

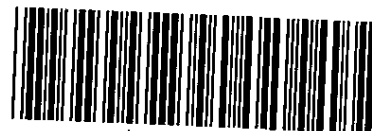
AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



A16

A8BCHDUJ

07/08/2019

#308

COMPANIES HOUSE

1 Company details

Company number 03325255

Company name in full Mortimer Management Group Limited T/A Chapelle

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Philip Francis

Surname Duffy

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M21EW

Country

4 Administrator's name ①

Full forename(s) Sarah Helen

Surname Bell

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M21EW

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

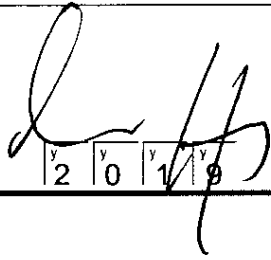
6 Period of progress report

From date	^d 1	^d 4	^m 0	^m 1	^y 2	^y 0	^y 1	^y 9	
To date	^d 1	^d 3	^m 0	^m 7	^y 2	^y 0	^y 1	^y 9	

7 Progress report

<input type="checkbox"/> I attach a copy of the progress report	
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8 Sign and date

Administrator's signature	Signature X		X						
Signature date	^d 0	^d 6	^m 0	^m 8	^y 2	^y 0	^y 1	^y 9	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name	Jamie.Maddox
Company name	Duff & Phelps Ltd.
Address	The Chancery
	58 Spring Gardens
Post town	Manchester
County/Region	
Postcode	M 2 1 E W
Country	
DX	
Telephone	+44 (0) 161 827 9000



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

Progress Report to Creditors

6 August 2019

**Mortimer Management Group
Limited and The Jewellery
Outlet Limited T/A Chapelle
(In Administration)**

Joint Administrators' Progress Report to Creditors
For the period from 14 January 2019 to 13 July 2019

**Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents and/or Hilco	Hilco Valuation Services, independent agents who were instructed to value and sell the assets of the Companies
the Appointment Date	14 January 2019, being the date of appointment of the Joint Administrators
the Bank and/or Barclays	Barclays Bank Plc, with whom the Companies banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Companies and/or the Group	Mortimer Management Group Limited & The Jewellery Outlet Limited T/A Chapelle
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Anthony Richards, Paul McGowan and Henry Foster, the Directors of the Companies
Duff & Phelps	Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
HMRC	HM Revenue and Customs
the Joint Administrators	Philip Duffy and Sarah Bell of Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
MMG	Mortimer Management Group Limited (Company Number: 03325255)
Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential creditors
the Proposals	The Joint Administrators' Proposals and Report to Creditors issued on 8 March 2019
the Purchaser	Sweetcroft Limited, the Purchaser of the business and certain assets of the Group
RPS	Redundancy Payments Service
ROT	Retention of Title
the Reporting Period	The period 14 January 2019 to 13 July 2019
RPS	Redundancy Payments Service

Mortimer Management Group Limited and The Jewellery Outlet Limited T/A Chapelle (In Administration)
Joint Administrators' Progress Report to Creditors
6 August 2019

the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	HUK 61 Limited, the holder of a fixed and floating charge over the Group's assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Companies' financial position as at the Appointment Date
TJO	The Jewellery Outlet Limited (Company Number: 03626940)
the Trading Period	The period in which the Joint Administrators traded the Companies, being 14 January 2019 to 19 February 2019
TSA	Transitional Services Agreements
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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1. Introduction
2. Joint Administrators' Report and Statement of Proposals
3. Progress of the Administrations
4. Investigations
5. Dividend Prospects / Prescribed Part
6. Joint Administrators' Receipts and Payments Accounts
7. Pre-Administration Costs
8. Joint Administrators' Costs and Expenses
9. Extension of the Administrations and Conclusion
10. Next Report

Appendices

1. Statutory Information
2. *Joint Administrators' Receipts and Payments Accounts*
3. Analysis of Time Charged and Expenses Incurred
4. Statement of Creditors' Rights
5. Proof of Debt Forms

Names of Joint Administrators: Philip Duffy
Sarah Bell

Date of Appointment: 14 January 2019

Date of Report: 9 August 2019

Appointed By: The Directors
80 New Bond Street
London
W1S 1SB

Court Reference: High Court of Justice
Business and Property Courts
In Leeds
MMG Court No: 0013 of 2019
TJO Court No: 0017 of 2019

1. Introduction

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Directors of the Companies pursuant to paragraph 22 of Schedule B1 to the Act.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Act, the functions of the Joint Administrators are being exercised by either of the Joint Administrators.
- 1.3 The purpose of this report is to provide details of the progress of the Administration during the Reporting Period.
- 1.4 This report should be read in conjunction with the Proposals for full context.
- 1.5 Statutory information on the Companies is attached at Appendix 1.

2. Joint Administrators' Report and Statement of Proposals

- 2.1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there will be insufficient realisations in each Administration to enable a distribution to non-preferential creditors, other than via the Prescribed Part. No meetings were convened and the Proposals were deemed to have been approved accordingly.
- 2.2 *As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following hierarchical objectives:*
 - Rescuing the Companies as a going concern; or
 - Achieving a better result for the Companies creditors as a whole than would be likely if the Companies were wound up (without first being in Administration); or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.3 In accordance with Paragraph 49(2) of Schedule B1 to the Act, the Joint Administrators have concluded that the first objective cannot be met since there are insufficient funds and assets available to enable the Companies to be rescued as a going concern.
- 2.4 The second objective is expected to be achieved as based upon current estimates there are likely to be sufficient funds available, after taking into account costs of the Administrations, to enable distributions to be made to non-preferential creditors of each of the Companies via the Prescribed Parts, which would mean a better result for the Group's creditors as a whole than would be achieved if the Companies were wound up.
- 2.5 The third objective has been achieved as distributions have been made to the Secured Creditor under its floating charge security in the Administration of each company. In addition, it is anticipated that there will be sufficient funds realised to enable a distribution to the preferential creditors of the Companies.

3. Progress of the Administrations

- 3.1 The manner in which the affairs and business of the Group have been managed since the appointment of Joint Administrators, and will continue to be managed and financed, are set out overleaf.

Administration Trading Period

- 3.2 The Joint Administrators were appointed to the Companies on the Appointment Date. Upon their appointment, the Joint Administrators attended the head office to undertake an immediate review of the Group's financial and operational position.
- 3.3 The decision was taken to continue to trade the business whilst the Joint Administrators pursued a sale of the business and assets as a going concern. It was considered that should a sale as a going concern be achieved, asset realisations would be maximised and creditor claims would be minimised.
- 3.4 A period of trading also allowed the Joint Administrators to obtain balancing payments on orders to mitigate potential claims arising from deposit liabilities.
- 3.5 The Group's management team remained in place to continue day to day operations under the supervision of the Joint Administrators.
- 3.6 As at the Appointment Date, the employee wage arrears totalled £37,575 and £149,80 in MMG and TJO respectively. A short-term loan of £148,464 was received from the Secured Creditor in order to pay outstanding wages and facilitate ongoing trade.
- 3.7 The Joint Administrators continued to fulfil pre-appointment customer orders where deposits had been paid prior to the Appointment Date, therefore recovering balancing payments due, minimising order cancellations and reducing creditors' claims.
- 3.8 Upon appointment, the Joint Administrators engaged in discussions with a number of suppliers regarding the continuation of special orders. These special orders included repairs and resizing of the watches and jewellery and due to the good margins these were completed where possible.
- 3.9 Special orders generally achieved a profit margin of 40-50% and could be completed within one to two weeks of the customer placing the order.
- 3.10 A full breakdown of the receipts and payments for each company during the Trading Period is provided at Appendix 2. A summary of the overall trading position is also provided below:

	Surplus/Deficit (£)
MMG	72,658
TJO	<u>(18,363)</u>
Total	54,295

- 3.11 The trading surplus of £72,658 achieved in MMG was made available for the Administration estate.
- 3.12 Further details in respect of the Trading Period are contained within the Proposals.

Sale of Business and Assets

- 3.13 As detailed in the Proposals, the Joint Administrators began marketing the Group's business and assets for sale immediately upon their appointment.

- 3.14 Following a period of protracted negotiations with a number of interested parties and bidders, the Joint Administrators ultimately completed a sale of the business and assets of the Group to the Purchaser on 19 February 2019.
- 3.15 The total sale consideration was to be calculated as 60 pence in the pound on the total cost price of stock as at the date of completion. The terms of the Sale and Purchase Agreement provided for initial consideration of 75% of the total stock figure to be paid upon completion, with the balance payable within 20 business days, subject to a stock take by the Purchaser. The initial sum of £1,767,356 was paid in full upon completion.
- 3.16 Upon completion of the sale, a stock take was undertaken by the Purchaser on an open book basis and a representative of the Joint Administrators attended the Purchaser's Head office to review the procedure.
- 3.17 Following a period of negotiations between the Joint Administrators and the Purchaser regarding stock discrepancies, the sale consideration was agreed totalling £2,273,031.
- 3.18 A breakdown of the sale consideration is provided below:

<u>Asset</u>	<u>MMG (£)</u>	<u>TJO (£)</u>
Stock	2,273,024	-
Goodwill / IPR	1	1
Business Information / Contracts	1	1
Domain Name	1	-
Fixtures, Fittings & Equipment	1	1

- 3.19 The Joint Administrators and their Agents are satisfied that the sale to the Purchaser was the best price achievable for the Group's business and assets.

Transitional Services Agreement

- 3.20 As detailed in the Proposals, the Joint Administrators provided a continuation of services to the Purchaser under a TSA in MMG which lasted six weeks and ended on 1 April 2019.
- 3.21 The granting of a TSA to the Purchaser had no impact on the overall position of the Administration or the expected outcome to creditors as it is cost neutral.
- 3.22 Any surplus funds held in respect of the TSA, after making payment of all outstanding TSA costs, will be repaid to the Purchaser accordingly.

Licence to Occupy

- 3.23 The Joint Administrators granted the Purchaser a licence to occupy 12 of the stores as part of the sale agreement, for a period of six months from 19 February 2019 to 18 August 2019.
- 3.24 As detailed in the Proposals, the Purchaser has paid bi-monthly licence fees equivalent to any property costs falling due during the relevant period. During the Reporting Period, the sum of £584,159 has been received in respect of the licence fees for the full six months.
- 3.25 It is understood that a number of the premises are expected to be assigned to the Purchaser shortly. The Joint Administrators are awaiting an update from the Purchaser regarding its intentions with the remaining premises.

Cash at Bank

- 3.26 As reported in the Proposals, the following credit balances were held on the Group's bank accounts and were received in full shortly following the Appointment Date:

MMG	£11,867
TJO	£135,213

Stock and ROT

- 3.27 In the Reporting Period, the Joint Administrators received 22 ROT claims, of which three claims were rejected. The Joint Administrators of MMG agreed commercial settlements to the value of £703,709.
- 3.28 The Joint Administrators of MMG also received a total of £1,730 from ROT creditors as a contribution towards the costs of centralising their respective stock for review and/or collection.

Faulty Stock

- 3.29 An element of stock which was faulty was excluded from the sale to the Purchaser, as the scrap value was considered to be greater than the likely realisable value when taking into account the required restoration costs.
- 3.30 The Joint Administrators were able to realise a total of £13,767 in respect of the faulty stock for the benefit of the Administration estate of MMG.
- 3.31 No further realisations are expected from this course.

Motor Vehicles

- 3.32 MMG owned two unencumbered motor vehicles as at the Appointment Date.
- 3.33 The Agents provided estimated to realise values of £3,000 and £2,700 for the respective motor vehicles.
- 3.34 A sale of the motor vehicles was agreed with two former employees of MMG and the sums of £3,000 and £2,700 were received during the Reporting Period.
- 3.35 No further realisations are expected from this source.

Debtors – Pre-Administration

- 3.36 As previously reported in the Proposals, the sum of £96,267 has been received in TJO in respect of pre-appointment concession store sales. These concession stands were operated at three separate Boundary Mill stores.

Debtors – Post-appointment

- 3.37 The sum of £1,097 has been received in MMG during the Reporting Period in respect of a sundry debtor.

Business Rates Refund

- 3.38 With the assistance of Hilco, the Joint Administrators have been able to secure business rates refunds in TJO from several local governments totalling £27,108.
- 3.39 Hilco are continuing to liaise with local governments to seek further refunds and an update will be provided in the next report to creditors.

Gretna Renunciation Fee

- 3.40 The Joint Administrators were able to agree a renunciation fee of £27,538 in respect of the vacation of the premises at Gretna. These monies have been received in full into the estate of TJO during the Reporting Period.
- 3.41 The Joint Administrators were also able to negotiate a rent free period in respect of the Gretna property during the Trading Period.
- 3.42 No further realisations are expected from this source.

Insurance Refund

- 3.43 A refund totalling £573 was received from TJO's insurers in the Reporting Period.
- 3.44 No further realisations are expected from this source.

PNC Surplus

- 3.45 A surplus balance of £27,113 was held on TJO's account with PNC following settlement of any outstanding monies in relation to a stock funding agreement.
- 3.46 The above credit balance was received in full during the Reporting Period and no further realisation are expected from this source.

Bank Interest Gross

- 3.47 Total bank interest of £3,390 has been accrued during the Reporting Period and is broken down as follows:

MMG	£1,151
TJO	£2,239

Other Assets

- 3.48 The Joint Administrators are not aware of any other assets available for the Administration estates of the Group.

4. Investigations

- 4.1 The Joint Administrators have a statutory obligation to file a report with DBEIS concerning the conduct of all directors of the Group that held office in the three years prior to the Joint Administrators appointment. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.
- 4.2 There are no outstanding lines of enquiry.

5. Dividend Prospects / Prescribed Part

Secured Creditors

- 5.1 In consideration for the monies advanced under a loan agreement, the Group granted the Secured Creditor fixed and floating charges over all of the assets of MMG and TJO, together with cross guarantees. The debentures were created on 12 June 2015.
- 5.2 As at the Appointment Date, the Group's indebtedness to the Secured Creditor totalled £1,415,609 subject to accruing interest and charges.
- 5.3 As mentioned in the Proposals, there will be insufficient realisations to enable a distribution to the Secured Creditor under its fixed charge security.
- 5.4 During the Reporting Period, interim floating charge distributions of £1,101,536 and £50,000 were paid to the Secured Creditor by MMG and TJO respectively.
- 5.5 It is anticipated that further floating charge distributions will be available to the Secured Creditor from the Administrations of the Companies, however the Secured Creditor is not expected to receive repayment of its indebtedness in full and will incur a shortfall.

Preferential Creditors

MMG

- 5.6 A number of MMG employees were retained for a period of up to six weeks in order to facilitate the TSA which ended on 1 April 2019. Following the expiry of their requirement under the TSA, these employees were subsequently made redundant.
- 5.7 It should be noted that these employees were provided with a retention incentive bonus in recognition of their continued employment.
- 5.8 All employees excluded from the TSA were made redundant immediately after the completion of the sale to the Purchaser.
- 5.9 The Joint Administrators have paid all outstanding wage arrears in full, up to the date of redundancy, as an expense of the Administration.
- 5.10 In view of the above, the only preferential claims expected to be received relate to unpaid holiday pay in the sum of £2,444.
- 5.11 It is likely that a significant element of the preferential claim will be employees' claims which are mostly subrogated to the Secretary of State, following payment by the RPS.
- 5.12 No claim has been received to date from the RPS, however based on current information, there will be sufficient realisations to pay a dividend to the preferential creditors in full.

TJO

- 5.13 The Purchaser retained 12 stores under a licence to occupy following the completion of the sale, and as a result, all employees at these stores transferred to the Purchaser pursuant to TUPE regulations. No preferential claims are expected from these former employees.

- 5.14 All other employees were made redundant as of 19 February 2019, with the exception of the staff that were retained to assist with the closure of the stores. These retained staff were subsequently made redundant on 21 February 2019.
- 5.15 The Joint Administrators have paid all outstanding arrears in full, up to the date of redundancy, as an expense of the Administration.
- 5.16 In view of the above, the only preferential claims expected to be received relate to unpaid holiday pay in the sum of £7,826.
- 5.17 It is likely that a significant element of the preferential claim will be employees' claims which are mostly subrogated to the Secretary of State, following payment by the RPS.
- 5.18 No claim has been received to date from the RPS, however based on current information, there will be sufficient realisations to pay a dividend to the preferential creditors in full.

Prescribed Part

- 5.19 As previously reported in the Proposals, the Group granted floating charges to the Secured Creditor on 12 June 2015, therefore the Prescribed Part provisions will apply.
- 5.20 Based upon current estimates, it is expected that there will be sufficient funds available to enable a Prescribed Part distribution to the non-preferential creditors of each of the Companies.
- 5.21 A further update will be provided to creditors in the Joint Administrators' next report.

Non-Preferential Creditors

- 5.22 According to the Group's books and records, non-preferential creditors total the amounts shown below:

Creditor	MMG	TJO
Trade & Expense Creditors	£2,188,231	£730,685
HM Revenue & Customs – VAT	£113,618	£113,618
HM Revenue & Customs – PAYE/NIC	£17,888	£25,642
Employee (Redundancy & PILON)	£125,250	£170,307
Total	£2,444,987	£1,040,252

- 5.23 As previously reported, the Companies operated within a VAT group, therefore the VAT liability of £113,618 is joint and several across the Group.
- 5.24 There will be insufficient realisations to enable a distribution to the non-preferential creditors of the Companies, other than by a way of Prescribed Part dividends as detailed above.
- 5.25 If not already done so, creditors of the Group should complete the proof of debt form at Appendix 5 and return the same to the Joint Administrators, together with supporting documentation to substantiate their claim. Forms may be sent to the Companies c/o Duff & Phelps, The Chancery, 58 Spring Gardens, Manchester, M2 1EW or by email to samuel.sacks@duffandphelps.com.

5.26 Please ensure that you complete the correct POD for the relevant company.

6. Joint Administrators' Receipts and Payments Accounts

6.1 Detailed Receipts and Payments Accounts for the Reporting Period are shown in Appendix 2 for both MMG and TJO.

6.2 As at 13 July 2019, there were respective cash balances of £309,541 and £461,101 in the Administration estate accounts for MMG and TJO.

7. Pre-Administration Costs

7.1 On 28 March 2019, the following amounts in respect of pre-Administration costs (plus VAT) were approved by the Secured and Preferential Creditors, to be paid as expenses of the Administrations:

	MMG	TJO
Duff & Phelps - Fees	£11,713	£10,863
Duff & Phelps - Disbursements	£42	£319
Womble Bond Dickinson - Fees	£4,621	£4,731
Womble Bond Dickinson - Disbursements	£60	£60
TOTAL Pre-Administration Costs	£16,434	£15,971

*The above costs are exclusive of VAT

7.2 In the Reporting Period, the pre-Administration costs which relate to legal fees and disbursements have been settled in full as detailed in the Receipts and Payments Account at Appendix 2.

7.3 It is anticipated that remaining pre-Administration costs which relate to the Joint Administrators' pre-Administration fees and disbursements will be settled in the next reporting period.

8. Joint Administrators' Costs and Expenses

8.1 The Joint Administrators' basis of remuneration was approved by the Secured and Preferential Creditors on a time costs basis for each of the Companies, up to a maximum of £176,984 in respect of MMG and £138,450 in respect of TJO, as well as consent for the Joint Administrators to draw Category 2 Disbursements as incurred.

MMG

8.2 The time costs incurred in the Reporting Period are as analysed at Appendix 3 and total £221,431, representing 953 hours at an average hourly rate of £232.

8.3 In accordance with SIP 9, the Joint Administrators provide creditors with the following additional information regarding significant time costs incurred in the Reporting Period:

- Time costs of £41,551 have been incurred under Sale of Business. This relates to time spent liaising with interested parties, as well as evaluating and negotiating offers. Time was also spent liaising with the solicitors to finalise the sale documents and complete the sale to the Purchaser.

- Time costs totalling £38,507 have been spent dealing with ROT claim. This time has been spent reviewing ROT claims and liaising with creditors regarding the same. Time was also incurred negotiating commercial settlements with ROT creditors for the benefit of the estate.
 - Time costs of £36,380 have been incurred under Strategy, Planning & Control. This time has been spent monitoring the Administration strategy to ensure that matters are progressed in a timely manner, as well as internal meetings regarding the same.
- 8.4 A total of £100,000 has been paid to the end of the Reporting Period in respect of the Joint Administrators' post appointment remuneration. Details of payments are shown on the Receipts and Payments account at Appendix 2.
- TJO
- 8.5 The time costs incurred in the Reporting Period are as analysed at Appendix 3 and total £182,226, representing 742 hours at an average hourly rate of £246.
- 8.6 In accordance with SIP 9, the Joint Administrators provide creditors with the following additional information regarding significant time costs incurred in the Reporting Period:
- Time costs of £41,415 have been incurred under Sale of Business. This relates to time spent liaising with interested parties, as well as evaluating and negotiating offers. Time was also spent liaising with the solicitors to finalise the sale documents and complete the sale to the Purchaser.
 - Time costs of £34,147 have been incurred under Strategy, Planning & Control. This time has been spent monitoring the Administration strategy to ensure that matters are progressed in a timely manner, as well as internal meetings regarding the same.
 - Time costs of £21,984 have been spent in respect of Trading – Operations. This relates to time incurred during the Trading Period, covering a range of tasks including dealing with employee queries and staffing issues, evaluating the viability of certain aspects of the Company's trading, and managing critical payments and suppliers in order to minimise the risk of incurring further liabilities whilst continuing to maximise the enterprise value of the Group.
- 8.7 A total of £50,000 has been paid to the end of the Reporting Period in respect of the Joint Administrators' post appointment remuneration. Details of payments are shown on the Receipts and Payments account at Appendix 2.
- 8.8 The Joint Administrators' expenses and disbursements incurred since the Appointment Date are detailed in Appendix 3.
- 8.9 A statement of creditors' rights concerning the Joint Administrators' fees is enclosed at Appendix 4.
- 9. Extension of the Administrations and Conclusion**
- 9.1 An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 9.2 Based on current information, the Joint Administrators do not consider that extensions of the Administrations will be necessary and expect that the Companies will move to dissolution prior to the automatic end of the Administrations.

10. Next Report

- 10.1 The Joint Administrators are required to provide a Progress Report within one month of every 6 months.
- 10.2 The next report will be issued no later than 13 February 2020.
- 10.3 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Sam Sacks of this office.


Philip Duffy
Joint Administrator

The affairs, business and property of the Companies are being managed by the Joint Administrators, Philip Duffy and Sarah Bell, who act as agents for the Companies and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory Information

Statutory Information

MMG

Date of Incorporation	27 February 1997
Registered Number	03325255
Company Directors	Anthony Richards Paul McGowan Henry Foster
Company Secretaries	Inca Lockhart-Ross Margaret Mortimer Paul Mortimer
Shareholders	HUK 49 Limited
Trading Address	Unit 2, Colwick Quays Business Park Private Road No.2 Colwick Nottingham NG4 2JY
Registered Office	Current: c/o Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW Former: 80 New Bond Street London W1S 1SB
Any Other Trading Names	Chapelle

TJO

Date of Incorporation	4 September 1998
Registered Number	03626940
Company Directors	Anthony Richards Paul McGowan Henry Foster
Company Secretaries	Inca Lockhart-Ross Margaret Mortimer Paul Mortimer
Shareholders	HUK 49 Limited
Trading Address	Unit 2, Colwick Quays Business Park Private Road No.2 Colwick Nottingham NG4 2JY
Registered Office	Current: c/o Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW Former: 80 New Bond Street London W1S 1SB
Any Other Trading Names	Chapelle

Appendix 2

Joint Administrators' Receipts and Payments Accounts

Mortimer Management Group Limited T/A Chapelle
(In Administration)
Joint Administrators' Trading Account
To 13/07/2019

S of A £	£	£
POST APPOINTMENT SALES		
Sales on Account	237,301.10	
TSA - Property Cost Contribution	7,211.00	
TSA - Management Cost Contribution	18,000.00	
TSA - Employee Cost Contribution	39,083.00	
TSA - Maintenance Cost Contribution	19,939.00	
		321,534.10
PURCHASES		
Rental Income	687.50	
		687.50
OTHER DIRECT COSTS		
TSA - Wages	30,675.86	
Wages	82,610.94	
Employee Expenses	1,708.12	
		(114,994.92)
TRADING EXPENDITURE		
Rents	4,213.15	
Heat & Light	833.40	
TSA - Rent	7,159.56	
Telephone	984.74	
Insurance	5,836.59	
Sundry Expenses	1,177.96	
TSA - Maintenance Costs	11,787.65	
Postages	5,888.01	
Special Orders/ Repairs	30,239.09	
Ransom Payments	6,012.75	
Stock	14,679.92	
IT Services	13,511.90	
14 Day Refund	582.50	
Consultancy	31,661.57	
		(134,568.79)
TRADING SURPLUS/(DEFICIT)		72,657.89

Mortimer Management Group Limited T/A Chapelle
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 13/07/2019

S of A £	£	£
SECURED ASSETS		
Goodwill/IPR	1.00	
Business Information/Contracts	1.00	
Domain Name	1.00	
		3.00
COSTS OF REALISATION		
Fixed bank charges	53.49	
		(53.49)
ASSET REALISATIONS		
Motor Vehicles	5,700.00	
Stock	2,273,024.00	
Equipment, Packaging & Stationary	1.00	
Debtors	1,097.02	
Faulty Stock	13,767.00	
Cash at Bank	11,867.32	
Bank Interest Gross	1,151.45	
Trading Surplus/(Deficit)	72,657.89	
ROT Creditor Cost Contribution	1,730.00	
		2,380,995.68
COST OF REALISATIONS		
ROT Settlement	703,709.15	
Joint administrators' remuneration	100,000.00	
Legal Fees	10,564.50	
Legal Disbursements	35.00	
Data Room	289.00	
Legal fees pre insolvency	4,620.50	
Legal disbursements pre insolvency	59.75	
Stationery & Postage	1,389.78	
General Consultancy	1,218.75	
Storage Costs	2,228.50	
Re-Direction of Mail	211.00	
Statutory Advertising	84.60	
Bank Charges	183.80	
		(824,594.33)
FLOATING CHARGE CREDITORS		
HUK 61 Limited	1,101,535.71	
		(1,101,535.71)
		454,815.15
REPRESENTED BY		
VAT Receivable		20,000.00
Floating/main current account		309,540.78
General VAT control account		125,274.37
		454,815.15

**The Jewellery Outlet Limited T/A Chapelle
(In Administration)
Joint Administrators' Trading Account
To 13/07/2019**

S of A £	£	£
POST APPOINTMENT SALES		
Sales	744,065.79	744,065.79
OTHER DIRECT COSTS		
Wages	345,562.67	(345,562.67)
TRADING EXPENDITURE		
Rents / Property costs	167,579.08	
Rates	5,803.82	
Insurance	3,591.55	
Sundry Expenses	6.99	
Stock on Account	237,606.31	
Packaging	1,409.25	
Security Costs	210.53	
14 Day Refund	658.88	
		(416,866.41)
TRADING SURPLUS/(DEFICIT)		(18,363.29)

The Jewellery Outlet Limited T/A Chapelle
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 13/07/2019

S of A £	£	£
SECURED ASSETS		
Goodwill	1.00	
Business Information / Contracts	1.00	
		2.00
ASSET REALISATIONS		
Licence Fee	584,158.78	
Gretna Renunciation Fee	27,538.49	
Equipment & Packaging	1.00	
Debtors	96,266.94	
Insurance Refund	573.19	
Cash at Bank	135,212.62	
PNC surplus	27,113.27	
Bank Interest Gross	2,239.16	
Trading Surplus/(Deficit)	(18,363.29)	
Business Rates Refunds	27,107.57	
		881,847.73
COST OF REALISATIONS		
Licence Fees / Premises Costs	395,519.85	
Joint administrators' remuneration	50,000.00	
Legal Fees	10,564.50	
Legal Disbursements	35.00	
Data Room	289.00	
Legal fees pre insolvency	4,731.00	
Legal disbursements pre insolvency	59.75	
Stationery & Postage	307.45	
General Consultancy	918.75	
Storage Costs	2,304.38	
Statutory Advertising	84.60	
Bank Charges	260.69	
		(465,074.97)
FLOATING CHARGE CREDITORS		
HUK 61 LIMITED	50,000.00	
		(50,000.00)
		366,774.76
REPRESENTED BY		
VAT Receivable		73,070.77
Floating/main current account		461,100.68
General VAT control account		(167,396.69)
		366,774.76

Appendix 3

Analysis of Time Charged and Expenses Incurred

97800 MORTIMER MANAGEMENT GROUP LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 14/01/2019 to 13/07/2019

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	1.90	1.20	2.30	0.00	5.40	1,546.00	286.30
Cashiering & accounting	1.00	17.80	14.70	44.05	0.00	77.55	20,307.75	261.87
Dealings with Directors and Management	0.00	0.20	0.00	0.00	0.00	0.20	84.00	420.00
IPS set up & maintenance	0.00	0.00	0.60	2.60	0.00	3.20	509.00	159.06
Insurance	0.00	0.00	1.30	0.00	0.00	1.30	370.50	285.00
Statutory matters (Meetings & Reports & Notices)	1.10	2.10	21.00	14.35	0.00	38.55	9,629.25	249.79
Strategy planning & control	1.00	19.10	24.60	119.60	0.00	164.30	36,379.50	221.42
Tax Compliance / Planning	0.30	0.30	1.60	5.10	0.00	7.30	1,659.00	227.26
Creditors								
Communications with Creditors / Employees	0.30	0.00	6.40	69.20	0.00	75.90	13,145.50	173.19
Non Pref Creditors / Employee claims handling	0.00	0.00	4.50	23.25	0.00	27.75	5,467.50	197.03
Pref claims adjudication & distribution	0.00	0.00	0.60	1.30	0.00	1.90	405.00	213.16
Secured Creditors	0.00	2.40	2.90	0.00	0.00	5.30	1,906.50	359.72
Investigations								
CDDA & reports & Communication	0.00	0.00	2.60	10.90	0.00	13.50	2,612.00	193.48
Financial review and investigations (S238/239 etc)	0.00	0.00	1.80	0.00	0.00	1.80	513.00	285.00
Realisation of Assets								
Book debts	0.00	0.00	0.00	0.60	0.00	0.60	108.00	180.00
Freehold and Leasehold Property	0.00	0.80	1.00	18.40	0.00	20.20	3,911.50	193.64
Hire Purchase and Lease Assets	0.00	0.00	0.70	0.00	0.00	0.70	199.50	285.00
Other Tangible Assets	1.20	0.00	0.00	4.50	0.00	5.70	1,251.00	219.47
Plant & Machinery & Fixtures & Motor Vehicles	0.00	0.00	3.70	0.00	0.00	3.70	1,054.50	285.00
Sale of business	1.50	48.70	39.50	42.25	0.00	131.95	41,550.50	314.90
Stock & Work In Progress	0.00	0.00	12.20	4.75	0.00	16.95	4,332.00	255.58
Trading								
Trading - Accounting	0.00	0.30	11.50	1.70	0.00	13.50	3,625.00	268.52
Trading - Employees	0.00	0.00	4.50	3.50	0.00	8.00	1,756.50	219.56
Trading - Insurance	0.00	0.00	0.30	0.00	0.00	0.30	85.50	285.00
Trading - Operations	0.00	6.80	49.15	81.55	0.00	137.50	30,515.75	221.93
Trading - Retention of Title & Claims handling	0.00	36.40	4.20	149.00	0.00	189.60	38,507.00	203.10
Total Hours:	6.40	136.80	210.55	598.90	0.00	952.65		232.44
Total Fees Claimed: £	3,392.00	59,596.00	60,424.75	98,018.50	0.00		221,431.25	

Category 2 Disbursements:

97805 THE JEWELLERY OUTLET LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 14/01/2019 to 13/07/2019

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg. Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	1.90	1.20	3.30	0.00	6.40	1,661.00	259.53
Cashiering & accounting	0.00	18.30	10.20	40.15	0.00	68.65	18,263.75	266.04
IPS set up & maintenance	0.00	0.00	0.60	2.45	0.00	3.05	501.50	164.43
Insurance	0.00	0.00	1.30	0.00	0.00	1.30	370.50	285.00
Statutory matters (Meetings & Reports & Notices)	1.10	1.00	20.40	14.55	0.00	37.05	9,087.75	245.28
Strategy planning & control	1.00	13.50	22.90	120.65	0.00	158.05	34,146.50	216.05
Tax Compliance / Planning	0.30	0.30	1.60	5.10	0.00	7.30	1,659.00	227.28
Creditors								
Communications with Creditors / Employees	0.00	1.00	4.70	66.25	0.00	71.95	12,642.00	175.71
Non Pref Creditors / Employee claims handling	0.00	0.00	5.90	26.30	0.00	32.20	6,415.50	199.24
Pref claims adjudication & distribution	0.00	0.00	1.20	3.60	0.00	4.80	990.00	206.25
Secured Creditors	0.00	2.40	2.70	0.00	0.00	5.10	1,849.50	362.65
Investigations								
CDDA & reports & Communication	0.00	0.00	2.60	11.80	0.00	14.40	2,774.00	192.64
Financial review and investigations (S238/239 etc)	0.00	0.00	1.80	2.80	0.00	4.60	836.50	181.85
Realisation of Assets								
Freehold and Leasehold Property	0.60	1.40	38.75	29.00	0.00	69.75	17,127.25	245.55
Hire Purchase and Lease Assets	0.00	0.00	0.00	0.30	0.00	0.30	54.00	180.00
Sale of business	2.50	45.40	40.70	44.85	0.00	133.45	41,415.00	310.34
Trading								
Trading - Accounting	0.00	1.90	22.30	1.20	0.00	25.40	7,348.50	289.31
Trading - Employees	0.00	0.00	2.60	1.30	0.00	3.90	890.50	228.33
Trading - Insurance	0.00	0.00	0.30	0.00	0.00	0.30	85.50	285.00
Trading - Operations	0.40	4.50	48.85	33.55	0.00	87.30	21,983.75	251.82
Trading - Retention of Title & Claims handling	0.00	3.20	0.00	3.80	0.00	7.00	2,124.00	303.43
Total Hours:	5.90	94.80	230.60	410.95	0.00	742.25		245.50
Total Fees Claimed: £	3,127.00	42,170.00	66,084.00	70,845.00	0.00		182,226.00	

Appendix 4

Statement of Creditors' Rights

STATEMENT OF CREDITORS' RIGHTS

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section numbers refer to Insolvency Act 1986

'Office-holder' is the current Administrator or Liquidator as applicable

Information for creditors on remuneration and disbursements of Administrators

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors have the right to request information from the office-holder under rule 18.9

A secured creditor or a non-preferential creditor with the concurrence of at least 10% in value of the non-preferential creditors (including the creditor in question) or any non-preferential creditor with the permission of the court may make a written request to the office-holder for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the office-holder giving reasons for not providing all the information requested or the expiry of the 14 days within which an office-holder must respond to a request.

Creditors have the right to challenge the office-holder's remuneration and expenses under rule 18.34

A secured creditor or a non-preferential creditor with the concurrence of at least 10% in value of the non-preferential creditors (including that creditor) or any non-preferential creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the office-holder's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs.

Appendix 5

Proof of Debt Forms

PROOF OF DEBT - GENERAL FORM

Mortimer Management Group Limited - in Administration Company No. 03325255		
Date of Administration: 14 January 2019		
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	
2.	Address of Creditor for correspondence	
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Liquidator		Liquidator

PROOF OF DEBT - GENERAL FORM

The Jewellery Outlet Limited T/A Chapelle - in Administration Company No. 03626940		
Date of Administration: 14 January 2019		
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	
2.	Address of Creditor for correspondence	REF
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Administrator		Administrator