.24	2,674.24	-	-
RMT – Tax Advice	328.50	28.50	300.00	300.00

I have incurred the following category 2 disbursements in the period since my appointment as Administrator.

Type of category 2 disbursement	Amount incurred/ accrued in the reporting period
Vehicle mileage charged	£25.41

I have drawn £25.41 to 28 September 2020.

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Hopwood Tax	VAT advice in respect of group registration scheme and option to tax on properties.	Fixed Fee
Eversheds Sutherland - Solicitors	Advice in respect of licences to occupy, assignment of leases, ROT, and generally in respect of the appointments	Time Costs
Courts Pension Trustees	Advice in relation to employee pension scheme.	Fixed Fee
CAPA	Work leading to potential property rate refunds.	25% of realisations

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and I am satisfied that they are reasonable in the circumstances of this case.

As at 28 September 2020 then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was

authorised by the preferential and secured creditors. The reason I have exceeded the expenses estimate has resulted from the circumstances of this Group, being a requirement to review its VAT registration and position regarding its leasehold properties (including their tax position), and staff pension scheme which was not anticipated at the commencement of the case.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about RMT Accountants and Business Advisors Ltd can be found at www.r-m-t.co.uk.

SUMMARY

The Administration will remain open until the following matters have been finalised.

- Agreement of preferential claims and payment of dividend.
- Finalisation of matters regarding leasehold properties and landlords.
- Clearances from relevant Government taxation departments.

The Administrators obtained approval to extend the period of the administrations to 28 March 2021. Until receipt and agreement of the RPS claim, I am unable to confirm when the preferential dividend will be paid. However, I aim to progress outstanding matters in the Group administrations to conclusion before the requirement to obtain Court approval to extend the period of administrations for a further period. I therefore hope to be in a position to bring these matters to conclusion in the next 3 months.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Simon H. Stephenson by email at Simon.Stephenson@r-m-t.co.uk, or by phone on 0191 256 9500.



Christopher John Ferguson
ADMINISTRATOR
14 SEPTEMBER 2020

The affairs, business and property of the Group are being managed by the Administrator, Christopher John Ferguson. The Administrator acts as agent of the Group and contracts without personal liability.

Company Information

Company name	T & G Allan Morpeth Limited
Previous name	The Pen Shop Limited
Trading name	T & G Allan Morpeth Limited
Company number	2354111
Date of incorporation	01 March 1989
Trading address	24 Newgate Street,Morpeth,Northumberland,NE61 1BA
Current registered address	24 Newgate Street,Morpeth,Northumberland,NE61 1BA
Former registered address	Allan House,First Avenue,TVTE,NE11 0TX
Principal trading activity	Retailers of gifts and writing instruments
Administrators	Christopher John Ferguson Linda Ann Farish - Ceased to act 4 June 2020
Administrators address	Gosforth Park Avenue,Newcastle upon Tyne,NE12 8EG
Date of appointment	29 March 2019
Court name and number	CR-2019-NCL-0063
Appointment made by:	Directors of the Company Pursuant to Paragraph 22(1) of Schedule B1 of the Act

**Actions of the
Administrators**

Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company

Directors	Name	Shareholding
	Colin Peter McClymont	nil
	Sally McClymont	nil

Share Capital**Authorised Allotted, called up and fully paid**

100 ordinary shares 100 and £1 paid for each share

Charges

Chargeholder	Nature of Charge	Date of Charge
National Westminster Bank Plc	Fixed and Floating	05 April 2011

Company Information

Company name	The Pen Shop Limited
Previous name	None
Trading name	T & G Allan Limited
Company number	381203
Date of incorporation	17 June 1943
Trading address	21 Unit KLG02, 3 Hayes Arcade, St David's Dewi Sant, Cardiff 21 The Walk, St Andrews Square, Edinburgh, EH1 3DQ 8-9 Leadenhall, Frenchchurch Street, London, EC3V 1LR Unit 3.31, 333 Trinity Leeds, Albion Street, Leeds, LS1 5AT 10 West Mall, Liverpool Street Station, London, EC2 7QA 54 King Street, Manchester, M2 4LY 14/15 Great Western Arcade, Birmingham, B2 5HU 27 Eldon Square, Newcastle upon Tyne, NE1 7RA 38 Price Square, Buchanan Street, Glasgow, G1 3JN 3 Regent Crescent, The Trafford Centre, Manchester
Current registered address	24 Newgate Street, Morpeth, Northumberland, NE61 1BA
Former registered address	Allan House, First Avenue, TVTE, NE11 0TX
Principal trading activity	Retailers of gifts and writing instruments
Administrators	Christopher John Ferguson Linda Ann Farish - Ceased to act 4 June 2020
Administrators address	Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
Date of appointment	29 March 2019
Court name and number	CR-2019-NCL-0060
Appointment made by:	Directors of the Company Pursuant to Paragraph 22(1) of Schedule B1 of the Act
Actions of the Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company

Directors	Name	Shareholding
	Colin Peter McClymont	nil
	Sally McClymont	nil

Share Capital

Authorised	Allotted, called up and fully paid
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143,042 ordinary shares	143,042 and 0 paid for each share
17,250 other shares	17,250 and 0 paid for each share

Charges

Chargeholder	Nature of Charge	Date of Charge
National Westminster Bank Plc	Fixed and Floating	23 April 2008
The Mayor of London	Rent Deposit Deed	01 October 2004
National Westminster Bank Plc	Legal Mortgage	12 October 1993
District Bank Limited	Legal Mortgage	21 September 1960

Company Information

Company name	Kingsley Brands Limited
Previous name	Maymask (1962) Limited
Trading name	Kingsley Brands Limited
Company number	7281301
Date of incorporation	11 June 2010
Trading address	24 Newgate Street, Morpeth, Northumberland, NE61 1BA
Current registered address	24 Newgate Street, Morpeth, Northumberland, NE61 1BA
Former registered address	Allan House, First Avenue, TVTE, NE11 0TX
Principal trading activity	Retailers of gifts and writing instruments
Administrators	Christopher John Ferguson Linda Ann Farish - Ceased to act 4 June 2020
Administrators address	Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
Date of appointment	29 March 2019
Court name and number	CR-2019-NCL-0063
Appointment made by:	Directors of the Company Pursuant to Paragraph 22(1) of Schedule B1 of the Act
Actions of the Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company

Directors	Name	Shareholding
	Colin Peter McClymont	nil

Share Capital

Authorised	Allotted, called up and fully paid
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1 ordinary share	1 and £1 paid for the share
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Charges

Chargeholder	Nature of Charge	Date of Charge
National Westminster Bank Plc	Fixed and Floating	05 April 2011

Company Information

Company name	The Fountain Group Limited
Previous name	None
Trading name	The Fountain Group Limited
Company number	9574858
Date of incorporation	05 May 2015
Trading address	24 Newgate Street, Morpeth, Northumberland, NE61 1BA
Current registered address	24 Newgate Street, Morpeth, Northumberland, NE61 1BA
Former registered address	Allan House, First Avenue, TVTE, NE11 0TX
Principal trading activity	Retailers of gifts and writing instruments
Administrators	Christopher John Ferguson Linda Ann Farish - Ceased to act 4 June 2020
Administrators address	Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG
Date of appointment	29 March 2019
Court name and number	CR-2019-NCL-0061
Appointment made by:	Directors of the Company Pursuant to Paragraph 22(1) of Schedule B1 of the Act
Actions of the Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company

Directors	Name	Shareholding
	Colin Peter McClymont	24 ordinary 36 D ordinary
	Sally McClymont	275,000 preference

Share Capital

Authorised	Allotted, called up and fully paid
24 ordinary shares	24 ordinary and £8333.33 paid for the shares
25 B ordinary shares	25 B ordinary and £1,000 paid for the shares
15 C ordinary Shares	15 C ordinary shares and £15 paid for the shares
36 D ordinary shares	36 D ordinary shares and £36 paid for the shares
275,000 preference shares	275,000 preference shares and £275,000 paid for the shares

Charges

Chargeholder	Nature of Charge	Date of Charge
National Westminster Bank Plc	Fixed and Floating	27 May 2015

Company Information

Company name	T & G Allan Holdings Limited
Previous name	Maymask(1963) Limited
Trading name	T & G Allan Holdings Limited
Company number	7281343
Date of incorporation	11 June 2010
Trading address	24 Newgate Street,Morpeth,Northumberland,NE61 1BA
Current registered address	24 Newgate Street,Morpeth,Northumberland,NE61 1BA
Former registered address	Allan House,First Avenue,TVTE,NE11 0TX
Principal trading activity	Retailers of gifts and writing instruments
Administrators	Christopher John Ferguson Linda Ann Farish - Ceased to act 4 June 2020
Administrators address	Gosforth Park Avenue,Newcastle upon Tyne,NE12 8EG
Date of appointment	29 March 2019
Court name and number	CR-2019-NCL-0062
Appointment made by:	Directors of the Company Pursuant to Paragraph 22(1) of Schedule B1 of the Act
Actions of the Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Officers of the Company

Directors	Name	Shareholding
	Colin Peter McClymont	nil

Share Capital

Authorised	Allotted,called up and fully paid
143,042 ordinary shares	143,042 ordinary and £143,042 paid for the shares
17,250 preference shares	17,250 preference shares and £17,250 paid for the shares
Charges	

Chargeholder	Nature of Charge	Date of Charge
National Westminster Bank Plc	Fixed and Floating	05 April 2011

Appendix 2

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up physical case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and others required on appointment as office holders, including gazetting the office holders' appointment.
- Obtaining a specific penalty bond.
- Convening and holding a decision procedure to obtain the approval of the creditors to the Administrators' proposals.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holders' estate bank account.
- Creating, maintaining and managing the office holders' cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

1. Creditors

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Dealing with and adjudicating on reservation of title claims received from suppliers.
- Dealing with licences to occupy and subsequent assignments in respect of properties occupied by the Purchaser.

2. Investigations

- Submit an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Obtaining company records, and agreement re access to accounting software, review of bank statements, Group financial accounts, and statement of affairs.

The Pen Shop Limited
(In Administration)
Administrator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 29/03/2019 To 28/03/2020 (£)	From 29/03/2020 To 28/09/2020 (£)	Total (£)
Cash / Balance at Bank		1,666.34	0.00	1,666.34
Licence to Occupy Fee		24,688.20	0.00	24,688.20
Furniture & Equipment	1.00	1.00	0.00	1.00
Stock	30,000.00	30,000.00	0.00	30,000.00
Goodwill	1.00	1.00	0.00	1.00
Property Rights/Patents	44,095.00	44,095.00	0.00	44,095.00
Other Refunds		88.22	10,696.95	10,785.17
Rate Refund		1,339.47	0.00	1,339.47
Sundry Debtors		22,813.74	0.00	22,813.74
Bank Interest Gross		122.69	12.61	135.30
Cash at Bank	600.00	3,600.00	0.00	3,600.00
Business records, Sales information, Con	3.00	3.00	0.00	3.00
		128,418.66	10,709.56	139,128.22

PAYMENTS


Preparation of S. of A.		1,500.00	0.00	1,500.00
Office Holders Fees		54,402.11	0.00	54,402.11
Office Holders Expenses		707.89	0.00	707.89
Legal Fees		11,237.70	0.00	11,237.70
Legal Disbursement		108.65	0.00	108.65
Acct Software Licence Fee		500.00	0.00	500.00
CAPA Rate Refund Commission		334.87	2,674.24	3,009.11
Rents Payable		24,688.91	0.00	24,688.91
Insurance of Assets		560.00	0.00	560.00
Bank Charges		30.00	0.00	30.00
Pension Scheme Advice		200.00	0.00	200.00
		94,270.13	2,674.24	96,944.37

Net Receipts/(Payments)

	34,148.53	8,035.32	42,183.85
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MADE UP AS FOLLOWS

Appointee Bank Account		32,646.73	9,157.17	41,803.90
VAT Receivable / (Payable)		1,501.80	(1,121.85)	379.95
		34,148.53	8,035.32	42,183.85



 Administrator

T & G Allan Morpeth Limited
(In Administration)
Administrator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 29/03/2019 To 28/03/2020 (£)	From 29/03/2020 To 28/09/2020 (£)	Total (£)
Licence to Occupy		7,640.00	0.00	7,640.00
Contribution to Property Costs		2,000.00	0.00	2,000.00
Fixtures & Fittings	1,995.00	1,995.00	0.00	1,995.00
Stock	10,000.00	10,000.00	0.00	10,000.00
Goodwill	1.00	1.00	0.00	1.00
Property Rights/Patents	1.00	1.00	0.00	1.00
Rate Refund	1,501.00	105.69	0.00	105.69
Bank Interest Gross		18.58	0.86	19.44
Cash in hand	150.00	150.00	0.00	150.00
Business Records,sales,info,contracts	3.00	3.00	0.00	3.00
		21,914.27	0.86	21,915.13

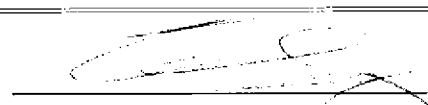
PAYMENTS

Office Holders Fees		12,948.00	0.00	12,948.00
Legal Fees		754.50	0.00	754.50
Rents Payable		7,640.00	0.00	7,640.00
Insurance of Assets		112.00	0.00	112.00
		21,454.50	0.00	21,454.50

Net Receipts/(Payments)		459.77	0.86	460.63
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MADE UP AS FOLLOWS

Appointee Bank Account		2,119.27	(1,658.64)	460.63
VAT Receivable / (Payable)		(1,659.50)	1,659.50	0.00
		459.77	0.86	460.63

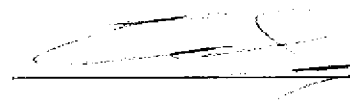

 Administrator

Kingsley Brands Limited
(In Administration)
Administrator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 29/03/2019 To 28/03/2020 (£)	From 29/03/2020 To 28/09/2020 (£)	Total (£)
Property Rights/Patents	4,900.00	4,900.00	0.00	4,900.00
Bank Interest Gross		4.64	0.02	4.66
		4,904.64	0.02	4,904.66
PAYMENTS				
Office Holders Fees		4,794.00	0.00	4,794.00
Office Holders Expenses		87.48	0.00	87.48
		4,881.48	0.00	4,881.48
Net Receipts/(Payments)		23.16	0.02	23.18

MADE UP AS FOLLOWS

Appointee Bank Account	20.36	2.82	23.18
VAT Receivable / (Payable)	2.80	(2.80)	0.00
	23.16	0.02	23.18

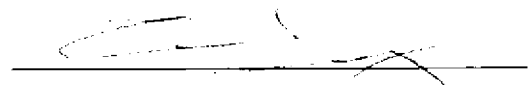


 Administrator

The Fountain Group Limited
(In Administration)
Administrator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 29/03/2019 To 28/03/2020 (£)	From 29/03/2020 To 28/09/2020 (£)	Total (£)
		0.00	0.00	0.00
PAYMENTS				
		0.00	0.00	0.00
Net Receipts/(Payments)		0.00	0.00	0.00
MADE UP AS FOLLOWS				
		0.00	0.00	0.00

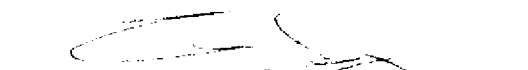
Note:


 Administrator

T & G Allan Holdings Limited
(In Administration)
Administrator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 29/03/2019 To 28/03/2020 (£)	From 29/03/2020 To 28/09/2020 (£)	Total (£)
		0.00	0.00	0.00
PAYMENTS				
		0.00	0.00	0.00
Net Receipts/(Payments)		0.00	0.00	0.00
MADE UP AS FOLLOWS				
		0.00	0.00	0.00

Note:


 Christopher John Ferguson
 Administrator

Group Fee Estimate Summary, and
Time Charged to 28 September 2020

Estimated at 28 September 2019

Classification of work function	The Pen Shop Limited			T&G Allan Morpeth Limited			Kingsley Brands Limited			T&G Allan Holdings Limited			The Fountain Group Limited			Group Total		
	Total	Time	Average	Total	Time	Average	Total	Time	Average	Total	Time	Average	Total	Time	Average	Total	Time	Average
Investigations	26.30	5891.00	223.99	14.10	3207.00	227.45	14.10	3207.00	227.45	14.10	3207.00	227.45	14.10	3207.00	227.45	82.70	18719.00	226.34
Creditors	86.00	18260.00	212.33	7.20	1454.00	201.94	7.20	1454.00	201.94	7.20	1454.00	201.94	7.20	1454.00	201.94	114.80	24076.00	209.72
Total	112.30	20309.00	242.93	-	-	-	-	-	-	-	-	-	-	-	-	83.60	20309.00	242.93
	<u>195.90</u>	<u>44460.00</u>		<u>21.30</u>	<u>4661.00</u>		<u>21.30</u>	<u>4661.00</u>		<u>21.30</u>	<u>4661.00</u>		<u>21.30</u>	<u>4661.00</u>		<u>281.10</u>	<u>63104.00</u>	<u>224.48</u>

Estimated at 4 April 2019

Estimated Increase at 28 September 2019
Approved by Secured and Preferential Creditors

Time charged to 28 September 2020

Investigations	29 March 2019 to 28 September 2019	3.00	800.00	266.67	1.80	486.00	270.00	1.80	486.00	270.00	1.80	486.00	270.00	1.80	486.00	270.00	10.20	2744.00	269.01
	29 September 2019 to 28 March 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	29 March 2020 to 28 September 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	29 March 2019 to 28 September 2019	142.90	32709.00	228.88	9.60	2196.00	189.22	3.80	686.00	180.53	3.80	686.00	180.53	4.50	889.00	197.56	164.60	37166.00	225.79
	29 September 2019 to 28 March 2020	20.25	4708.00	232.49	3.05	733.00	240.33	0.25	5.00	20.00	0.45	63.00	140.00	24.25	5514.00	227.38	24.25	5514.00	227.38
	29 March 2020 to 28 September 2020	12.60	3113.00	247.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.60	3113.00	247.06	12.60	3113.00	247.06
Total		<u>178.75</u>	<u>41330.00</u>		<u>14.45</u>	<u>3415.00</u>		<u>5.85</u>	<u>1177.00</u>		<u>5.85</u>	<u>1177.00</u>		<u>6.75</u>	<u>1438.00</u>		<u>211.65</u>	<u>48537.00</u>	<u>229.32</u>

#

Fees Drawn in Reporting Period

Investigations
Creditors
Total

0.00
0.00
0.00

0.00
0.00
0.00

0.00
0.00
0.00

0.00
0.00
0.00

0.00
0.00
0.00

Total Fees Drawn to Period End

Investigations
Creditors
Total

800.00
18260.00
19060.00

0.00
0.00
0.00

0.00
0.00
0.00

0.00
0.00
0.00

1286.00
19226.00
20511.00

PRACTICE FEE RECOVERY POLICY FOR RMT ACCOUNTANTS & BUSINESS ADVISORS LTD

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors via a decision procedure, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.r3.org.uk/what-we-do/publications/professional/fees>. Alternatively, a hard copy may be requested from RMT Accountants & Business Advisors Ltd of Gosforth Park Avenue, Newcastle upon Tyne, NE12 8EG. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff Recovery & Insolvency	Current charge-out rate per hour, effective from 1 st July 2019 £	Previous charge-out rate per hour, effective from 1 July 2018 £
Director	310.00	300.00
Head of Recovery	290.00	270.00
Manager	260.00	250.00
Senior Administrators	180.00	170.00

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

Grade of staff Tax Department	Current charge-out rate per hour, effective from 1 st July 2019 £	Current charge-out rate per hour, effective from 1 st July 2018 £
Director	250.00	220.00
Head of Tax	100.00	88.00
Tax Advisor	70.00	50.00

These charge-out rates charged are reviewed on 1st July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we now only seek time costs for the following categories:

- Investigations
- Distributions
- Trading

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often.

A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or RMT Accountants & Business Advisors Ltd; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Mileage

at HMRC rates