

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A8FWET0J

A15

12/10/2019

#381

COMPANIES HOUSE

1 Company details

Company number 0 5 0 1 5 0 4 7

Company name in full Montpelier Professional Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Paul Nicholas

Surname Dumbell

3 Administrator's address

Building name/number 1 St Peter's Square

Street Manchester

Post town M2 3AE

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) David James

Surname Costley-Wood

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 St Peter's Square

Street Manchester

Post town M2 3AE

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date	^d 0	^d 9	^m 1	^m 0	^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 **Richard Sanders**

Company name **KPMG LLP**

Address **1 St Peter's Square**

Manchester

Post town **M2 3AE**

County/Region

Postcode

Country

DX

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



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



Montpelier Professional
Limited - in Administration

11 October 2019

Notice to creditors

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

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

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

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

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

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

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

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

Contents

1	Executive summary	1
2	Progress to date	3
3	Dividend prospects	5
4	Joint Administrators' remuneration, disbursements and pre-administration costs	6
5	Future strategy	7
Appendix 1	Statutory information	8
Appendix 2	Joint Administrators' receipts and payments account	9
Appendix 3	Schedule of expenses	10
Appendix 4	Joint Administrators' revised fees estimate	11
Appendix 5	Joint Administrators' revised expenses estimate	13
Appendix 6	Joint Administrators' charging and disbursements policy	14
Appendix 7	Glossary	19
Appendix 8	Notice: About this report	20

1 Executive summary

- This progress report covers the period from the date of our appointment to 11 September 2019 (the 'Period').
- Montpelier Professional Limited (the 'Company') was incorporated on 14 January 2004 and operated from leasehold premises at Suite 3-5, Battalion Court, Colburn Business Park, Catterick, Garrison, North Yorkshire, DL9 4QN.
- It carried out no trading activities in its own right, but rather holds investments in its subsidiaries (together the 'Group') that operated as accountancy practices, or had done so previously.
- The Company had been served with a winding-up petition dated 11 January 2019, this was in respect of a judgement debt totalling £179,650. With a Court hearing due to take place on 12 March 2019, in order to protect its position, the director requested The Royal Bank of Scotland International Limited (the 'Bank' or the 'Secured creditor') to appoint an administrator under the powers contained in its floating charge security.
- Paul Dumbell and David Costley-Wood of KPMG LLP ('KPMG') were appointed Joint Administrators of the Company on 12 March 2019.
- The Company's assets are limited to its interest in subsidiaries and also some intercompany balances in its favour. At the date our appointment, two of those subsidiaries were trading under the control of local management, the remainder were in various stages of being wound down after having undergone a historic disposal of their business and assets.
- Following our appointment, we evaluated the position of each of the subsidiaries in order to determine and deliver the most appropriate strategy to maximise realisable value for the Company's creditors.
- It has been necessary to consider this in the context that the Bank has the benefit of a cross guarantee dated 26 March 2010, provided by certain subsidiaries, in respect of the Company debt owed to the Bank. The Bank also has security registered directly against those subsidiaries, in addition to that registered against the Company. Accordingly, the Bank can make a demand against the affected subsidiaries, by virtue of its cross guarantee, at any time in respect of sums due, effectively rendering the subsidiaries insolvent. Additionally, sums due to the Company by certain subsidiaries have been assigned to the Bank.
- Any available monies in subsidiaries, whether subsidiary trading liabilities are paid or not, is likely to result in their being no payment to the Company of its intercompany debt or through its shareholding.
- The administrator's duty has been to facilitate the asset realisations to maximise value across the subsidiaries to reduce the Bank lending position in the Company.
- As a result of the above, it is not expected that there will be any asset realisations paid directly to the Company during the administration, instead they will be paid directly to the Bank. It will be necessary for the Bank to put the administration estate in funds sufficient to cover the costs of the administration.
- The Bank has outstanding debt totalling £3.667 million due from the Company, which is secured by way of a debenture comprising fixed and floating charges. The outcome to

the Bank cannot be determined at this time. However, it is unlikely that the Bank is going to recover its lending in full from asset realisations within the Group.

- Preferential claims are expected to total £1,200 and arise from arrears of wages and accrued holiday pay for one employee, who was made redundant shortly after our appointment. At this time, we do not anticipate that there will be a dividend available to preferential creditors.
- At this time, we do not anticipate that there will be a dividend available to unsecured creditors.
- Our Statement of Proposals ('Proposals') were approved by way of deemed approval on 22 May 2019.
- We will seek approval to the basis of our remuneration, permission to draw Category 2 disbursements and permission to pay pre-administration costs, from the Bank, in its capacity as Secured creditor. An estimate of our expected time costs for the duration of the administration has been provided at Appendix 4.
- Our exit route is yet to be determined but we consider it prudent to retain all of the options available to us, to bring the administration to a conclusion in due course.
- Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+MJ315A2420.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Paul Dumbell
Joint Administrator

2 Progress to date

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

2.1 Strategy and progress to date

Strategy

The assets of the Company are limited to its investment in its subsidiaries and intercompany balances owed. Since our appointment, we have reviewed the financial position of the subsidiaries to assess the Company's interest in terms of equity held and also any intercompany balances owed.

The Company had one employee at the date of our appointment, who worked as a ledger clerk and was made redundant following our appointment. The finance function of the Company was also managed day-to-day by a Financial Controller, who we understand was a contractor to the Company. Although the ex-Financial Controller is now contracted to one of the Directors' other businesses, he continues to be made available to us to assist in carrying out our duties.

It has been necessary to consider the position of the subsidiaries and any return available the Company in the context that the Bank has the benefit of a cross guarantee dated 26 March 2010, provided by certain subsidiaries, in respect of the Company debt owed to the Bank. The Bank also has security registered directly against those subsidiaries, in addition to that registered against the Company. Accordingly, the Bank can make a demand against the affected subsidiaries, by virtue of its cross guarantee, at any time in respect of sums due, effectively rendering the subsidiaries insolvent. Additionally, sums due to the Company have been assigned to the Bank in certain subsidiaries.

Any available monies in subsidiaries, whether subsidiary trading liabilities are paid or not, is likely to result in their being no payment to the Company of its intercompany debt or through its shareholding.

The administrators' duty has been to facilitate the asset realisations to maximise value across the subsidiaries to reduce the Bank lending position in the Company.

Since our appointment there have been two sales processes; Montpelier Professional (Lancs) Limited and Montpelier Professional (Fylde) Limited. KPMG facilitated the sales processes to ensure that the directors had achieved maximum asset value. It is likely the Bank will see some of its indebtedness repaid under its cross guarantee.

The Company was not party to these transactions and therefore we cannot disclose any details. The outcome for the Bank of these transactions is not fully established at this stage. In the next report, we will provide details of the reduction in the Bank's indebtedness once the quantum has been established.

There are additional subsidiaries, in which assets were sold prior to our appointment where monies are due in respect of debtor and WIP recoveries and deferred consideration for goodwill (except for Montpelier Professional (Borders) Limited which was a share sale). As part of our duties, we have attempted to understand the implications of these transactions for

the creditors of the Company. This has also involved facilitating discussions between the subsidiary directors and the Bank. Once again, the Company was not party to the transactions and therefore the details cannot be provided. We will provide details of the reduction in the Bank's indebtedness as a result of these transactions once we have established the position. The subsidiaries we have dealt with are below:

- Montpelier Professional (Lancs) Limited (75% shareholding)
- Montpelier Professional (Fylde) Limited (60% shareholding)
- Montpelier Professional (Leeds) Limited (80% shareholding)
- Montpelier Professional (Borders) Limited (60% shareholding)
- Montpelier Professional (West End) Limited (80% shareholding)
- Montpelier Professional (Galloway) Limited (60% shareholding before sale)

Subsidiaries

There are additional subsidiaries, which are either dormant or have been fully wound down. We do not anticipate that these will generate any value to the Company by virtue of its shareholding in them.

- Montpelier Professional (Sheffield) Limited (100% shareholding)
- Bodell Limited (100% shareholding)
- Montpelier Pension Administration Services Limited (98.98% shareholding)
- Montpelier Business Reorganisation Limited (50% shareholding)
- Montpelier Audit Limited (20% shareholding)
- North West Taxation Services Limited (16.66% shareholding) (dissolved April 2019)

2.2 Asset realisations

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

There have been no asset realisations to date.

Investigations

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

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

2.3 Costs

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

There have been no payments made in the Period.

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 3).

It will be necessary for the Bank to put the administration estate in funds sufficient to cover the costs of the administration.

2.4 Schedule of expenses

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

3 Dividend prospects

3.1 Secured creditors

The Royal Bank of Scotland International Limited

The Bank has outstanding debt of £3.667 million due from the Company, which is secured by way of a debenture dated 27 August 2008, which comprises fixed and floating charges over the Company and its assets. The Bank also has the benefit of cross guarantees over certain Group subsidiaries and other connected entities, which are also secured.

In our proposals we set out that Addleshaws would review the Bank's security. It was subsequently established that Addleshaws drafted the security documentation for the Bank and therefore we deem them to have a conflict of interest. As a result, we intend to appoint an independent third party legal advisor to review the Bank's security to verify its validity.

The exact outcome to the Bank cannot be determined at this time. However, it is unlikely that the Bank will recover its lending in full.

3.2 Preferential creditors

We estimate the amount of preferential claims to be £1,200.

Based on current estimates, we do not anticipate that there will be a dividend to preferential creditors.

3.3 Unsecured creditors

Based on current estimates, we do not anticipate that there will be a dividend to unsecured creditors.

4 Joint Administrators' remuneration, disbursements and pre-administration costs

4.1 Joint Administrators' remuneration and disbursements

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

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

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our Proposals.

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

Time costs

From the date of our appointment to 11 September 2019, we have incurred time costs of £211,203. These represent 559 hours at an average rate of £377.55 per hour.

Disbursements

During the period, we have incurred Category 1 disbursements of £65.56 which have been paid.

Additional information

We have attached a revised expenses estimate at Appendix 5. Our estimated expenses will increase because we have provided additional assistance to the Bank so they can understand the transactions which have taken place before and after our appointment. This was to check that sums due to the Bank under its assignment rights and cross guarantee have been accounted for correctly.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 11 September 2019. We have also attached our charging and disbursements policy.

4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our proposals:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the period (£)	Outstanding (£)
Solicitors fees	2,600.00	0.00	0.00	2,600.00
Solicitors disbursements	50.00	0.00	0.00	50.00
Total	2,650.00	0.00	0.00	2,650.00

We propose to seek approval from the Bank, as Secured creditor, that pre-administration costs may be paid as an expense of the administration.

5 Future strategy

5.1 Future conduct of the administration

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

- Continue to assist the Bank in maximising its return so that creditor claims are reduced. The Bank's return will be generated from sums that would have been payable to the Company as majority shareholder of the subsidiaries, or as beneficiary of intercompany debts due to it.
- Take the appropriate steps to exit from office.

5.2 Discharge from liability

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

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

5.3 Exit route from administration

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

5.4 Future reporting

We will provide a further progress report within one month of 11 March 2020 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

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

Administration information	
Administration appointment	The administration appointment granted in High Court of Justice In Leeds, 289 of 2019
Appointor	QFC
Date of appointment	12 March 2019
Joint Administrators' details	Paul Dumbell and David Costley-Wood
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	11 March 2020
Prescribed Part	The Prescribed Part is not applicable on this case as there is expected to be insufficient net property.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

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

Appendix 3 Schedule of expenses

Schedule of expenses (12/03/2019 to 11/09/2019)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Administrators' time costs	0 00	211,203 00	211,203.00
Legal fees	0.00	8,000 00	8,000.00
Agents'/ Valuers' fees	0.00	1,000 00	1,000.00
Insurance	0.00	545.23	545.324
Statutory Advertising	0 00	73 00	73.00
Total	0 00	220,821 23	220,821.23

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

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

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

Appendix 4 Joint Administrators' revised fees estimate

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
Administration & Planning				
Bankrupt/Director/Member		10.50	2,472.50	235.48
Cashiering - processing receipts, payments and bank reconciliations	Note 1	3.50	1,042.50	297.86
General - books & records, fees & work in progress	Note 2	7.00	2,715.00	387.86
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	248.00	77,873.50	314.01
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	46.20	17,534.00	379.52
Creditors				
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 5	55.40	22,247.00	401.57
Employees - correspondence	Note 6	14.00	4,833.00	345.21
Investigations				
Directors - correspondence, statement of affairs, questionnaires	Note 7	8.50	3,782.50	445.00
Investigations - director conduct and affairs of the Company	Note 8	3.00	1,335.00	445.00
Realisation of Assets				
Asset Realisation - including insurance of assets	Note 9	194.10	89,512.00	461.18
Total		590.20	223,347.00	378.43

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

Note 1

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

Note 2

Arranging for electronic and paper records to be backed-up and collected respectively, including utilising internal contacts to undertake the electronic back-up, fee approval to be obtained, time-costs to be monitored regularly and fees to be raised

Note 3

Undertaking post-appointment related formalities, formulating and regularly reviewing the administration strategy, arranging an adequate level of bonding, assisting with the preparation of the Statement of Affairs and closure related formalities. Ensure maximum realisations to the Bank as secured creditor to reduce the quantum of its claim in the administration. We assessed all group companies, facilitated disposal processes, agreed settlement figures on Borders and reviewed all transaction prior to our appointment to understand receipts and payments were in accordance with agreements reached.

Note 4

Undertaking a review of tax matters on appointment, including VAT, Corporation Tax and PAYE, dealing with post-appointment tax matters including the preparation and filing of VAT and Corporation Tax returns.

Note 5

Notifying the creditors of our appointment, dealing with creditor queries, preparing statutory reports.

Note 6



The Company employed one employee. The work includes convening redundancy and pensions.

Note 7

Drafting and submission of the D form, dealing with director queries and ongoing correspondence with the directors.

Note 8

Dealing with ongoing investigations and undertaking a review of pre-appointment transactions.

Note 9

This time includes dealing with the Company's assets.

Appendix 5 Joint Administrators' revised expenses estimate

Summary of Expenses from appointment					
Expenses (£)	Narrative	Initial Estimates (£)	Paid to date (£)	Revised Future costs (£)	Total (£)
Cost of realisations					
Administrators' time costs	Note 1	152,136.00	0.00	149,875.00	149,875.00
Legal fees	Note 2	25,000.00	0.00	25,000.00	25,000.00
Legal fees – pre admin	Note 3	2,600.00	0.00	2,600.00	2,600.00
Legal disbursements – pre admin	Note 3	50.00	0.00	50.00	50.00
Agents'/Valuers' fees	Note 4	1,000.00	0.00	1,000.00	1,000.00
Insurance	Note 5	2,500.00	0.00	2,500.00	2,500.00
Statutory Advertising	Note 6	73.00	0.00	73.00	73.00
TOTAL		183,359.00	0.00	181,098.00	181,098.00

Note 1

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

Note 2

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

Note 3

Pre administration legal fees and disbursements incurred in relation to appointment related formalities are also shown.

Note 4

Estimated fee for Sanderson Weatherall LLP on marketing the two trading assets.

Note 5

Insurance premiums for the assets, including open cover insurance and appropriate liability cover.

Note 6

Advertising in the Gazette in accordance with legislation.

Appendix 6 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

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

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

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

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

If you are unable to access this guide and would like a copy, please contact Mariya Patel on 0113 231 3566.

Hourly rates

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

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

Charge-out rates (£) for: CRS	
Grade	From 01 Jan 2019 £/hr
Partner	655
Director	590
Senior Manager	535
Manager	445
Senior Administrator	310
Administrator	225
Support	140

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

Policy for the recovery of disbursements

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

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

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

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

Mileage claims fall into three categories:

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

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

We have incurred the following disbursements from the date of our appointment to 11 September 2019.

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	3.92		NIL		3.92
Postage	17.64		NIL		17.64
Professional and legal fees	24.00		NIL		24.00
Sundry	20.00		NIL		20.00
Total	65.56		NIL		65.56

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

The Category 2 disbursements have not been approved.

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment;■ issuing regular press releases and posting information on a dedicated web page;
--------------------------	--

	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Bank regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ reviewing the inter-company debtor position between the Company and the group companies; ■ liaising with management and formulating a strategy that would maximise the Companies return in respect of the disposal of its investment in subsidiaries; ■ liaising with subsidiary management teams in order to facilitate the sale of business process where applicable, or collection of asset realisations where the business has already been disposed of,
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments, ■ communicating and corresponding with HM Revenue and Customs;
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions, ■ ensuring compliance with our duties to issue statutory notices;
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of

	<ul style="list-style-type: none"> ■ their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records,
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies;

Time costs

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
Notification of appointment	0.50	222.50	445.00
Statutory reports	10.00	2,250.00	225.00
Cashiering			
General (Cashiering)	0.90	236.50	262.78
Statutory and compliance			
Appointment and related formalities	82.10	21,222.50	258.50
Bonding & Cover Schedule	1.00	335.00	335.00
Checklist & reviews	29.50	7,625.00	258.47
Pre-administration checks	6.00	3,540.00	590.00
Reports to debenture holders	75.40	30,957.00	410.57
Statutory advertising	0.30	133.50	445.00
Strategy documents	54.50	14,132.50	259.31
Tax			
Initial reviews - CT and VAT	20.00	7,094.50	354.73
Post appointment corporation tax	17.70	7,512.00	424.41
Post appointment VAT	5.50	1,772.50	322.27
Creditors			
Creditors and claims			
General correspondence	1.30	402.50	309.62
Pre-appointment VAT / PAYE / CT	0.10	44.50	445.00
Statutory reports	27.00	12,015.00	445.00
Employees			
Correspondence	4.10	1,824.50	445.00
Pension funds	2.20	979.00	445.00
Pensions reviews	7.70	2,029.50	263.57
Investigation			

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

	Hours	Time Cost (£)	Average Hourly Rate (£)
Directors			
D form drafting and submission	6.00	2,670.00	445.00
Statement of affairs	2.50	1,112.50	445.00
Investigations			
Review of pre-appt transactions	6.50	2,420.00	372.31
Realisation of assets			
Asset Realisation			
Cash and investments	195.90	89,470.50	456.72
Insurance	2.00	890.00	445.00
Leasehold property	0.70	311.50	445.00
Total in period	559.40	211,203.00	377.55
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	559.40	211,203.00	
Carry forward time (appointment date to SIP 9 period end date)	559.40	211,203.00	

Appendix 7 Glossary

Bank	The Royal Bank of Scotland International Limited
Director	Edward Watkin Gittins
Company	Montpelier Professional Limited – in Administration
Joint Administrators/we/our/us	Paul Dumbell and David Costley-Wood
Group	Montpelier Professional (Lancs) Limited, Montpelier Professional (Fylde) Limited, Montpelier Professional (West End) Limited, Montpelier Professional (Leeds) Limited, Montpelier Professional (Borders) Limited, Montpelier Professional (Sheffield) Limited, Bodell Limited, Montpelier Pension Administration Services Limited, Montpelier Business Reorganisation Limited, Montpelier Audit Limited, North West Taxation Services Limited
KPMG	KPMG LLP
Secured creditor	The Royal Bank of Scotland International Limited
SW/Agents	Sanderson Weatherall LLP
Addleshaws/Legal Advisors	Addleshaw Goddard LLP

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

Appendix 8 Notice: About this report

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

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

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

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

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

We are bound by the Insolvency Code of Ethics.

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

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

www.kpmg.com

© 2019 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at www.kpmg.com/uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.

