

In accordance with Rule 3.61(1) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 & Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986.

# AM23 (Scot)

## Notice of move from administration to dissolution



Companies House

FRIDAY



SCT \*S971KCX4\* #54  
12/06/2020  
COMPANIES HOUSE

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 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 Court details

Court name Court of Session, Parliament House, Edinburgh, EH1 1RQ

Court number P 1 1 7 9 o f 2 0 1 8

### 3 Administrator's name

Full forename(s) Catherine

Surname Williamson

### 4 Administrator's address

Building name/number AlixPartners

Street 8th Floor, Ship Canal House

98 King Street

Post town Manchester

County/Region

Postcode M 2 4 W B

Country

# AM23 (Scot)

## Notice of move from administration to dissolution

<b>5 Administrator's name *</b>	
Full forename(s)	Alastair
Surname	Beveridge
<b>Other administrator</b> Use this section to tell us about another administrator.	
<b>6 Administrator's address *</b>	
Building name/number	AlixPartners
Street	6 New Street Square
Post town	London
County/Region	
Postcode	E C 4 A 3 B F
Country	
<b>Other administrator</b> Use this section to tell us about another administrator.	
<b>7 Final progress report</b>	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.	
<b>8 Sign and date</b>	
Administrator's signature	Signature X <i>Alastair Beveridge</i> X
Signature date	d <sub>1</sub> d <sub>2</sub> m <sub>0</sub> m <sub>6</sub> y <sub>2</sub> y <sub>0</sub> y <sub>2</sub> y <sub>0</sub>

# AM23 (Scot)

## Notice of move from administration to dissolution



### 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	Abhay Kapoor
Company name	AlixPartners
Address	8th Floor
Ship Canal House	
98 King Street	
Post town	Manchester
County/Region	
Postcode	M 2 4 W B
Country	
DX	
Telephone	0161 838 4500



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://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)	Peter
Surname	Saville

## 3 Insolvency practitioner's address

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



# 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 AlixPartners

Street 6 New Street Square

Post town London

County/Region

Postcode E C 4 A 3 B F

Country

**Administrators'  
Progress Report for  
the period  
17 November 2019 to  
13 March 2020**

**Johnston Press plc and certain group  
companies**

**In Administration**

**13 March 2020**

## Contents

1. Why this report has been prepared .....	1
2. Summary of information for creditors .....	3
3. Progress of the Administrations .....	5
4. Investigations .....	9
5. Estimated outcome for creditors .....	11
6. What happens next .....	13

## Appendices

Appendix A.	Statutory information
Appendix B.	Receipts and Payments Accounts for the period 17 November 2020 to 13 March 2020 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 pursuant to Statement of Insolvency Practice 9 (Scotland)
Appendix E.	Exit route and discharge from liability

AlixPartners  
The Zenith Building  
26 Spring Gardens  
Manchester M2 1AB

t: +44 (0) 161 838 4500 f: +44 (0) 161 838 4501

© AlixPartners 2020. All rights reserved.

[alixpartners.com](http://alixpartners.com)



## 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 will be prepared to comply with respective Insolvency legislation applicable to the English group companies, and will subsequently be made available to the relevant creditors.

Company name	Jurisdiction	Category	Definition
Johnston Press plc	Scotland	Principal	<b>Plc</b>  <b>the Scottish and NI Companies</b>
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 ( <b>Scotsman</b> )	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.
- 1.4 This progress report covers the period 17 November 2019 to 13 March 2020 (the **Period**) and should be read in conjunction with all previous reports which includes 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 previous progress reports. 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 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 (<https://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](mailto:johnstonpress@alixpartners.com) or write to AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.12 With effect from 23 March 2020, AlixPartners' Manchester office will relocate. Please address all correspondence from that date to Ship Canal House, 8th Floor, 98 King Street, Manchester, M2 4WB. Telephone numbers for the office will remain unchanged.

## 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	0.17
	Unsecured	317.03	Less than 1 pence/£
Angus County Press Limited	Secured	220.16	0.003
	Unsecured	305.12	Less than 1 pence/£
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	0.002
	Unsecured	305.12	Less than 1 pence/£
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/£ *

\*As covered in section 3.2, the Northern Irish distributions to unsecured creditors are yet to be made pending sanction from the court. The above position is based on current estimated information and therefore may change prior to final distributions being made.

### 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. The Bondholders have suffered 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, 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 £8,880 in respect of accrued holiday pay (submitted via the Employment Tribunal). This claim was paid in full on 22 January 2020.

#### 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 Group's defined benefit pension plan 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. HM Revenue and Customs (**HMRC**) has submitted claims of £15,003 against each entity (previously estimated at £500,000 in the SoAs).

There were 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 (relevant for NI companies only)

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 total realisations made over the course of the Administrations.
- 3.2 Please note that the Northern Irish companies currently have balances of cash at bank. Following court approval to distribute the Prescribed Part (defined in section 5.6), these funds will be released to unsecured creditors and the accounts brought to nil.
- 3.3 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

- 3.4 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.
- 3.5 Full details of the transaction are detailed in the Administrators' previous report, the Proposals and the SIP 16 Report.
- 3.6 As a reminder, however, the sale consideration of £181.0 million comprised of cash and non-cash consideration as follows:
- Cash of up to £8.0 million; £4.7 million of which was paid on completion, with the balance of up to £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.
- 3.7 Total consideration has been finalised and was subject to minor change depending upon the final level of Administration costs and other funding required to be paid by JPIMedia Group.
- 3.8 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.

- 3.9 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, calculated in accordance with the statutory formula by reference to the floating charge recoveries in each of the Scottish and NI Companies.
- 3.10 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 publishing titles.
- 3.11 During the Period, the Administrators have also taken steps to realise any final residual assets of the Scottish and NI Companies as set out below, together with discharging final costs of the Administrations and completing distributions to unsecured creditors where appropriate.

### **Realisation of assets – floating charge**

#### **Properties**

- 3.12 As detailed in the Previous Report, under the licence to occupy (LTO) six leasehold premises were terminated on 27 September 2019. During the LTO period, the leases were either assigned to the Purchaser or terminated as a result of a new agreement being reached with the landlords or vacation of the premises.
- 3.13 As previously advised, the Purchaser paid a licence fee for each property on a monthly basis equivalent to the total rent and other amounts falling payable by the Companies.
- 3.14 A reconciliation of all costs was completed in the Period and the Administrators can confirm that all costs incurred in respect of the LTO have been finalised and clearance for outstanding costs has been obtained for all the LTO properties. Following the reconciliation, surplus LTO funds of £3,622 were returned to the Purchaser in relation to the LTO premises leased by the Scottish and NI Companies.

#### **Investments**

- 3.15 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.

- 3.16 1,363 ordinary shares of Central FM Limited, a third party, were held by Johnston (Falkirk) Limited (**Falkirk**). The Administrators achieved the sale of these shares, realising £2,045.
- 3.17 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

- 3.18 The total bank interest received by the Scottish and NI Companies since appointment is £4,689. The amount attributable to each company can be found in the R&Ps at Appendix B.

#### 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 £9,967 has been received by Plc during the Period, and £363,989 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 Cost contributions of £12,507 received by Plc in the Period relates to payments made by 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 As reported previously, 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.
- 3.25 The Administrators can advise that those requests have had no impact on returns for creditors, or any adverse impact on the Administrations generally. Accordingly, the Administrators agreed to JPIMedia Group's requests on the basis that the Administrators secured concessions from JPI Media Group in return,

which included holding distributions that would have otherwise been payable to a JPI Media entity.

### **Administration (including statutory reporting)**

- 3.26 In addition to their duties relating to realising and distributing the assets of the Companies, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include, notifying the stakeholders of the appointment, preparing bi-annual reports to creditors advising of the progress of the Administrations and handling general creditor correspondence. The Administrators are responsible for liaising with HMRC to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Companies, and for filing tax returns for the duration of the Administrations.
- 3.27 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.
- 3.28 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)**

- 3.29 During the Period, time has been incurred liaising with and responding to queries from individual creditors, shareholders, Bondholders and the security trustee.
- 3.30 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.
- 3.31 First and final dividends were issued on a number of the 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.

### **Other matters to be completed**

- 3.32 All matters in the Administrations have been completed and asset realisations finalised. The R&Ps at Appendix B detail the final accounts of the Administrations (the NI Companies accounts will be finalised on completion of the Prescribed Part distribution).



## **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 £48 million.
- 5.3 Returns from each of the Scottish and NI Companies are provided in the table below. In aggregate, distribution of approximately £11.3 million across the Scottish and NI Companies has been made.

Entity	Floating charge distributions £
Plc	168,055
The Scottish Agency Companies	9,021,140
The NI Agency Companies	2,176,998
<b>Total</b>	<b>11,366,193</b>

### 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 £8,880 in respect of historic holiday pay for an individual in Scotsman. The sole preferential creditor received 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 Prescribed Part in each of the Scottish and NI Companies which have distributed their first and final dividends to their respective unsecured creditors. 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.

Entity	Net Property £	Prescribed Part (distributed after costs) £	Dividend rate p/£	Date paid
Johnston Press plc	213,819	35,764	0.0099	12 March 2020
Angus County Press Limited	5,689	2,505	0.001	11 October 2019
Galloway Gazette Ltd. (The)	-	-	-	-
Johnston (Falkirk) Limited	276,754	58,012	0.019	11 October 2019
Strachan and Livingston, Limited	32,624	9,187	0.003	11 October 2019
Stornoway Gazette Limited	3,690	1,843	0.003	11 October 2019
The Scotsman Publications Limited (Scotsman)	9,321,644	599,661	0.171	11 October 2019
The Tweeddale Press Limited	81,756	19,012	0.006	11 October 2019
Century Newspapers Limited*	2,367,571	476,177	-	-
Morton Newspapers Limited*	232,137	49,090	-	-
The Derry Journal Limited*	155,711	33,805	-	-
<b>Total</b>	<b>12,687,705</b>	<b>1,283,213</b>		

\*As covered in section 3.2, the Northern Irish distributions to unsecured creditors are yet to be made pending sanction from the court. The above position is based on current estimated information and therefore may change prior to final distributions being made.

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 date of the cheque 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. What happens next**

### **Creditors' rights**

- 6.1 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 in the relevant entity) 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.
- 6.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors in the relevant entity) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis 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.

For and on behalf of  
The Scottish and NI Companies



**Catherine Williamson**  
Administrator

Encs

## Appendix A. Statutory information

### Company information

Company name	<b>Johnston Press plc</b>
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	<b>Angus County Press Limited</b>
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	<b>Galloway Gazette Ltd.(The)</b>
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.



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

## Appointor's 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 were then due to 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 November 2019 to 13 March 2020 and Cumulative Accounts for the period since appointment

### Johnston Press plc

Statement of Affairs £	Period £	Cumulative £
<b>Floating charge assets</b>		
Receipts		
Bank interest	-	260
Book debts	321,000	321,000
206,586 Cash at bank	-	5,735
Cost contributions	12,507	297,018
Fixtures and fittings	-	9,306
15,000 Freehold land and property	-	18,500
Investments	-	250
Prepayments	109,064	126,505
Professional advisor funds held on account	9,967	363,989
<b>221,586</b>	<b>452,538</b>	<b>1,142,563</b>
Payments		
Bank charges	11	63
Administrators' fees:		
General	75,000	381,418
Prescribed Part	10,000	10,000
Category 1 disbursements:		
Specific penalty bond	-	225
Statutory advertising	-	85
Travel and subsistence	-	321
Stationery, postage and photocopying	-	11,610
Registered office fees	-	312
Storage costs	242	242
De-listing fee	-	10,000
Insurance of assets	952	1,428
Legal fees and disbursements	177,042	439,996
Share register costs	1,640	14,267
Security agent fee	12,515	68,778
	<b>(277,401)</b>	<b>(938,743)</b>
Distributions		
Floating chargeholder	167,650	168,056
Prescribed Part - 0.0099p/£, 12/03/2020	35,663	35,764
	<b>(203,313)</b>	<b>(203,820)</b>
<b>Total balance</b>	<b>(28,176)</b>	<b>-</b>

Note: The above is subject to small rounding differences.

## Scottish Agency Companies

	Angus Gazette Press Limited SoA	Angus County Press Limited R&P	Angus County Press Limited R&P	Galloway Gazette Ltd.(The) SoA	Galloway Gazette Ltd.(The) R&P	Galloway Gazette Ltd.(The) R&P	Johnston (Paisley) Limited SoA	Johnston (Paisley) Limited R&P	Johnston (Paisley) Limited R&P
	£	Period £	Cumulative £	£	Period £	Cumulative £	£	Period £	Cumulative £
<b>Floating charge assets</b>									
Receipts	-	-	-	-	-	-	-	-	-
Bank interest	-	-	-	-	-	-	-	-	212
LTO receipts from JPIMedia	-	-	-	-	-	-	-	-	7,135
Loan from Group entities	-	-	-	-	(10)	310	-	-	-
Investments	-	-	-	-	-	-	-	-	2,045
Intellectual property	25,000	(4,000)	25,000	4,000	-	-	295,000	-	295,000
	<b>25,000</b>	<b>(4,000)</b>	<b>25,000</b>	<b>4,000</b>	<b>(10)</b>	<b>310</b>	<b>295,000</b>	-	<b>294,412</b>
<b>Payments</b>									
Bank charges	-	-	3	-	-	-	-	2	6
Administrators' fees	-	14,683	14,683	-	-	-	-	6,453	16,283
Prescribed Part fees	-	250	250	-	-	-	-	250	250
Category 1 disbursements:									
Specific penalty bond	-	-	225	-	-	225	-	-	225
Statutory advertising	-	-	85	-	-	85	-	-	85
Contribution to legal fees	-	-	4,000	-	-	-	-	-	5,000
Insurance of assets	-	-	-	-	-	-	-	286	476
Legal fees and disbursements	-	-	-	-	-	-	-	-	-
Agent's fees	-	-	-	-	-	-	-	-	-
LTO payments to landlords	-	-	-	-	-	-	-	-	7,135
		<b>(14,938)</b>	<b>(19,348)</b>			<b>(310)</b>		<b>(6,991)</b>	<b>(29,461)</b>
<b>Distributions</b>									
Preferential creditor	-	-	-	-	-	-	-	-	-
Floating chargeholder	-	-	3,250	-	-	-	-	-	217,000
Unsecured creditors	-	-	2,505	-	-	-	-	-	58,012
			<b>(5,755)</b>						<b>(279,912)</b>
<b>Balance of floating charge assets</b>		<b>(18,938)</b>	-		<b>(10)</b>	-		<b>(6,991)</b>	-

	The Scottish Publications Limited SoA	The Scottish Publications Limited R&P	The Scottish 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 £	Cumulative £	£	Period £	Cumulative £	£	Period £	Cumulative £
<b>Floating charge assets</b>									
Receipts	-	-	-	-	-	-	-	-	-
Bank interest	-	-	2,049	-	-	28	-	-	-
LTO receipts from JPIMedia	-	-	-	-	-	-	-	-	-
Loan from Group entities	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Intellectual property	9,341,000	-	9,341,000	53,000	-	53,000	23,000	-	23,000
	<b>9,341,000</b>		<b>9,341,000</b>	<b>53,000</b>		<b>53,028</b>	<b>23,000</b>		<b>23,000</b>
<b>Payments</b>									
Bank charges	-	2	3	-	1	2	-	2	2
Administrators' fees	-	6,365	16,115	-	4,844	14,594	-	14,346	14,346
Prescribed Part fees	-	250	250	-	250	250	-	250	250
Category 1 disbursements:									
Specific penalty bond	-	-	225	-	-	225	-	-	225
Statutory advertising	-	-	85	-	-	85	-	-	85
Contribution to legal fees	-	-	5,000	-	-	5,000	-	-	4,000
Insurance of assets	-	95	180	-	190	286	-	-	-
Legal fees and disbursements	-	-	-	-	-	-	-	-	-
Agent's fees	-	-	-	-	-	-	-	-	-
LTO payments to landlords	-	-	-	-	-	-	-	-	-
		<b>(6,712)</b>	<b>(21,860)</b>		<b>(5,285)</b>	<b>(20,441)</b>		<b>(14,868)</b>	<b>(18,987)</b>
<b>Distributions</b>									
Preferential creditor	-	8,880	8,880	-	-	-	-	-	-
Floating chargeholder	-	-	8,712,640	-	-	23,400	-	-	2,250
Unsecured creditors	-	-	599,661	-	-	9,187	-	-	1,843
		<b>(8,880)</b>	<b>(8,921,181)</b>			<b>(32,867)</b>			<b>(4,093)</b>
<b>Balance of floating charge assets</b>		<b>(18,992)</b>	-		<b>(5,285)</b>	-		<b>(14,598)</b>	-

	The Tweeddale Press Limited SoA	The Tweeddale Press Limited R&P	The Tweeddale Press Limited R&P
	£	Period £	Cumulative £
<b>Floating charge assets</b>			
Receipts	-	-	-
Bank interest	-	-	66
LTO receipts from JPIMedia	-	-	-
Loan from Group entities	-	-	-
Investments	-	-	-
Intellectual property	102,000	-	102,000
	<b>102,000</b>		<b>102,066</b>
<b>Payments</b>			
Bank charges	-	1	1
Administrators' fees	-	5,143	14,893
Prescribed Part fees	-	250	250
Category 1 disbursements:			
Specific penalty bond	-	-	225
Statutory advertising	-	-	85
Contribution to legal fees	-	-	5,000
Insurance of assets	-	-	-
Legal fees and disbursements	-	-	-
Agent's fees	-	-	-
LTO payments to landlords	-	-	-
		<b>(5,394)</b>	<b>(20,494)</b>
<b>Distributions</b>			
Preferential creditor	-	-	62,000
Floating chargeholder	-	-	19,012
Unsecured creditors	-	-	(81,612)
			<b>(81,612)</b>
<b>Balance of floating charge assets</b>		<b>(8,394)</b>	-

## 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 £
<b>Floating charge assets</b>									
Receipts									
Bank interest	-	-	310	-	-	122	-	-	1,642
Freehold property	-	-	15,280	-	-	-	-	-	-
LTO receipts from JPI Media	-	-	-	-	-	-	-	-	-
Sale of shares	-	-	-	-	-	-	-	-	5,340
Intellectual property	243,000	-	243,000	177,000	-	177,000	2,382,000	-	2,382,000
	<b>243,000</b>	-	<b>243,000</b>	<b>177,000</b>	-	<b>177,122</b>	<b>2,382,000</b>	-	<b>2,388,982</b>
<b>Payments</b>									
Bank charges	-	-	4	-	-	2	-	-	2
Administrators' fees	-	5,250	15,000	-	5,250	15,000	-	5,250	15,000
Category 1 disbursements:									
Specific penalty bond	-	-	225	-	-	225	-	-	225
Statutory advertising	-	-	85	-	-	85	-	-	85
Contribution to legal fees	-	-	6,200	-	-	6,000	-	-	6,000
Insurance of assets	-	571	857	-	-	-	-	-	-
Legal fees and disbursements	-	-	482	-	-	-	-	-	-
Company Registration	-	100	100	-	100	100	-	100	100
Agent's fees	-	-	1,500	-	-	-	-	-	-
	-	<b>(5,921)</b>	<b>(26,483)</b>	-	<b>(5,350)</b>	<b>(21,411)</b>	-	<b>(5,350)</b>	<b>(21,411)</b>
<b>Distributions</b>									
Floating chargeholder	-	-	169,398	-	-	121,800	-	7,200	1,065,800
	-	-	<b>(169,398)</b>	-	-	<b>(121,800)</b>	-	<b>(7,200)</b>	<b>(1,065,800)</b>
<b>Balance of floating charge assets</b>		<b>(5,921)</b>	<b>62,799</b>		<b>(5,350)</b>	<b>33,911</b>		<b>(12,050)</b>	<b>488,771</b>
<b>Represented by</b>									
Interest bearing account			62,739			33,911			481,771
			<b>62,739</b>			<b>33,911</b>			<b>481,771</b>

Note: The above accounts are subject to small rounding differences.

The dividend rates to unsecured creditors, where a distribution has been paid, are detailed in section 5.8 of the report.

## 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](http://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 the case of the Scotsman fee approval was obtained prior to the Employment Tribunal (which gave rise to the sole preferential creditor). Following full settlement of the preferential claim there was no requirement to obtain any further approval from this creditor.

Fees totalling £528,752 have been drawn on account across the Scottish and NI Companies. A breakdown of this sum, drawn against each is provided in the individual R&P Accounts.

### Administrators' details of time spent on Plc

The Administrators' time costs for the Period are £50,165. This represents 110 hours at an average rate of £456 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	14	386	5,405	75,135
Administration (including statutory reporting)	93	463	43,096	264,621
Investigations	1	200	200	13,125
Creditors (claims and distribution)	15	100	1,465	38,537
<b>Total</b>	<b>123</b>	<b>408</b>	<b>50,165</b>	<b>391,414</b>

## **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 pursuant to Statement of Insolvency Practice 9 (Scotland)**

### **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 or director, a senior vice president or 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 overleaf 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 this case.

### **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 assignments 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 these assignments effective from 1 January 2020 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 2020 £	Rates pre 1 January 2020 £
Managing director	760	735
Director	665	640
Senior Vice president	560	540
Vice President	410-505	395-485
Consultant	230-340	220-330
Treasury and support	180-270	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 this final progress report at the relevant court and with the appropriate Registrar of Companies for the dissolution of each entity on completion of all final administrative matters. The Administrators will issue 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 has been 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. This sanction of the relevant Court is being obtained and the date of release will be effective as detailed in the relevant Court order.