

AM10 (Scot)

Notice of administrator's progress report



Companies House

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1 Company details

Company number **S C 0 1 5 3 8 2**

Company name in full **Johnston Press Plc**

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

2 Administrator's name

Full forename(s) **Alastair**

Surname **Beveridge**

3 Administrator's address

Building name/number **6**

Street **New Street Square**

Post town **London**

County/Region

Postcode **E C 4 A 3 B F**

Country **United Kingdom**

4 Administrator's name *

Full forename(s) **Catherine**

Surname **Williamson**

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

5 Administrator's address *

Building name/number **The Zenith Building**

Street **26 Spring Gardens**

Post town **Manchester**

County/Region

Postcode **M 2 1 A B**

Country **United Kingdom**

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

AM10 (Scot)

Notice of administrator's progress report

6 Period of progress report

From date	d	1	7	m	0	5	y	2	0	1	9
To date	d	1	6	m	1	1	y	2	0	1	9

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Amara

X

Signature date

d	1	3	m	1	2	y	2	0	1	9
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AM10 (Scot)

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	Michael Watkin
Company name	AlixPartners
Address	The Zenith Building
26 Spring Gardens	
Post town	Manchester
County/Region	
Postcode	M 2 I A B
Country	United Kingdom
DX	
Telephone	0161 838 4507



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,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Simon

Surname Appell

3 Insolvency practitioner's address

Building name/number 6

Street New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country United Kingdom

Continuation page

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- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Peter
Surname Saville

3 Insolvency practitioner's address

Building name/number 6
Street New Street Square
Post town London
County/Region
Postcode E C 4 A 3 B F
Country United Kingdom

**Administrators'
Progress Report for
the period
17 May 2019 to
16 November 2019**

**Johnston Press plc and certain group
companies**

All in Administration

13 December 2019

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Appendices

Appendix A.	Statutory information
Appendix B.	Receipts and Payments Accounts for the period 17 May 2019 to 16 November 2019 and Cumulative Accounts for the period since appointment
Appendix C.	Administrators' fees and pre-administration costs
Appendix D.	Additional information in relation to the Administrators' fees
Appendix E.	Exit route and discharge from liability

1. Why this report has been prepared

- 1.1 As you will be aware, Simon Appell, Alastair Beveridge, Peter Saville and Catherine Williamson (the **Administrators**) were appointed Administrators of Johnston Press Plc (**Plc**) and certain group companies (together the **Group**) on 17 November 2018. This report is in respect of the companies detailed at section 1.2 only which will be referred to together as the **Scottish and NI Companies** for the duration of the report.
- 1.2 The Administrators were also appointed administrators of certain English group companies on the same date. A separate report has been prepared to comply with respective insolvency legislation applicable to the English group companies, and this has been made available to the relevant creditors.

Company name	Jurisdiction	Category	Definition
Johnston Press plc	Scotland	Principal	Plc the Scottish and NI Companies
Angus County Press Limited	Scotland	Agency	
Galloway Gazette Ltd. (The)	Scotland	Agency	
Johnston (Falkirk) Limited	Scotland	Agency	
Strachan and Livingston, Limited	Scotland	Agency	
Stornoway Gazette Limited	Scotland	Agency	
The Scotsman Publications Limited (Scotsman)	Scotland	Agency	
The Tweeddale Press Limited	Scotland	Agency	
Century Newspapers Limited	Northern Ireland	Agency	
Morton Newspapers Limited	Northern Ireland	Agency	
The Derry Journal Limited	Northern Ireland	Agency	

- 1.3 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 17 May 2019 to 16 November 2019 (the **Period**).
- 1.4 This report should be read in conjunction with the Administrators' Disclosure Report pursuant to Statement of Insolvency Practice 16 – pre-packaged sale of business or assets (the **SIP 16 Report**), the Administrators' Statement of Proposals (the **Proposals**) dated 22 November 2018 and the Administrators' previous progress report dated 6 June 2019. All definitions used in the previous reports also apply here.
- 1.5 This report has been prepared in accordance with rule 3.94 of The Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 (**I(S)CVAAR18**) and rule 2.048 of the Insolvency Rules (Northern Ireland) 1991 (as amended).

- 1.6 The purpose of this report is to provide statutory and financial information about the Scottish and NI Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, information regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.7 As a reminder, an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
- Objective 1: rescuing the company as a going concern;
 - Objective 2: achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
 - Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.8 In all these cases the Administrators have pursued and achieved objective 2. Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.9 Details of the Administrators' fees and costs incurred are provided at Appendices C and D.
- 1.10 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (www.alixpartnersinfoportal.com). Log in details to access this information can be found within the covering letter you have received.
- 1.11 If you require a hard copy of this report or have any queries in relation to its contents, or the Administrations generally, please contact the Johnston Press Team on 0161 838 4513, by email to johnstonpress@alixpartners.com or write to AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2. Summary of information for creditors

Estimated dividend for creditors

Company name	Type of creditor	Agreed/ estimated debt £m	Level of return £m or pence/£
Johnston Press Plc	Secured	220.16	Nil
	Unsecured	317.03	Nil
Angus County Press Limited	Secured	220.16	Nil
	Unsecured	305.12	Nil
Galloway Gazette Ltd. (The)	Secured	220.16	Nil
	Unsecured	305.12	Nil
Johnston (Falkirk) Limited	Secured	220.16	0.21
	Unsecured	305.12	Less than 1 pence/£
Strachan and Livingston, Limited	Secured	220.16	0.02
	Unsecured	305.12	Less than 1 pence/£
Stornoway Gazette Limited	Secured	220.16	Nil
	Unsecured	305.12	Nil
The Scotsman Publications Limited	Secured	220.16	8.71
	Preferential	0.01	100 pence/£
	Unsecured	349.94	Less than 1 pence/£
The Tweeddale Press Limited	Secured	220.16	0.06
	Unsecured	305.12	Less than 1 pence/£
Century Newspapers Limited	Secured	220.16	1.88
	Unsecured	305.12	Less than 1 pence/£
Morton Newspapers Limited	Secured	220.16	0.17
	Unsecured	305.12	Less than 1 pence/£
The Derry Journal Limited	Secured	220.16	0.12
	Unsecured	305.12	Less than 1 pence/£

Notes:

Secured creditor

Full details of the security granted by the Scottish and NI Companies were provided in the SIP 16 Report and summarised at Appendix A of the Proposals. Details are also summarised at Appendix A of this report.

Please note that GLAS Trust Corporation Limited (**GLAS**), acting as security agent for itself and the Bondholders, has in respect of the Bonds the benefit of guarantees and security granted by each of the Scottish and NI Companies and the other material companies within the Group, over all of their business and assets. Each of those companies is jointly and severally liable for the debts due under the terms of the Bonds.

The total principal amount due to the Bondholders as the sole secured creditors of the Group as at the date of appointment was approximately £220.16 million. It is currently anticipated that the Bondholders will suffer a shortfall of approximately £48 million.

As a reminder, the security agent for the Bonds was previously Deutsche Bank AG (**Deutsche Bank**), and all records of charges registered at Companies House remain in Deutsche Bank's name. GLAS is the current security agent, therefore no further reference will be made to Deutsche Bank in this report.

Preferential creditor (Scotsman only)

As previously reported, all employees transferred automatically to entities within the JPIMedia Group in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (**TUPE**) on completion of the Transaction.

On this basis, the Administrators did not anticipate to receive any preferential claims as all arrears of wages and holiday pay were to be protected by the JPIMedia Group as the employees' new employer.

However, in the Period the Administrators received notice of a creditor that had been determined by way of an employment tribunal. This gave rise to a preferential claim of £8,360 in respect of historic holiday pay.

It is anticipated that the sole preferential creditor will shortly be paid in full.

Unsecured creditors

The Proposals detailed the estimated debts of the unsecured creditors based on the directors' Statements of Affairs (**SoAs**). The unsecured creditor claims detailed in the above table are based on the claims received and agreed (for companies which have had sufficient funds to distribute to their unsecured creditors) to date.

As previously advised, all of the Scottish and NI Companies are jointly and severally liable for the defined benefit pension plan's deficit. The Pension Protection Fund (**PPF**) has reviewed its position and submitted a claim of £305.12 million (compared to the claim estimated in the SoAs at £340 million).

In addition, all UK entities in the Group are part of a VAT group and are therefore jointly and severally liable for any indebtedness due by any member in respect of VAT. HMRC has submitted claims of £15,003 against each entity (previously estimated at £500,000 in the SoAs).

There are also inter-company balances and a small number of third-party creditors (principally in respect of Plc) with monies due which rank as unsecured debts. These amounts vary by company and are included in the estimated and agreed debt figures listed in the above table.

Funds available for distribution and dividend rates are detailed before taking into account the estimated costs of making the distribution. For dividends which have not yet been paid, the likely dividend rates are estimated and are subject to change.

In respect of unsecured creditors, UK insolvency legislation stipulates that creditors of the same class should be treated equally. Hence the funds available for distribution are split on a pro-rata basis amongst all creditors of this class, regardless of the size of their claims.

For further information please refer to section 5 of this report.

3. Progress of the Administrations

- 3.1 Attached at Appendix B are the Administrators' Receipts and Payments Accounts (**R&Ps**) for the Period, together with a comparison to the SoAs asset values and cumulative accounts for the period since appointment. This report will provide an update on the assets realised during the Period and a summary of outstanding matters in each case.
- 3.2 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices C and D have been incurred, as well as the sensitivities that might be applicable to the Administrators' anticipated fees and expenses over the remainder of the Administrations.

The pre-packaged sale/The Transaction

- 3.3 As previously reported, the Sale and Purchase Agreement (**SPA**) with the JPIMedia Group of companies (**JPIMedia Group** or the **Purchasers**) completed on 17 November 2018 and took effect from the same date. The sale was completed by the Scottish and NI Companies, acting by their Administrators.
- 3.4 Full details of the Transaction are detailed in the Administrators' previous report, the Proposals and the SIP 16 Report.
- 3.5 As a reminder, however, the sale consideration of £181.0 million comprised of cash and non-cash consideration as follows:
- Cash of £8.0 million; £4.7 million of which was paid on completion, with the balance of £3.3 million being deferred (further details of which are provided below);
 - A promissory note convertible into £85.0 million of debt instruments of the JPIMedia Group (the **Debt Note**); and
 - A promissory note convertible into 100% of the equity of JPIMedia Group's holding company (the **Equity Note**) valued at £88.0 million.
- 3.6 Please be advised that the total consideration may be subject to minor change depending upon the final level of Administration costs and other funding required to be paid by JPIMedia Group.
- 3.7 As previously reported, immediately following completion of the Transaction and receipt of the consideration, the Administrators distributed the Equity Note and the Debt Note to GLAS as security agent for the Bondholders as the Group's sole secured creditors. The notes had an aggregate value of £173.0 million, thereby discharging an equivalent amount of outstanding Bonds owed by Johnston Press Bond Plc and guaranteed by all material members of the Group.

- 3.8 The proportion of the cash consideration received (or receivable over the course of the Administrations) by the Group is permitted to be applied by the Administrators only for the purpose of:
- discharging certain costs and expenses of the Administrations; and
 - making distributions to the preferential creditor and Prescribed Part distributions to unsecured creditors (detailed in section 5.8), calculated in accordance with the statutory formula by reference to the floating charge recoveries in the Scottish and NI Companies.
- 3.9 The R&Ps at Appendix B provide details of the sales consideration received by each of the Scottish and NI Companies individually by asset class. Please note that for the majority of the Scottish and NI Agency Companies, the only realisable assets were their publishing titles.
- 3.10 During the Period, the Administrators have spent time facilitating the transfer of the Group's business and assets to the Purchaser. This has included the novation of customer and supplier contracts, dealing with supplier queries and communicating with landlords. The Administrators have also taken steps to realise the residual assets of the Scottish and NI Companies as set out below.

Realisation of assets – floating charge

Properties

- 3.11 As previously reported, the Scottish and NI Companies operated from ten leasehold properties and two freehold properties and the Purchasers were granted licences to occupy (LTO) six of the leasehold premises whilst they discussed longer term occupancy arrangements with the landlords.
- 3.12 During the Period, the Purchasers terminated the two remaining LTOs as they have either reached a new agreement with the landlords, the landlords have agreed to an assignment of the existing lease or the Purchasers vacated the site and the property has been handed back to the landlord.
- 3.13 During the period of each LTO, the Purchasers paid a licence fee to the relevant entity named on each lease to cover rent and other amounts falling payable by the Scottish and NI Companies. The costs of occupying the premises will therefore have no impact on the monies available to the Scottish and NI Companies' creditors and any surplus held upon final reconciliation of all costs will be returned to the Purchasers in due course.

Investments

- 3.14 The SIP 16 Report detailed the Scottish and NI Companies' shareholdings in other Group entities and, while the majority of these shareholdings had no realisable value, certain of the Scottish and NI Companies did hold investments which could be realised for the benefit of their respective estates.
- 3.15 1,363 ordinary shares of Central FM Limited, a third party, were held by Johnston (Falkirk) Limited (**Falkirk**). During the Period, the Administrators achieved the sale of these shares, realising £2,045.

- 3.16 In addition, Century Newspapers Limited held approximately 0.02% of the shares of the third party PA Group Limited (**PAG**). A total of £5,340 was achieved by the Administrators in respect of these shares.

Bank interest

- 3.17 In the Period, bank interest totalling £2,206 has been received into the Scottish and NI Companies' accounts, bringing the total bank interest received to date to £4,689. The amount attributable to each company can be found in the R&Ps at Appendix B.

Tax assets

- 3.18 The Administrators have assessed the realisable value of the potential tax assets detailed in their previous report. Based on their current assessment, no realisations are expected.

Payments on account

- 3.19 Prior to the Administrators' appointment, Plc made a number of payments on account to certain of the Group's professional advisors, including AlixPartners. These payments were in respect of estimated costs that would be incurred dealing with the formal sale process, contingency planning advice and preparing for the Administrations. The payments were made on the basis that any surplus funds above the level of actual costs incurred would be returned to Plc.
- 3.20 Following their appointment, the Administrators wrote to each adviser to request the return of any surplus balance held. A total of £17,848 has been received by Plc during the Period, and £354,022 since their appointment.
- 3.21 The realisation to the end of the Period represents the final return in respect of these funds.

Cost contributions

- 3.22 The £154,011 received in the Period in Plc relates to payments made to Plc by the other Group companies for legal fees recharged during the Period. This was on the basis that the solicitors raised a single invoice for the entire Group but have dealt with matters impacting all of the companies and as such a fair allocation has been made.
- 3.23 As in previous reports, the 'cost funding' line within certain of the R&Ps relates to the funds received from JPIMedia under the SPA as funding for the Administrations in the entities which had insufficient assets to cover all costs.

Amendments to JPIMedia Group funding obligations

- 3.24 If the amount of the deferred cash consideration described above exceeded the amount of those costs and expenses and prescribed part distributions, the Administrators would ultimately be required to repay the excess to JPIMedia Group.
- 3.25 Owing to the aggregate costs of the Administrations having been lower than originally anticipated, JPIMedia Group requested that the Administrators agree to amend the relevant provisions of the SPA to reduce the amount of the deferred cash consideration required to be paid by JPIMedia Group and to make certain other related changes to those funding arrangements.
- 3.26 In addition, JPIMedia Group has sold or intends to sell certain parts of its group. In order to facilitate those sales, JPIMedia Group requested that certain members of its group be released from their obligations under the SPA. Those obligations related principally to the funding of the deferred cash consideration referred to above.
- 3.27 The Administrators do not anticipate those requests to have any adverse impact on returns for creditors, or any adverse impact on the Administrations generally. Accordingly, the Administrators have agreed to the JPIMedia Group's requests and the SPA was amended and the releases granted on 29 November 2019.

Administration (including statutory reporting)

- 3.28 In addition to their duties relating to realising and distributing the assets of the Scottish and NI Companies, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986 and the Insolvency (Northern Ireland) Order 1989, including the preparation of bi-annual reports to creditors advising of the progress of the Administrations. The Administrators are also responsible for liaising with HM Revenue & Customs (**HMRC**) to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Scottish and NI Companies, and for filing tax returns for the duration of the Administrations.
- 3.29 In order to ensure the matters of the Administrations are being progressed sufficiently, the Administrators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function will also comply with cash accounting requirements including raising payments, processing journals and posting receipts, preparing bank reconciliations and statutory returns.
- 3.30 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

Creditors (claims and distribution)

- 3.31 During the Period, time has been incurred liaising with and responding to queries from individual bondholders and the security trustee.
- 3.32 In addition, the Administrators have corresponded with unsecured creditors across the Scottish and NI Companies, including the PPF and HMRC, in order to deal with any queries and finalise the respective claims positions. Claims from all unsecured creditors have also been logged against the relevant company and the Administrators have dealt with general queries by post, telephone and email.
- 3.33 First and final dividends were issued on the majority of cases during the Period. The level of claims received and rate of the dividends (where applicable) are provided at section 2. Further details of the outcome for creditors in each Administration can be found in section 5.

4. Investigations

- 4.1** The Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the insolvencies of the Scottish and NI Companies, as required by the Company Directors Disqualification Act 1986, the Company Directors Disqualification (Northern Ireland) Order 2002, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the investigations, there were no matters identified that required further action.

5. Estimated outcome for creditors

Secured creditor – GLAS Trust Corporation Limited

- 5.1 Each of the Scottish and NI Companies granted standard security and floating charges to GLAS in its capacity as security agent for the payment and satisfaction of secured liabilities owed to the Bondholders. Details of all the outstanding charges are provided in the SIP 16 Report and summarised at Appendix A of this report.
- 5.2 At the date of the appointments the secured creditor was owed approximately £220.2 million (excluding interest and charges) under its security. It is anticipated that the secured creditor will suffer a shortfall in respect of its security from the Group, which based on current information is expected to be in the region of £50 million.
- 5.3 Returns from each of the Scottish and NI Companies are provided at in the table below. In aggregate, distribution of approximately £11.2 million across the Scottish and NI Companies has been made to date.

Entity	Floating charge distributions to date £
Plc	-
The Scottish Agency Companies	9,021,140
The NI Agency Companies	2,176,998
Total	11,198,138

Preferential creditor (Scotsman only)

- 5.4 As advised in section 2, on the basis that all of the 395 employees across the Scottish and NI Companies automatically transferred to other entities within the JPIMedia Group on completion of the Transaction under TUPE, no preferential claims were anticipated.
- 5.5 However, following the employment tribunal detailed in section 2, in the Period the Administrators received a claim of £8,360 in respect of historic holiday pay for an individual in Scotsman. The sole preferential creditor is anticipated to receive a dividend of 100 pence in the pound.

Unsecured creditors

- 5.6 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the Companies' net property available for the benefit of unsecured creditors (the **Unsecured Creditors' Fund or UCF**), commonly known as the **'Prescribed Part'**.
- 5.7 As all floating charges granted by the Scottish and NI Companies post-date the relevant date, there is a requirement to create UCFs where the Scottish and NI Companies have sufficient net floating charge realisations to do so.
- 5.8 The table below details the net property and resulting UCF in each of the Scottish and NI Companies which have distributed their first and final dividends to their respective unsecured creditors as at the date of this report. To date, dividends have only been distributed in the Scottish entities, however the Administrators will issue notices of intention to distribute in the relevant Northern Irish entities in due course. The rates of dividend are provided for each of the Scottish and NI Companies in section 2. All returns are detailed after the costs of making the distributions, where applicable.

Company name	Net property £	Prescribed Part £	Available for distribution £	Dividend rate	Date declared
Angus County Press Limited	5,689	2,844	2,507	0.001 pence in the pound	11 October 2019
Johnston (Falkirk) Limited	276,754	58,351	58,014	0.019 pence in the pound	11 October 2019
The Scotsman Publications Limited	9,321,644	600,000	599,663	0.171 pence in the pound	11 October 2019
Strachan and Livingston, Limited	32,624	9,525	9,188	0.003 pence in the pound	11 October 2019
The Tweeddale Press Limited	81,756	19,351	19,014	0.006 pence in the pound	11 October 2019

Note: £600,000 is the statutory maximum Prescribed Part before costs

Unclaimed dividends

- 5.9 All cheques paid to unsecured creditors should be banked as soon as possible, and in any event must be banked within six months of the date of the cheque. Any cheques in the Scottish entities which have not cleared within six months of the declaration of the dividends will be cancelled and the proceeds will be forwarded to The Royal Bank of Scotland, Scotland Specialist Operations, PO Box 17256, 1 Redheughs Avenue, Edinburgh EH12 9JN.
- 5.10 If your cheque is cancelled on or after this date, please allow ten working days to pass before submitting a claim to the Accountant of Court. To make a claim, creditors should contact the Accountant of Court at Hadrian House, Callendar Business Park, Callendar Road, Falkirk FK1 1XR and put the relevant company name as the subject.
- 5.11 The transfer of responsibility to the Accountant of Court is a routine step which requires administrators of an insolvent company to transfer unclaimed dividends to the agency six months after the cheques were issued.
- 5.12 Details regarding unbanked dividend cheques in relation to the entities based in Northern Ireland will be provided after the respective dividends have been declared.

6. Outstanding matters

Remaining distributions to unsecured creditors

- 6.1 The Administrators are currently assessing the likelihood of a dividend in Plc as a small unsecured dividend may be possible depending upon the final post-appointment corporation tax position.
- 6.2 Once the post-appointment corporation tax liability position has been assessed, the Administrators will, if funds are available, distribute final dividends to the secured and unsecured creditors and proceed to move the case to closure.
- 6.3 With regard to Century and the other entities located in Northern Ireland, asset realisations are now complete and the Administrators will shortly take steps to notify the creditors of their intention to distribute. Following a 21 day period for proving, the Administrators will proceed to distribute (subject to court approval) to the unsecured creditors and move the case to closure.
- 6.4 The respective dividend rates for the Northern Irish entities will be confirmed in due course.
- 6.5 A court application will be made in respect of the Northern Irish entities to allow the Administrators to distribute in the cases where Prescribed Part funds are available.
- 6.6 The Administrators will also apply to court to apply for discharge of liability upon the closure of the Administrations.

Closure

- 6.7 Please be advised that in order to save both legal costs and costs of reporting, all of the Administrations are expected to be closed at the same time. The Administrators will prepare final tax returns after which a final report will be filed with the Registrar of Companies and with the Court with a view to moving the Companies to dissolution.

7. What happens next

Creditors' rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 7.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the bases fixed for the Administrators' fees is inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive.

Extension

- 7.3 The secured and (where appropriate) preferential creditor have agreed to the extension of the Administrations for a period of 12 months for the entities located in Scotland, and six months, which is the statutory maximum, for the entities located in Northern Ireland. Accordingly, the Scottish Administrations will now end automatically on 17 November 2020 and the Northern Irish entities will end automatically on 17 May 2020.
- 7.4 The Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointment as Administrators ceases to have effect, following completion of the court applications detailed in section 6.

Next report

- 7.5 The Administrators are required to provide a progress report within six weeks of the end of the next six months of the Administration, or the date they cease to act as Administrators, if earlier. For details of the proposed exit route please see Appendix E.

For and on behalf of
The Scottish and NI Companies



Catherine Williamson
Administrator

Encs

Appendix A. Statutory information

Company information

Company name	Johnston Press plc
Registered number	SC015382
Registered office	272 Bath Street, Glasgow, G2 4JR
Former registered office	Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS
Trading addresses	Various
Trading names	N/A
Court details	Court of Session, Edinburgh
Court reference	P1179/18
Registered charges	Legal charge created 16 June 2014 in favour of Deutsche Bank AG. Two legal charges created 23 June 2014 in favour of Deutsche Bank AG.

Company name	Angus County Press Limited
Registered number	SC077730
Registered office	272 Bath Street, Glasgow, G2 4JR
Former registered office	108 Holyrood Road, Edinburgh, EH8 8AS
Trading address	Office 3A, First Floor, Westway Enterprise Centre, Peasiehill Road, Abroath, DD11 2NJ
Trading names	The company is known to operate under the following titles: Arbroath Herald; The Buteman; Deeside Piper; Forfar Dispatch; Mearns Leader; Montrose Review; Brechin Advertiser.
Court details	Court of Session, Edinburgh
Court reference	P1186/18
Registered charges	Legal charge created 23 June 2014 in favour of Deutsche Bank AG. Legal charge created 16 June 2014 in favour of Deutsche Bank AG.

Company name **Galloway Gazette Ltd.(The)**
Registered number SC009855
Registered office 272 Bath Street, Glasgow, G2 4JR
Former registered office Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS
Trading address N/A
Trading names The company is known to operate under the following titles:
Carrick Gazette; Galloway Gazette.
Court details Court of Session, Edinburgh
Court reference P1185/18
Registered charges Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Legal charge created 16 June 2014 in favour of Deutsche Bank AG.

Company name **Johnston (Falkirk) Limited**
Registered number SC027417
Registered office 272 Bath Street, Glasgow, G2 4JR
Former registered office Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS
Trading addresses Various
Trading names The company is known to operate under the following titles:
Cumbernauld News; Falkirk Herald; Kirkintilloch Herald; Lanark Gazette; Linlithgow Gazette; Milngavie Herald; Motherwell Times.
Court details Court of Session, Edinburgh
Court reference P1184/18
Registered charges Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Legal charge created 16 June 2014 in favour of Deutsche Bank AG.

Company name **Stornoway Gazette Limited**
Registered number SC029826
Registered office 272 Bath Street, Glasgow, G2 4JR
Former registered office Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS
Trading address Unit 7, Harbour View, Cromwell Street Quay, Stornoway, Isle of Lewis, HS1 2DF
Trading names The company is known to operate under the following titles:
Stornoway Gazette; Back in the Day.
Court details Court of Session, Edinburgh
Court reference P1181/18
Registered charges Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Legal charge created 16 June 2014 in favour of Deutsche Bank AG.

Company name **Strachan and Livingston, Limited**
Registered number SC011226
Registered office 272 Bath Street, Glasgow, G2 4JR
Former registered office Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS
Trading address 5/5A Greyfriars Gardens, St Andrews, KY16 9HG
Trading names The company is known to operate under the following titles:
East Fife Mail; Fife Free Press; Fife Herald; Glenrothes Gazette.
Court details Court of Session, Edinburgh
Court reference P1182/18
Registered charges Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Legal charge created 16 June 2014 in favour of Deutsche Bank AG.

Company name **The Tweeddale Press Limited**
Registered number SC020984
Registered office 272 Bath Street, Glasgow, G2 4JR
Former registered office Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS
Trading address N/A
Trading names The company is known to operate under the following titles:
Berwick Advertiser; Berwickshire News; Southern Reporter; Midlothian Advertiser.
Court details Court of Session, Edinburgh
Court reference P1180/18
Registered charges Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Legal charge created 16 June 2014 in favour of Deutsche Bank AG.

Company name **The Scotsman Publications Limited**
Registered number SC020911
Registered office 272 Bath Street, Glasgow, G2 4JR
Former registered office Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS
Trading address 80 St Vincents Street, Glasgow, G2 5UB
Trading names The company is known to operate under the following titles:
Evening News; Scotland on Sunday;
Court details Court of Session, Edinburgh
Court reference P1183/18
Registered charges Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Legal charge created 16 June 2014 in favour of Deutsche Bank AG.

Company name	Century Newspapers Limited
Registered number	NI022768
Registered office	138 University Street, Belfast, Antrim, BT7 1HJ
Former registered office	2 Esky Drive, Carn Industrial Estate, Portadown, Craigavon, Count Armagh, Northern Ireland, BT63 5YY
Trading address	Metro Building, 8 Donegal Square, Belfast, BT1 5JA
Trading name	The company is known to operate under the following titles: Newsletter (Belfast).
Court details	High Court of Justice in Northern Ireland, Chancery Division
Court reference	2018/113233
Registered charge	Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Company name	Morton Newspapers Limited
Registered number	NI002197
Registered office	2 Esky Drive, Carn Industrial Estate, Portadown, Craigavon, Count Armagh, Northern Ireland, BT63 5YY
Former registered office	N/A
Trading address	Metro Building, 8 Donegal Square South, Belfast, BT1 5JA; Carn Industrial Estate, 2 Esky Drive BT63 5YY
Trading names	The company is known to operate under the following titles: Ballymena Times; Coleraine Times; Larne Times; Lurgan Mail; Londonderry Sentinel; Mid-Ulster Mail; Portadown Times; Ulster Star; Tyrone Times; The Leader.
Court details	High Court of Justice in Northern Ireland, Chancery Division
Court reference	2018/113231
Registered charge	Legal charge created 23 June 2014 in favour of Deutsche Bank AG.
Company name	The Derry Journal Limited
Registered number	R0000179
Registered office	138 University Street, Belfast, Antrim, BT7 1HJ
Former registered office	2 Esky Drive, Carn Industrial Estate, Portadown, Craigavon, Count Armagh, Northern Ireland, BT63 5YY
Trading address	113/118 Duncreggan Road, Londonderry, BT48 0AA
Trading names	The company is known to operate under the following titles: Derry Jnl-Friday; Derry Jnl-Tuesday.
Court details	High Court of Justice in Northern Ireland, Chancery Division
Court reference	2018/113228
Registered charge	One legal charge created 23 June 2014 in favour of Deutsche Bank AG.

Johnston Press plc and certain group companies – all in Administration (the **Scottish and NI Companies**)

Appointors' information

Name	Court name
Plc	Court of Session, Edinburgh
Scottish Agency Companies	Court of Session, Edinburgh
NI Agency Companies	High Court of Justice in Northern Ireland, Chancery Division

Administrators' information

Name	Address	IP number	Name of Authorising Body
Simon Jonathan Appell	AlixPartners, 6 New Street Square, London, EC4A 3BF	9305	Insolvency Practitioners Association
Alastair Paul Beveridge	AlixPartners, 6 New Street Square, London, EC4A 3BF	8991	Insolvency Practitioners Association
Peter Mark Saville	AlixPartners, 6 New Street Square, London, EC4A 3BF	9029	Insolvency Practitioners Association
Catherine Mary Williamson	AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	15570	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Extension of Administrations

The Administrations of the Scottish entities were extended for a period of 12 months and the Administrations of the Northern Irish entities were extended for a period of 6 months. The Administrations will now end on or before 17 November 2020 in the case of the Scottish entities, or before 17 May 2020 in the case of the Northern Irish entities.

Appendix B. Receipts and Payments Accounts for the period 17 May 2019 to 16 November 2019 and Cumulative Accounts for the period since appointment

Johnston Press Plc

Statement of Affairs £		Period £	Cumulative £
	Floating charge assets		
	Receipts		
	Bank Interest	57	260
206,586	Cash at bank	(65)	5,735
	Cost contributions	154,011	284,511
	Fixtures and fittings	9,306	9,306
15,000	Freehold land and property	15,000	18,500
	Investments	-	250
	LTO receipts account	1,844	15,764
	Prepayments	17,441	17,441
	Professional advisor funds held on account	17,848	354,022
221,586		215,443	705,789
	Payments		
	Bank charges	19	52
	Category 1 disbursements:		
	Specific penalty bond	-	225
	Statutory advertising	-	85
	Travel and subsistence	321	321
	Stationery, postage and photocopying	-	11,610
	Registered office fees	312	312
	De-listing fee	-	10,000
	Insurance of assets	476	476
	Legal disbursements	29	40
	Legal fees	122,282	262,913
	LTO payments account	4,120	15,764
	Administrators' fees	101,044	316,418
	Share register costs	9,488	12,627
	Security agent fee	25,013	56,263
		(263,103)	(687,106)
	Total balance	(47,661)	18,683
	Represented by		
	Interest bearing account		7,002
	VAT receivable		11,681
			18,683

Note: The above is subject to small rounding differences.

The Scottish Agency Companies

	Angus County Press Limited	Angus County Press Limited	Angus County Press Limited	Galloway Gazette Ltd.(The)	Galloway Gazette Ltd.(The)	Galloway Gazette Ltd.(The)	Johnston (Falkirk) Limited	Johnston (Falkirk) Limited	Johnston (Falkirk) Limited
	SoA	R&P	R&P	SoA	R&P	R&P	SoA	R&P	R&P
	£	Period £	Cumulative £	£	Period £	Cumulative £	£	Period £	Cumulative £
Floating charge assets									
Receipts									
Bank interest	-	-	-	-	-	-	-	101	212
LTO receipts from JPIMedia	-	-	-	-	-	-	-	(2,975)	7,155
Loan from Group entities	-	(270)	-	-	(270)	-	-	-	-
Investments	-	-	-	-	-	-	-	2,045	2,045
Intellectual property	25,000	28,875	29,000	4,000	195	320	295,000	20,165	295,000
	25,000	28,605	29,000	4,000	(75)	320	295,000	19,336	304,412
Payments									
Bank charges	-	3	3	-	-	-	-	4	4
Administrators' fees	-	-	-	-	-	-	-	-	9,750
Category 1 disbursements:									
Specific penalty bond	-	-	225	-	-	225	-	-	225
Statutory advertising	-	-	85	-	-	85	-	-	85
Contribution to legal fees	-	4,000	4,000	-	-	-	-	3,500	5,000
Insurance of assets	-	-	-	-	-	-	-	190	-
Legal fees and disbursements	-	-	-	-	-	-	-	-	-
Agent's fees	-	-	-	-	-	-	-	-	-
LTO payments to landlords	-	-	-	-	-	-	-	-	7,155
		(4,003)	(4,312)			(310)		(3,699)	(22,410)
Distributions									
Floating chargeholder	-	3,250	3,250	-	-	-	-	8,000	217,000
Unsecured creditors	-	2,505	2,505	-	-	-	-	58,012	58,012
		(6,758)	(5,753)					(68,012)	(278,012)
Balance of floating charge assets		18,848	18,933		(75)	10		(80,378)	6,991
Represented by									
Interest bearing account			18,933			10			6,991
			18,933			10			6,991

	The Scotsman Publications Limited SoA	The Scotsman Publications Limited R&P	The Scotsman Publications Limited R&P	Strachan and Livingston, Limited SoA	Strachan and Livingston, Limited R&P	Strachan and Livingston, Limited R&P	Stornoway Gazette Limited SoA	Stornoway Gazette Limited R&P	Stornoway Gazette Limited R&P
	Period £	Period £	Cumulative £	Period £	Period £	Cumulative £	Period £	Period £	Cumulative £
Floating charge assets									
Receipts									
Bank interest	-	970	2,049	-	14	28	-	-	-
LTO receipts from JPIMedia	-	-	-	-	-	-	-	-	-
Loan from Group entities	-	-	-	-	-	-	-	(270)	-
Investments	-	-	-	-	-	-	-	-	-
Intellectual property	9,341,000	20,265	9,341,000	53,000	20,265	53,000	23,000	22,875	23,000
	9,341,000	21,236	9,343,049	53,000	20,279	53,028	23,000	22,605	23,000
Payments									
Bank charges	-	1	1	-	1	1	-	-	-
Administrators' fees	-	-	9,750	-	-	9,750	-	-	-
Category 1 disbursements:									
Specific penalty bond	-	-	225	-	-	225	-	-	225
Statutory advertising	-	-	85	-	-	85	-	-	85
Contribution to legal fees	-	3,500	5,000	-	3,500	5,000	-	4,000	4,000
Insurance of assets	-	95	95	-	95	95	-	-	-
Legal fees and disbursements	-	-	-	-	-	-	-	-	-
Agent's fees	-	-	-	-	-	-	-	-	-
LTO payments to landlords	-	-	-	-	-	-	-	-	-
		(3,596)	(15,156)		(3,596)	(15,156)		(4,000)	(4,310)
Distributions									
Floating chargeholder	-	1,640	8,712,640	-	8,000	23,400	-	2,250	2,250
Unsecured creditors	-	599,661	599,661	-	9,187	9,187	-	1,843	1,843
		(601,301)	(9,312,301)		(17,187)	(22,587)		(4,093)	(4,093)
Balance of floating charge assets		(583,662)	15,592		(504)	5,285		14,512	14,598
Represented by									
Interest bearing account			15,592			5,285			14,598
			15,592			5,285			14,598

	The Tweeddale Press Limited SoA	The Tweeddale Press Limited R&P	The Tweeddale Press Limited R&P
	Period £	Period £	Cumulative £
Floating charge assets			
Receipts			
Bank interest	-	33	66
LTO receipts from JPIMedia	-	-	-
Loan from Group entities	-	-	-
Investments	-	-	-
Intellectual property	102,000	20,265	102,000
	102,000	20,298	102,066
Payments			
Bank charges	-	-	-
Administrators' fees	-	-	9,750
Category 1 disbursements:			
Specific penalty bond	-	-	225
Statutory advertising	-	-	85
Contribution to legal fees	-	3,500	5,000
Insurance of assets	-	-	-
Legal fees and disbursements	-	-	-
Agent's fees	-	-	-
LTO payments to landlords	-	-	-
		(3,500)	(15,060)
Distributions			
Floating chargeholder	-	8,000	62,600
Unsecured creditors	-	19,012	19,012
		(27,012)	(81,612)
Balance of floating charge assets		(10,214)	5,394
Represented by			
Interest bearing account			5,394
			5,394

The Northern Irish Agency Companies

	Morton Newspapers Limited SoA £	Morton Newspapers Limited R&P Period £	Morton Newspapers Limited R&P Cumulative £	The Derry Journal Limited SoA £	The Derry Journal Limited R&P Period £	The Derry Journal Limited R&P Cumulative £	Century Newspapers Limited SoA £	Century Newspapers Limited R&P Period £	Century Newspapers Limited R&P Cumulative £
Floating charge assets									
Receipts									
Bank interest	-	205	310	-	61	122	-	755	1,642
Freehold property	-	-	15,280	-	-	-	-	-	-
LTO receipts from JPIMedia	-	(50,715)	-	-	-	-	-	-	-
Sale of shares	-	-	-	-	-	-	-	5,340	5,340
Intellectual property	243,000	20,065	243,000	177,000	20,265	177,000	2,382,000	20,265	2,382,000
	243,000	(30,445)	238,990	177,000	20,326	177,122	2,382,000	26,371	2,388,962
Payments									
Bank charges	-	1	4	-	-	2	-	-	2
Administrators' fees	-	-	9,750	-	-	9,750	-	-	9,750
Category 1 disbursements:	-	-	-	-	-	-	-	-	-
Specific penalty bond	-	-	225	-	-	225	-	-	225
Statutory advertising	-	-	85	-	-	85	-	-	85
Contribution to legal fees	-	4,500	8,200	-	4,500	6,000	-	4,500	6,000
Insurance of assets	-	286	286	-	-	-	-	-	-
Legal fees and disbursements	-	-	482	-	-	-	-	-	-
Agent's fees	-	-	1,500	-	-	-	-	-	-
	-	(4,787)	(20,932)	-	(4,800)	(16,061)	-	(4,500)	(16,061)
Distributions									
Floating chargeholder	-	1,998	169,388	-	7,200	121,800	-	7,200	1,885,800
	-	(1,998)	(169,388)	-	(7,200)	(121,800)	-	(7,200)	(1,885,800)
Balance of floating charge assets		(37,230)	68,660		8,626	39,261		14,671	487,121
Represented by									
Interest bearing accounts			68,660			39,261			487,121
			68,660			39,261			487,121

Note:

1. The above is subject to small rounding differences.
2. During the Period, the accounts were reconciled to verify that all LTO receipts and payments reflect both the properties that each of the relevant Scottish and NI Companies occupied, as well as the relevant periods of occupation. Following completion of this exercise, various amounts of surplus LTO funding were identified which will be refunded to JPIMedia by way of a consolidated payment from Johnston Publishing Limited – in Administration (**Publishing**). As such, certain of the Scottish and NI Companies' accounts show negative receipts in the Period, being the transfers of surplus LTO funding to Publishing.
3. Dividend dates and amounts, where applicable, are provided in section 5.8.

Appendix C. Administrators' fees and pre-administration costs

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (www.alixpartnersinfoportal.com). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with rule 3.95 of I(S)CVAAR18 and rule 2.107 of the Insolvency Rules (Northern Ireland) 1991 (as amended). On 5 December 2018 the secured creditor approved the basis of the Administrators' fees for all cases.

With regards to Plc, it has been approved that the basis of the Administrators' fees shall be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration. A Time Analysis detailing the costs incurred during the Period is provided below.

With regards to the Scottish and NI Agency Companies, the secured creditor approved that the basis of the Administrators' fees be fixed as a set amount of £25,000 for each case. As such no further breakdown is required to be provided.

Please be advised that, in Scotsman, fee approval was obtained prior to the employment tribunal which gave rise to the sole preferential creditor.

To date, fees totalling £384,668 have been drawn on account. A breakdown of this sum, drawn against each of the Scottish and NI Companies is provided in the individual R&P Accounts.

Administrators' details of time spent to date on Plc

The Administrators' time costs for the Period are £76,044. This represents 209 hours at an average rate of £364 per hour. Detailed below is a Time Analysis for the Period which provides details of the costs incurred by area of activity.

Activity category	Hours incurred	Average rate per hour £	Time cost for the Period £	Cumulative time cost £
Realisation of assets	38	422	16,055	69,730
Administration (including statutory reporting)	135	364	49,170	222,942
Investigations	1	320	320	12,925
Creditors (claims and distribution)	35	300	10,499	17,120
Total	209	364	76,044	322,717

Pre-administration costs

The pre-administration costs were disclosed in the Proposals and were paid in full by the Group prior to appointment as has been detailed in the Administrators' previous reports.

Appendix D. Additional information in relation to the Administrators' fees

Policy

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director, a director or senior vice president, a vice president and a consultant. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Administrators have not utilised the services of any sub contractors in these cases.

Professional advisors

On this assignment the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Ashurst LLP (legal advice)	Hourly rate and disbursements
Brodies LLP (legal advice- Scotland)	Hourly rate and disbursements
Allen & Goodbody LLP (legal advice – Northern Ireland)	Hourly rate and disbursements
Cleaver Fulton Rankin LLP (legal advice – sale of freehold property)	Fixed fees of £2,200 plus disbursements
Osborne King & Megran Limited (auctioneer)	Fixed minimum disposal fee of £1,000
Aon Plc (insurance)	Risk based premium

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Administrators and their staff.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include business mileage for staff travel - charged at the rate of 45 pence per mile.

Charge-out rates

A schedule of AlixPartners' charge-out rates for this assignment effective from 1 January 2019 is detailed below, together with the rates charged prior to that increase. Time is charged by the appointees and case staff in units of six minutes.

Description	Rates from 1 January 2019 £
Managing director	735
Director	640
Senior vice president	540
Vice president	395-485
Consultant	220-330
Treasury and support	115-260

Appendix E. Exit route and discharge from liability

Dissolution of the Scottish and NI Companies

As previously reported, the Administrators will file notices together with their final progress reports at the relevant court and with the appropriate Registrar of Companies for the dissolution of each entity once all funds have been distributed, where available, and all statutory matters have been completed. The Administrators will send copies of these documents to the relevant company and its creditors. Each Administration will end following the registration of the relevant notice by the appropriate Registrar of Companies.

Discharge from liability

As the Administrators were appointed by the courts, it will be necessary to seek the approval of these same courts for the discharge of liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 and paragraph 99 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 directly after their appointments as Administrators cease to have effect.