

# AM03

## Notice of administrator's proposals



Companies House

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01/02/2020

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COMPANIES HOUSE

### 1 Company details

Company number 00333188

Company name in full Clugston Group Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) James Richard

Surname Clark

### 3 Administrator's address

Building name/number 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country United Kingdom

### 4 Administrator's name

Full forename(s) Howard

Surname Smith

1 Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode LS14DA

Country United Kingdom

2 Other administrator

Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature ✕ JCU		
Signature date	<sup>d</sup> 3 <sup>d</sup> 1	<sup>m</sup> 0 <sup>m</sup> 1	<sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 0

# AM03

## Notice of Administrator's Proposals



### 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 Christian Crawford

Company name KPMG LLP

Address 1 St Peter's Square

Post town Manchester

County/Region

Postcode M 2 3 A E

Country United Kingdom

DX

Telephone 0161 838 3438



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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 and dated the form.



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Crown Way, Cardiff, Wales, CF14 3UZ.  
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# Joint Administrators' proposals

Clugston Group Limited - in  
Administration

31 January 2020

Deemed delivered: 4  
February 2020

## Notice to creditors

*We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.*

*We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.*

*You will find other important information in the document such as the proposed basis of our remuneration.*

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

*Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, [www.kpmg.co.uk/clugstongroup](http://www.kpmg.co.uk/clugstongroup). We hope this is helpful to you.*

**Please also note that an important legal notice about this statement of proposals is attached (Appendix 8).**



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# Contents

1	Executive summary	1
2	Group structure	3
3	Background and events leading to the administration	5
4	Strategy and progress of the administration to date	8
5	Dividend prospects	13
6	Ending the administration	14
7	Approval of proposals	15
8	Joint Administrators' remuneration, disbursements and pre-administration costs	17
9	Summary of proposals	19
Appendix 1	Statutory information	21
Appendix 2	Joint Administrators' receipts and payments account	22
Appendix 3	Joint Administrators' fees estimate	24
Appendix 4	Expenses of the Administration	26
Appendix 5	Joint Administrators' charging and disbursements policy	28
Appendix 6	Statement of Affairs, including creditor list	35
Appendix 7	Glossary	47
Appendix 8	Notice: About this statement of proposals	50

# 1 Executive summary

- This report covers the period 6 December 2019 to 24 January 2020 (the 'Period') and it sets out the Joint Administrators' proposals in the matter of Clugston Group Limited (the 'Company').
- The Company was incorporated on 1 November 1937 and was the parent company to a group that shared the 'Clugston' brand (the 'Group'). The Group encompassed four trading companies including: Clugston Construction Limited ('CCL'), Clugston Services Limited ('CSL'), Clugston Distribution Services Limited ('CDSL') and Clugston Estates Limited ('CEL') (Section 3 – Background and events leading to the administration).
- The Company was a non-trading entity that held the Group's freehold property and investment interests and operated from the Group's head office in Scunthorpe. At the date of the Joint Administrators' appointment, the Company employed 19 members of staff (Section 3 – Background and events leading to the administration).
- The Group experienced cash flow pressures, largely due to significant losses in CCL in FY19 caused by onerous Energy from Waste ('EfW') contracts (Section 3 – Background and events leading to the administration).
- In July 2019, KPMG was engaged to undertake a cash flow and options review to determine the potential size of the funding requirement of the Group and the options available to address such a requirement. A number of 'self-help' initiatives were identified to part-fund the requirement (Section 3 – Background and events leading to the administration).
- However, further unexpected losses on the EfW contracts within CCL, coupled with increasing likelihood that CCL would not secure a new EfW contract with CNIM in mid-2020, meant that the medium term viability of CCL was called into question. As a consequence, mindful not to worsen the position of creditors by dissipating funds raised via the 'self-help' initiatives (funding further losses), the Directors concluded that these initiatives could not be executed as planned. This created an acute cash flow issue and, as such, critical cash management became essential in late 2019, particularly in CCL (Section 3 – Background and events leading to the administration).
- Cross contagion across the Group due to group banking facilities with NatWest, interdependencies in back office functions and intercompany loan positions which could not be settled meant that the Company was no longer able to meet its liabilities as and when they fell due. Accordingly, the Directors resolved to place the Company into administration on 6 December 2019 and the Joint Administrators were subsequently appointed on that day (Section 3 – Background and events leading to the administration).
- Concurrently, James Clark and Howard Smith were appointed joint administrators of CCL. James Clark and Chris Pole were also appointed joint administrators of Clugston Services Limited ('CSL'). Together, the Company, CCL and CSL comprise the 'Administration Group' (Section 3 - Background and events leading to the administration).
- The only secured claim in the administration is held by NatWest, which has the benefit of fixed and floating charges over the assets of the Company by way of a debenture. As at the date of appointment, following the right of offset against the Group's overdraft facilities and credit card indebtedness, NatWest's exposure was £6.0 million in relation to a performance bond within CCL. Prior to appointment NatWest was held cash collateral in relation to this bond in the sum of £4.65 million and, as such, swept a further £1.35

million from the Company's account to cover its exposure (Section 5 - Dividend prospects).

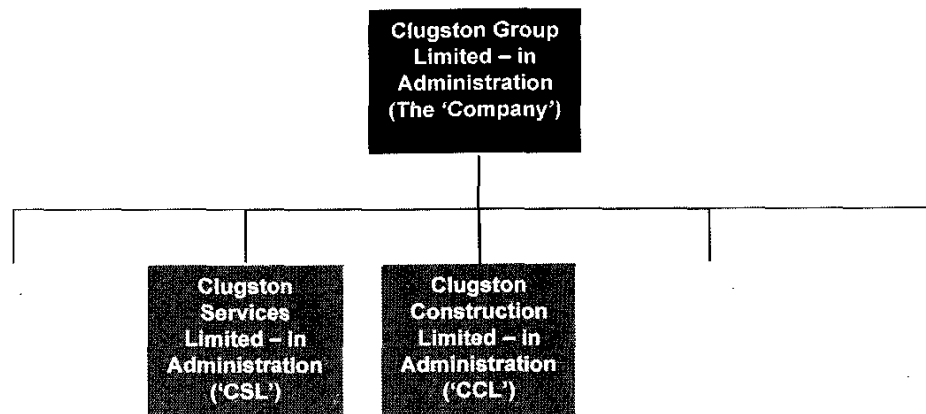
- Given the above we expect NatWest to recover its indebtedness in full, however, NatWest is yet to formally confirm this position (Section 5 - Dividend prospects).
- Preferential claims comprise employees' arrears of wages and holiday pay and are currently estimated at £7,393. Based on current estimates, we anticipate that there will be sufficient realisations to enable a distribution in full to preferential creditors, however, the timing is currently unknown (Section 5 - Dividend prospects).
- Based on current estimates, it is expected that unsecured creditors will receive a dividend; however, the quantum and timing is currently unknown (Section 5 – Dividend prospects).
- The PPF is likely to be the Company's largest unsecured creditor (subject to confirming the quantum of construction related liquidated damages claims) and therefore has a material interest in the administration. Accordingly, the Joint Administrators have been in regular communication with the PPF regarding the strategy and progress of the administration.
- We intend to seek approval of our proposals from the Secured and preferential creditors by correspondence procedure (Section 7 – Approval of proposals).
- We also intend to seek approval for our remuneration, disbursements and pre-administration costs from the Secured and preferential creditors alongside this report. We have included an estimate of our anticipated time costs for the administration in Appendix 4 (Section 8 - Joint Administrators' remuneration, disbursements and pre-administration costs).
- The Joint Administrators consider it prudent to retain all options open to them, as detailed in Section 6, to bring the administration to a conclusion. However it is currently anticipated that the most likely exit route will be via Company Voluntary Liquidation (Section 6 - Ending the administration).
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 9 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



James Clark  
Joint Administrator



## 2 Group structure



### *Clugston Group Limited – in Administration (the 'Company')*

The Company was incorporated on 1 November 1937 and is the parent company to a group of companies that share the 'Clugston' brand. Prior to administration, the Company administered the Group's payroll, produced consolidated financial accounts and managed the Group's VAT and tax affairs. James Clark and Howard Smith were appointed as Joint Administrators of Clugston Group Limited on 6 December 2019.

### *Clugston Construction Limited – in Administration ('CCL')*

This entity was incorporated on 25 January 1961 and was made up of a regional construction business, an EfW business and it held five FM Contracts. James Clark and Howard Smith were appointed as Joint Administrators of the Company on 6 December 2019.

### *Clugston Services Limited – in Administration ('CSL')*

This entity was incorporated on 28 January 1966 but remained dormant until it began trading in February 2019. James Clark and Christopher Pole were appointed as Joint Administrators of the Company on 6 December 2019.

Prior to the administration of CSL it was the trading name and service delivery company of the Group's FM Contracts and Site Survey services. Site Survey services comprised twelve employees who undertook topographical surveys, floor plans and laser scanning of sites. Historically, the Group's FM offering was delivered by CCL, however, a desire to segregate these businesses for clarity saw the commencement of trading via the CSL in February 2019. Accordingly, all relevant staff contracts were novated to the CSL and any new FM Contracts won were contracted with the CSL. Due to the costs and complexity of contract novations, any contracts already in place remained contractually in CCL.

Consequently, five of the Group's FM Contracts were in the CCL, with two in CSL. Additionally, any invoices in respect of the Group's site survey services were raised in the name of CSL.

*Clugston Distribution Services Limited ('CDSL')*

This entity was incorporated on 25 July 2005 as a haulage business and operates in a number of sectors including fuel, food and bulk haulage. Note that CDSL did not enter administration on 6 December 2019 and continues to trade.

*Clugston Estates Limited ('CEL')*

This entity was incorporated on 12 March 1930 and holds the Group's interest in a property development joint venture and managed the Group's freehold property interests. Note that CEL did not enter administration on 6 December 2019 and continues to trade.

*Others*

There are a number of other entities within the Group that are either dormant or have subsequently been dissolved. These entities did not enter administration on 6 December 2019.

## 3 Background and events leading to the administration

### 3.1 Background information

As outlined above, the Company was incorporated on 1 November 1937 and was the parent to a group of companies that shared the 'Clugston' brand (the 'Group'). The Group encompasses four trading businesses including construction, facilities management, haulage and property development.

The Company operated from its head office in Scunthorpe. Prior to appointment the Company employed 19 members of staff; however, shortly following our appointment eleven members of staff were made redundant, including four Directors. We retained eight members of staff, two of whom were Directors of the Company, in order to assist with the wind down of the Company and to gather information on the Group's financial and other interests.

### 3.2 Funding and financial position of the Company

NatWest has the benefit of fixed and floating charges over the assets of the Company by way of a debenture. As at the date of appointment, following the right of offset against the Group's overdraft facilities and credit card indebtedness, NatWest's exposure was £6.0 million in relation to a performance bond within CCL. Prior to appointment NatWest was held cash collateral in relation to this bond in the sum of £4.65 million and, as such, swept a further £1.35 million from the Company's account to cover its exposure.

Detailed below is the Group's consolidated financial position and performance for FY16, FY17, and FY18.

Group's financial summary			
£'000	Year ended 31/01/2016	Year ended 31/01/2017	Year ended 31/01/2018
Turnover	143,433	118,173	175,372
Profit / (loss) before taxation	2,242	1,039	(469)
Net assets / (liabilities)	33,872	33,173	32,042
Number of employees	629	579	629

### 3.3 Events leading to the administration

The Group experienced cash flow pressures, largely due to significant losses in CCL in FY19 caused by onerous EfW contracts. The position was further exacerbated following the failure of a key subcontractor in June 2019 which resulted in significant ransom positions from the supply chain.

In July 2019, KPMG was engaged to undertake a cash flow and options review to determine the potential size of the funding requirement and the options available to address such a requirement. A number of 'self-help' initiatives were identified to part-fund the requirement. This included the sale of certain Group's freehold properties and the possibility of accessing

additional debt into the business by way of an asset-based lending facility. CCL's EfW joint venture partner, Constructions industrielles de la Méditerranée ('CNIM'), was also approached to support the business through funding and mitigation of liquidated damages claims (amongst other things).

Subsequently, KPMG was engaged to support the board to monitor the Group's short term cash position, support negotiations with CNIM, and assist in delivering certain of the self-help initiatives. With the support of CNIM and planned realisations from the self-help initiatives a stable platform for continued trading was created. However, further unexpected losses on the EfW contracts within CCL, coupled with increasing likelihood that CCL would not secure a new EfW contract with CNIM in mid-2020 meant that the medium term viability of CCL was called into question.

As a consequence, mindful not to worsen the position of creditors by dissipating funds raised via the 'self-help' initiatives (funding further losses), the Directors concluded that these initiatives could not be executed as planned. This created an acute cash flow issue and, as such, critical cash management became essential in late 2019, particularly in CCL.

Cross contagion across the Group due to group banking facilities with NatWest, interdependencies in back office functions and intercompany loan positions which could not be settled meant that the Company was no longer able to meet its liabilities as and when they fell due. Accordingly, the Directors resolved to place the Company into administration on 6 December 2019 and the Joint Administrators were subsequently appointed on that day.

### **3.4 Pre-administration work**

Immediately prior to our appointment the following work was carried out with a view to placing the Company into administration:

- KPMG undertook discussions with the directors to explain the process, procedure and consequences of placing the Company into administration;
- Work preparing and reviewing appointment documentation, liaising with solicitors and the directors regarding the appointment; and
- Eversheds assisted with the preparation and filing of the appointment documents and provided general legal advice ahead of our appointment as Joint Administrators.

The costs incurred by KPMG and Eversheds with respect to pre-administration work have not been paid to date. Approval for these costs will be sought from the preferential and unsecured creditors, as necessary.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised above, has not resulted in any relationship which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

### **3.5 Appointment of Joint Administrators**

The Directors resolved on 6 December 2019 to appoint James Clark and Howard Smith as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD) on 6 December 2019 and we were duly appointed.

## 4 Strategy and progress of the administration to date

### 4.1 Strategy to date

#### *Strategy*

The Company is the ultimate owner of the Group and, prior to the appointment of the Joint Administrators, it employed directors and senior management who were involved in the management of the whole Group. The Company owned certain of the Group's freehold properties, as well as other investment interests held via subsidiary companies. Our administration strategy is largely focussed on the realisation of these assets, while attending to all statutory matters as detailed below.

The Company employed 19 members of staff at the date of appointment. During the period from appointment to 24 January 2020, eleven employees were made redundant and eight employees have been retained (see below for further information).

As detailed in Section 3.3 (Events leading to the administration), KPMG was engaged to assist the Company with options to mitigate the Group's funding requirement. One of the self-help initiatives was the sale of the Group's freehold property interest. Prior to our appointment, CBRE was engaged to value and market the Property. CBRE carried out extensive market testing in order to identify a bidder and a recommendation was made to the Directors to proceed with a sale to a preferred party. Sale contracts were successfully exchanged (a sale and leaseback arrangement), however, the sale could not be completed in October 2019 as expected. As the medium term viability of the business became increasingly uncertain, it was not possible to complete the sale of the Property.

Following our appointment, we continued to liaise with the Purchaser and a sale completed on 19 December 2019 for £5.4 million. A lease arrangement has been agreed with the Purchaser to enable the Company to continue to occupy the Property in the short term.

The PPF is likely to be the Company's largest unsecured creditor (subject to confirming the quantum of construction related liquidated damages claims) and therefore has a material interest in the administration. Accordingly, the Joint Administrators have been in regular communication with the PPF regarding the strategy and progress of the administration.

#### *Future strategy*

The Joint Administrators are continuing to retain eight members of staff to assist with the orderly wind down of the Company, including providing Company information and dealing with any queries relating to the period prior to our appointment. Working alongside Company staff has allowed for a transfer of data and knowledge to the administration team that will support asset realisation efforts in the estate.

Following the sale of the Company's Property, the main assets left to realise in the Company are: interest in a shareholding in a PFI SPV (held within a wholly owned subsidiary of the Company); interest in trading subsidiaries being CDSL and CEL; two plots of freehold land

(again, held within a wholly owned subsidiary of the Company); and monies owned to the Company under intercompany loans. In addition, the Joint Administrators will pursue other Group companies for payroll and other administrative recharges that are settled from the Company where a reasonable contribution is expected following a reconciliation exercise.

Taking these assets in turn:

- **PFI SPV:** In a similar vein to the Property transaction, a potential purchaser was identified prior to the appointment of the Joint Administrators. A relationship with this purchaser has been maintained following the administration of the Company and the hope is to continue this transaction on similar terms negotiated pre-appointment. It is the intention to continue to utilise KPMG LLP Corporate Finance and Addleshaw Goddard LLP who were engaged by Clugston PF Limited (the owning shareholder) to execute this transaction. *There are a number of breaches in the SPV caused by the insolvency of the Company and CCL (being a FM provider to the hospital within the SPV); however, we are already in negotiations with all relevant stakeholder to remedy these breaches.*
- **CDSL:** The Joint Administrators have, following their appointment, overseen a marketing exercise of the shares in CDSL that was undertaken by KPMG LLP. Following a successful marketing process the Joint Administrators are seeking to conclude and execute a solvent share sale of CDSL which would see a return from intercompany loans owing from CDSL to the Company.
- **CEL:** CEL has continued to operate outside an administration process following the appointment of the Joint Administrators to the Company. We are aware that the directors, alongside advice from KPMG LLP, are seeking a deal to dispose of CEL's interest in a property development Joint Venture. The Company has an intercompany balance owing from CEL and hence has an interest in the potential returns from this company. The Administrators will continue to liaise with the directors (or future Joint Administrators) in relation to funds owed to the Company.
- **Freehold land:** The Joint Administrators have engaged Sanderson Weatherall to provide valuation advice and a realisation strategy in relation to these assets with realisations expected in the order of £300,000. Note that as these assets are held by a subsidiary undertaking the Joint Administrators will need to liaise with the directors of that company (Clugston Reclamation Limited – 'CRL') in order to see funds flow into the administration. It is expected that realisations will return to the Company as CRL has common directors with other Group companies with which the Joint Administrators are already in communication.
- **Intercompany debt:** The position of intercompany loans is made up by: 1) adjudicating and agreeing the intercompany loan position prior to our appointment with the other Group companies; 2) levying additional claims on the Group companies due to balances caused by banking offset actioned by NatWest 3) liaising with the Company's appointed legal advisors in relation to the Company's right of subrogation of NatWest's security (this will see the Company's claims on other Group companies in relation to banking offset move from unsecured to secured) and 4) considering the potential for offset of the Company's potential secured claim on other Group companies due to intercompany loans owed from the Company. Note that realisations in respect of intercompany loans are expected to be material, subject to the outcome of whether subrogation applies.

In addition to dealing with the above assets of the estate, the Joint Administrators will liaise with the administrators of CCL in order to adjudicate claims that may be levied on the Company due to parent company guarantees. These claims are expected to be in relation to liquidated damages on construction contracts where the Company was named as a guarantor in relation to any liability and could have a material impact on the final level of dividend to unsecured creditors. We believe this work is worthwhile in order to improve dividend prospects to unsecured creditors by challenging unsubstantiated claims.

## **4.2 Asset realisations**

Realisations from the date of our appointment to 24 January 2020 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

### *Freehold Property*

As detailed above, the Company's Property was exchanged for sale for the net price of £6.3 million prior to the appointment of the Joint Administrators, but a sale did not complete in October 2019 as expected. Per the terms of the pre-administration sale agreement, the Company was due to continue to occupy the Property after the completion of the sale and leaseback arrangement and hence, would have been due to pay rent to the Purchaser. However, due to the insolvency of the Company, the Joint Administrators intend to vacate the Property by 31 March 2020. As a result, the previously agreed price was renegotiated.

Accordingly, the sale of the Property was completed on 19 December 2019, realising £5.4 million in the administration.

The Joint Administrators sought advice from their solicitors and agents on the strategy regarding the Property value (in the context of potentially having to re-market the property) and the potential legal costs of pursuing the Purchaser to completion were considered. Legal and valuation advice concluded that the best outcome in terms of asset realisations, both in value and certainty, the Joint Administrators chose to conclude the sale.

### *Reimbursement of Related Party payroll*

Prior to appointment, the Company administered all payroll activity for all of the Group's staff members with subsequent reimbursements provided by each of the Group entities.

This process continued in administration. Accordingly, total reimbursements of £809,213 have been received by the Company in respect of payroll costs for CCL and CSL retained staff. A further reconciliation exercise is ongoing which will see funds flow to the Company to reimburse it fully for any related party payroll.

### *Cash at bank*

As mentioned above (see Section 3.2 - Funding and financial position of the company), NatWest exercised its right to apply offset to the Group's overdraft facilities. In simple terms, this meant that the NatWest was fully entitled to utilise funds within the Company to settle overdrafts of other Group companies party to a banking guarantee. These companies were: CDSL, CCL and CEL (note however that CEL did not operate an overdraft at the time of the Joint Administrators' appointment to the Company).



Once offset was applied across the group wide facilities (which included paying credit card liabilities, minimal banking charges and a further 'sweep' to cover exposure in relation to a performance bond in CCL), the Company had a residual pre-appointment balance of £5.6 million. These funds have subsequently been transferred to the Company's post-appointment bank account during the Period.

#### *Investigations*

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

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Christian Crawford at KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA United Kingdom.

### **4.3 Costs**

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

Payments made from the date of our appointment to 24 January 2020 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made to date are provided below.

#### *Software costs*

During the Period, £27,000 has been paid to Eque2 in respect of the payroll software used to enable the Administration Group to execute payroll payments. Note an equitable proportion of this cost will be re-charged to the other group companies.

#### *Related Party Payroll*

As outlined above, the Company administered the Group's payroll, this has continued in administration. As a result £928,791 has been incurred with respect to CCL and CSL staff wages and salaries during the Period. Note that these costs will be reimbursed in full by the respective companies (see Reimbursement of Related Party Payroll above).

#### *Repayment of Third Party Funds*

Shortly following the appointment of the Joint Administrators the Company demanded early rent payment from the tenant of the Leeds Property for the first quarter of 2020. However, as the Property was sold to the Purchaser on 19 December 2019, the rent payment of £80,773 was refunded to the tenant.

#### *Rent*

The Company is currently leasing the Property from the Purchaser during the administration, incurring rental costs of £28,750. There is a lease agreement between the Company and CCL and so these costs will be reimbursed by CCL.

#### *Wages and Salaries*

Following appointment, eight members of staff were retained in order to assist with the administration. We have incurred £125,641 with respect to wages and salaries.

*PAYE and NIC*

As mentioned above, wages and salaries have been paid to the retained members of staff. We have made PAYE and NIC payments in relation to these amounts of £33,287 in the Period.

*Legal Fees*

During the Period, legal costs of £25,209 have been paid to Freeths for their work in relation to the sale of the Property.

*Agents' fees*

CBRE has been paid £50,000 for their work in relation to the sale of the Property, through continued negotiations with the Purchaser and in providing recommendations to the Joint Administrators.

## 5 Dividend prospects

### 5.1 Secured creditor

NatWest has the benefit of fixed and floating charges over the assets of the Company by way of a debenture. As explained above, NatWest has mitigated its exposure to the Group by way of cash held on account in respect of future potential liabilities (with all historical liabilities to each Group company mitigated via the mechanism of the banking guarantee).

As a consequence we expect NatWest to recover its indebtedness in full, however, NatWest is yet to formally confirm this position.

We expect that the Company will be a subrogated secured creditor, when NatWest recover its indebtedness in full, whereby the Company will benefit from the debenture granted by CCL, CEL and CDSL to NatWest. At present, until NatWest confirms it has been paid in full and all contingent liabilities are met from the funds that NatWest has retained, the Company is an unsecured contingent creditor of CCL and CDSL to the value of the Company's funds used to settle CCL's and CDSL's overdrafts. In addition, the Company has a right of contribution claim against CEL for the share of the Group's overdrafts that CEL should have equitably contributed to under the banking guarantee.

### 5.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

We estimate the amount of preferential claims at the date of our appointment to be £7,393.

Based on current estimates, we anticipate that preferential creditors will be paid in full. The timing of any distributions are dependent upon the realisations and associated costs of the administration.

### 5.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets, the payment of associated costs; and have further clarity on the quantum of unsecured claims in the administration. At this stage, it appears that the PPF is likely to be the Company's largest unsecured creditor in the administration and will be consulted with as appropriate.

The Joint Administrators are currently seeking advice from counsel with respect to the Company's subrogation and the intercompany debt owed by the Company to CCL. It is currently uncertain whether the right of offset can be applied to these cross-company balances. Dependent on the advice received from counsel, this will have a material impact on the quantum of any dividend to unsecured creditors. A revised estimated outcome will be detailed in the Joint Administrators' first progress report in due course.

## **6 Ending the administration**

### **6.1 Exit route from administration**

We consider it prudent to retain all of the options available to us, as listed in Section 9 to *bring the administration to a conclusion in due course*.

However, at this stage we anticipate that the most likely exit route will be a creditors' voluntary liquidation and we propose to seek appointment as liquidators. This will enable a distribution to preferential creditors.

Please note that we consider it to be unrealistic to be able to provide an accurate estimate of the remuneration anticipated to be charged and the expenses likely to be incurred for the duration of the liquidation at this stage. To ensure that the information we provide to you is meaningful, we believe that it would be more appropriate to provide the fees and expenses estimates, and seek approval for fees, in the subsequent liquidation. We will look to seek resolutions for the approval of remuneration within four weeks of our appointment as liquidators.

### **6.2 Discharge from liability**

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

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

See Section 7 for details regarding the decision by correspondence.

## **7 Approval of proposals**

### **7.1 Decision procedure**

Notice of seeking a decision by correspondence is attached to the covering letter. This decision by correspondence procedure is being used to seek approval of our statement of proposals.

#### *Creditors' Committee*

A Creditors' Committee will be formed if the creditors decide that one should be formed and sufficient creditors are willing to act. The minimum number of Committee members is three and the maximum is five.

#### *Function of the Creditors' Committee*

The Creditors' Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Administrators.

If a Creditors' Committee is formed it is for that body to approve, for instance:

- the basis of our remuneration;
- drawing of Category 2 disbursements, and
- the payment of unpaid pre-administration costs.

Members of the Creditors' Committee are not remunerated for their time. Other than receiving travel expenses, they receive no payment from the Company.

### **7.2 Decisions**

The proposed decisions to be considered as part of the decision by correspondence are as follows:

- approval of our proposals;
- the formation of a Creditors' Committee.

In addition, creditors are also required to vote on the proposed decisions in Section 9. However, the votes cast in relation to these additional decisions will only be used if a Creditors' Committee is not formed.

### **7.3 Creditors' right to request a physical meeting**

We will summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the procedures set out below are followed.

Requests for a physical meeting must be made within five business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a physical creditors' meeting, please complete and return the physical meeting requisition form attached to the cover letter.

## **8 Joint Administrators' remuneration, disbursements and pre-administration costs**

### **8.1 Approval of the basis of remuneration and disbursements**

We propose to seek approval from the Secured Creditor and preferential creditors that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

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

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

#### *Time costs*

From the date of our appointment to 24 January 2020, we have incurred time costs of £359,842. These represent 875 hours at an average rate of £411 per hour.

#### *Disbursements*

We have incurred disbursements of £2,192 during the Period. None of these have yet been paid.

#### *Additional information*

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 24 January 2020. We have also attached our charging and disbursements recovery policy.

Whilst we anticipate that a liquidation will be our exit route and we propose to seek appointment as liquidators, we consider it to be unrealistic to be able to provide an accurate estimate of the remuneration anticipated to be charged and the expenses likely to be incurred for the duration of the liquidation at this stage. To ensure the information we provide to you is meaningful, we will, therefore, provide the fees and expenses estimates for the subsequent liquidation and seek approval for that remuneration within four weeks of our appointment as liquidators.

### **8.2 Pre-administration costs**

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 3:

Pre-administration costs			
	Paid (£)	Unpaid (£)	Total (£)
KPMG fees	0.00	442.00	442.00
Legal fees	0.00	1,176.00	1,176.00
<b>Total</b>	<b>0.00</b>	<b>1,618.00</b>	<b>1,618.00</b>

The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.



## 9 Summary of proposals

As it was not possible to achieve a sale of the business as a going concern prior to our appointment, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

### *General matters*

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

### *Distributions*

- to make distributions to the Secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

### *Ending the administration*

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, James Clark and Howard Smith, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, James Clark and Howard Smith, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;

- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

*Joint Administrators' remuneration and pre-administration costs*

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5.;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in *Statement of Insolvency Practice 9*) will be charged in accordance with KPMG's policy as set out in Appendix 5;
- unpaid pre-administration costs be an expense of the administration.

*Discharge from liability*

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

## Appendix 1 Statutory information

Company information	
Company and Trading name	Clugston Group Limited
Date of incorporation	1 November 1937
Company registration number	00333188
Trading address	St. Vincent House, Normanby Road, Scunthorpe, North Lincolnshire, DN15 8QT
Previous registered office	St. Vincent House, Normanby Road, Scunthorpe, North Lincolnshire, DN15 8QT
Present registered office	1 Sovereign Square, Sovereign St, Leeds, LS1 4DA
Company Directors	David Westland Antony Clugston John Westland Antony Clugston John Anthony Brian Kelly Ian Pattison Stephen John Radcliffe Andrew William Walker
Company Secretary	Ian Pattison

Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD), 1296 of 2019
Appointor	Directors
Date of appointment	6 December 2019
Joint Administrators	James Clark and Howard Smith
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	5 December 2020
Prescribed Part	The Prescribed Part is applicable on this case.  It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £22,266,240. Estimated Prescribed Part is £600,000.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

## Appendix 2 Joint Administrators' receipts and payments account

Clugston Group Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 06/12/2019 To 24/01/2020 (£)	From 06/12/2019 To 24/01/2020 (£)
FIXED CHARGE ASSETS			
6,000,000.00	Freehold property	5,405,944.61	5,405,944.61
	Reimbursement of search fees	1,552.51	1,552.51
5,200,000.00	PFI SPV	NIL	NIL
		5,407,497.12	5,407,497.12
FIXED CHARGE COSTS			
	Legal fees	(25,209.00)	(25,209.00)
	Agents'/Valuers' fees	(50,000.00)	(50,000.00)
		(75,209.00)	(75,209.00)
FIXED CHARGE CREDITORS			
(1,350,000.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
	Miscellaneous receipts	6.00	6.00
	Cash at bank	5,617,125.45	5,617,125.45
		5,617,131.45	5,617,131.45
OTHER REALISATIONS			
	Bank interest, gross	746.11	746.11
	Refund of BUPA Cash Plan	3,643.04	3,643.04
	Reimbursement of Third Party payroll	809,213.17	809,213.17
	Charges for administrative services	62,116.99	62,116.99
	Funds held for third parties	80,898.00	80,898.00
	Advertising	175.00	175.00
3,100,000.00	Intercompany debtors	NIL	NIL
		956,792.31	956,792.31
COST OF REALISATIONS			
	Repayment of third party funds	(80,773.00)	(80,773.00)
	Software costs	(27,000.00)	(27,000.00)
	Payment of third party payroll	(928,791.81)	(928,791.81)
	Statutory advertising	(73.00)	(73.00)
	Rent	(28,750.00)	(28,750.00)
	Wages & salaries	(125,641.98)	(125,641.98)
	PAYE & NIC	(33,287.00)	(33,287.00)

# Clugston Group Limited - in Administration

## Abstract of receipts & payments

Statement of affairs (£)		From 06/12/2019 To 24/01/2020 (£)	From 06/12/2019 To 24/01/2020 (£)
	Bank charges	(300.00)	(300.00)
		(1,224,616.79)	(1,224,616.79)
	PREFERENTIAL CREDITORS		
(7,393.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(64,672,000.00)	Trade & expense	NIL	NIL
(264,000.00)	Employees	NIL	NIL
(1,000,000.00)	Intercompany creditors	NIL	NIL
		NIL	NIL
<b>(52,993,393.00)</b>		<b>10,681,595.09</b>	<b>10,681,595.09</b>
	REPRESENTED BY		
	Floating ch. VAT rec'able		11,405.66
	Fixed charge current		1,817,270.32
	Fixed charge money market		3,500,000.00
	Floating charge current		1,837,901.31
	Floating charge mon. mar.		3,500,000.00
	Fixed charge VAT rec'able		15,017.80
			<b>10,681,595.09</b>

## Appendix 3 Joint Administrators' fees estimate

Clugston Group Limited - in Administration fee estimate					
	Narrative	Cost incurred to date (£)	Estimated future cost (£)	Estimated total cost (£)	Estimated average hourly rate (£)
	Statutory and compliance	Note 1 54,753.25	75,987.00	130,740.25	330.05
	Cashiering	Note 2 20,106.80	22,316.00	42,422.80	121.60
	Tax	Note 3 15,996.90	35,826.00	51,822.90	122.40
	Bankrupt/Director/Member	Note 4 -	1,652.00	1,652.00	7.00
	General	Note 5 34,330.15	60,743.00	95,073.15	294.60
	<b>Administration &amp; Planning</b>	<b>125,187.10</b>	<b>196,524.00</b>	<b>321,711.10</b>	<b>875.65</b>
	<b>Trading</b>	Note 6 14,713.50	-	14,713.50	39.05
	<b>Realisation of Assets</b>	Note 7 141,051.30	129,045.00	270,096.30	634.20
	Employees	Note 8 35,210.00	37,740.40	72,950.40	185.95
	Creditors and claims	Note 9 42,928.25	119,641.00	162,569.25	456.75
	Committees	-	-	-	-
	<b>Creditors</b>	<b>78,138.25</b>	<b>157,381.40</b>	<b>235,519.65</b>	<b>642.70</b>
	Directors	Note 10 681.00	24,523.00	25,204.00	67.65
	Investigations	Note 11 70.80	14,828.00	14,898.80	43.80
	<b>Investigations</b>	<b>751.80</b>	<b>39,351.00</b>	<b>40,102.80</b>	<b>111.45</b>
	<b>Total</b>	<b>359,841.95</b>	<b>522,301.40</b>	<b>882,143.35</b>	<b>2,303.05</b>

### Note 1 – Statutory Compliance

Time will be spent on ensuring that we are compliant with all relevant statutory obligations. This includes but is not limited to: reviewing health and safety matters, providing initial statutory notification of our appointment to the Registrar of Companies, creditors and other stakeholders; preparing statutory receipts and payments and liaising with legal advisors as to the validity of our appointment.

### Note 2 – Cashiering

New bank accounts have been opened and will be maintained in the administration; receipts and payments will be processed and reconciled.

### Note 3 – Tax

This work involves undertaking a review of the Company's pre-appointment tax affairs, submitting pre-administration and post appointment VAT and Corporation Tax returns and the maintenance and submissions of post-appointment tax records.

### Note 4 – General

This work involves arranging for the Company records, both physical and electronic, to be backed up, collected and/or destroyed. This also includes time spent dealing with obtaining approval of the administrator's fees, as well as raising fees and monitoring time spent in the administration.

*Note 5 – Bankrupt/Director/Member*

Time will include notifying and corresponding with the Company's shareholders.

*Note 6 -Trading*

A small amount of time has already been incurred dealing with matters relating to ongoing trade across the Administration Group. This includes bank account reconciliations and payroll services with respect to the retained staff members.

*Note 7 – Realisation of Assets*

Time will be spent realising the Company's assets, which include but are not limited to freehold property, shares in a PFI SPV and fixtures and fittings. We will spend time seeking valuations and liaising with agents in order to maximise realisations.

*Note 8 – Employees*

This work involves payment of the retained staff post-appointment, dealing with employee queries from redundant staff and other employee matters by our specialist ERA team. Continued consultation has been carried out with the retained members of staff.

*Note 9 – Creditors and Claims*

This relates to time spent notifying creditors of our appointment and responding to general enquiries. Time will also be spent preparing updates on the progress of the administration, including drafting and circulating our proposals and progress reports.

Further time will be spent reviewing claims received in the administration should realisations permit a distribution in the administration. The nature of reviewing creditor claims in this administration is expected to be lengthy and complex, given the nature of such claims (being likely large liquidated damages claims levied under group guarantees). We believe time is well spent in the administration dealing with these claims while the Joint Administrators have the benefit of liaising with appointed agents within CCL.

*Note 10 – Directors*

Time will be spent corresponding with the Directors regarding the Statement of Affairs and Directors Questionnaire's. We will continue to liaise with Directors as appropriate.

*Note 11 – Investigations*

A return on the conduct of the Directors will be drafted and submitted confidentially to the Insolvency Service. We will review pre-appointment transactions, and the performance and position of the Company prior to insolvency.

## Appendix 4 Expenses of the Administration

Expenses of the administration				
	Note	Paid to date (£)	Future costs (£)	Total (£)
<b>Non-trading costs</b>				
Joint Administrators' pre-administration costs	1		2,000	2,000
Legal fees	2	25,209	220,000	245,209
Legal disbursements	2	50,000	10,000	60,000
Pre-administration legal fees	2	-	1,176	1,176
Agents' fees	3	-	5,025	5,025
Agents' disbursements	3	-	251	251
Employment costs	4	-	20,000	20,000
Related Party Payroll	5	928,792	29,051	957,843
Wages and salaries	6	92,355	-	92,355
Head Office costs	7	27,000	12,000	39,000
Insurance	8	-	25,000	25,000
Storage costs	9	-	25,000	25,000
Statutory advertising	10	73	292	365
Bank charges	11	300	500	800
Mail redirection	12	-	400	400
<b>Total</b>		<b>1,123,729</b>	<b>350,695</b>	<b>1,474,424</b>

### *Note 1 – Joint Administrators' pre-administration costs*

The Joint Administrators' time costs and disbursements incurred for pre-administration work.

### *Note 2 – Legal fees, disbursements and pre-administration legal fees*

This includes estimated legal costs and disbursements to be incurred throughout the administration, for the provision of general legal advice over the course of the administration along with pre-administration legal fees.

### *Note 3 – Agents fees and disbursements*

Estimated agent's fees and disbursements to be incurred throughout the administration by Sanderson Weatherall for their work in valuing and marketing the Company's assets, including IT equipment, fixtures and fittings.

### *Note 4 – Employment costs*

Due to the number of employees that the Company retained in the administration, a third party employee specialist has been engaged to assist with employee claims and payroll.

### *Note 5 – Related Party Payroll*

Prior to administration the Company administered the Group's payroll, this has continued in administration. As a result expenses have been incurred with respect to CCL and CSL staff wages and salaries during the Period. Note that these costs will be reimbursed in full by the respective companies.

### *Note 6 – Wages and Salaries*

A number of employees were retained to assist with the administration. Wages paid to date are for the period 6 December 2019 to 24 January 2020. Future wages costs are anticipated whilst the administration is ongoing.



*Note 7 – Head Office Costs*

This includes payroll software costs of £27,000 which has been paid to Eque2 in respect of the payroll software used to enable the Administration Group to execute payroll payments. Along with estimated rates and utilities for the Period.

*Note 8 – Insurance*

Marsh has been instructed to provide insurance cover for the Company and its assets.

*Note 9 – Storage Costs*

Costs for the collection and storage of the Company's books and records, in line with statutory requirements.

*Note 10 – Statutory advertising*

Estimated costs for advertising our appointment in the London Gazette and any further advertisements as and when required.

*Note 11 – Bank Charges*

Estimated bank charges incurred throughout the course of the administration associated with making electronic payments.

*Note 12 – Mail Re-direction*

This is the cost of redirecting the Company's mail from the Company's pre-appointment address to the Joint Administrator's address.

## Appendix 5 Joint Administrators' charging and disbursements policy

### *Joint Administrators' charging policy*

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

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

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

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

If you are unable to access this guide and would like a copy, please contact Christian Crawford on 0161 838 3438.

### *Hourly rates*

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

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

Charge-out rates (£) for: CRS		
Grade	From 01 Oct 2019 £/hr	From 01 Jan 2020 £/hr
Partner	655	690
Director	590	620
Senior Manager	535	560
Manager	445	467
Senior Administrator	310	325
Administrator	225	236
Support	140	147

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

#### *Policy for the recovery of disbursements*

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

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

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

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

Mileage claims fall into three categories:

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

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

We have incurred the following disbursements during the period 6 December 2019 to 24 January 2020.

SIP 9 - Disbursements				
Disbursements	Category 1		Category 2	
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)
Accommodation		375.75		NIL
Meals		146.67		NIL
Mileage		NIL		1,214.37
Postage		5.30		NIL
Telecommunications		449.96		NIL
<b>Total</b>		<b>977.68</b>		<b>1,214.37</b>
				<b>2,192.05</b>

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

Category 2 disbursements are to be approved in the same manner as our remuneration.

## Narrative of work carried out for the period 6 December 2019 to 24 January 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> <li>■ collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets;</li> <li>■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment;</li> <li>■ issuing regular press releases and posting information on a dedicated web page;</li> <li>■ preparing statutory receipts and payments accounts;</li> <li>■ arranging bonding and complying with statutory requirements;</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li> </ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ formulating, monitoring and reviewing the administration strategy, including the decision to trade;</li> <li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointment;</li> <li>■ reviewing matters affecting the outcome of the administration;</li> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ liaising with legal advisors regarding the various instructions;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing updates to representatives of the Secured Creditor regarding the progress of the administration and case strategy.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts;</li> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks;</li> <li>■ reviewing and processing employee expense requests;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ gathering initial information from the Company's records in relation to the taxation position of the Company;</li> <li>■ submitting relevant initial notifications to HM Revenue and Customs;</li> <li>■ reviewing the Company's pre-appointment corporation tax and VAT position;</li> <li>■ working initially on tax returns relating to the periods affected by the administration;</li> <li>■ analysing VAT related transactions;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>■ providing notification of our appointment;</li> <li>■ responding to enquiries from shareholders regarding the administration;</li> <li>■ providing copies of statutory reports to the shareholders.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ locating relevant Company books and records and arranging for their collection.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ collating information from the Company's records regarding the assets;</li> <li>■ liaising with agents regarding the sale of assets;</li> <li>■ dealing with issues associated with the sale of stock;</li> <li>■ liaising with Company credit control staff and communicating with debtors;</li> <li>■ seeking legal advice in relation to book debt collections;</li> <li>■ reviewing the inter-company debtor position between the Company and other group companies.</li> </ul>
Property matters	<ul style="list-style-type: none"> <li>■ reviewing the Company's leasehold properties, including review of leases;</li> <li>■ communicating with landlords regarding rent, property occupation and other issues;</li> <li>■ performing land registry searches.</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal obligations are complied with;</li> <li>■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.</li> </ul>

Open cover insurance	<ul style="list-style-type: none"> <li>■ arranging ongoing insurance cover for the Company's business and assets;</li> <li>■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</li> <li>■ assessing the level of insurance premiums.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>■ dealing with queries from employees regarding various matters relating to the administration and their employment;</li> <li>■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</li> <li>■ holding employee briefing meetings to update employees on progress in the administration and our strategy;</li> <li>■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns;</li> <li>■ communicating and corresponding with HM Revenue and Customs;</li> <li>■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office;</li> <li>■ managing claims from employees.</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>■ collating information and reviewing the Company's pension schemes;</li> <li>■ calculating employee pension contributions and review of pre-appointment unpaid contributions;</li> <li>■ ensuring compliance with our duties to issue statutory notices;</li> <li>■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment;</li> <li>■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ drafting and circulating our proposals;</li> <li>■ creating and updating the list of unsecured creditors;</li> <li>■ consulting</li> <li>■ responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records.</li> </ul>
Investigations/ directors	<ul style="list-style-type: none"> <li>■ reviewing Company and directorship searches and advising the directors of the effect of the administration;</li> <li>■ liaising with management to produce the Statement of Affairs;</li> <li>■ reviewing the questionnaires submitted by the Directors of the Company.</li> </ul>

*Time costs – pre-administration*

Pre-Administration costs (29/11/2019 to 05/12/2019)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
Appointment documents			0.70		217.00	310.00
Pre-administration checks			1.00		225.00	225.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>1.70</b>	<b>0.00</b>	<b>442.00</b>	<b>260.00</b>

## Time costs analysis

SIP 9 –Time costs analysis (06/12/2019 to 24/01/2020)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
Fund management	1.20	378.00	315.00
General (Cashiering)	32.15	9,628.30	299.48
Reconciliations (& IPS accounting reviews)	25.25	10,100.50	400.02
General			
Books and records	96.50	28,696.25	297.37
Fees and WIP	11.10	2,843.90	256.21
Joint appointee	4.50	2,790.00	620.00
Statutory and compliance			
Appointment and related formalities	48.00	16,931.50	352.74
Bonding & Cover Schedule	1.90	892.50	469.74
Budgets & Estimated outcome statements	13.00	8,060.00	620.00
Checklist & reviews	21.95	12,721.75	579.58
Closure and related formalities	4.00	1,240.00	310.00
Strategy documents	27.20	14,907.50	548.07
Tax			
Initial reviews - CT and VAT	20.80	10,119.40	486.51
Post appointment corporation tax	6.10	3,301.00	541.15
Post appointment PAYE (Non Trading)	6.50	1,534.00	236.00
Post appointment VAT	2.00	1,042.50	521.25
<b>Creditors</b>			
Creditors and claims			
General correspondence	51.65	15,320.95	296.63
Pre-appointment VAT / PAYE / CT	1.40	328.20	234.43
Secured creditors	10.90	3,542.50	325.00
Statutory reports	61.80	23,736.60	384.09
Employees			
Correspondence	45.60	20,478.90	449.10
Pension funds	15.80	4,851.75	307.07
Pensions reviews	26.15	9,879.35	377.80
<b>Investigation</b>			
Directors			
D form drafting and submission	0.75	177.00	236.00
Statement of affairs	0.90	504.00	560.00

**SIP 9 –Time costs analysis (06/12/2019 to 24/01/2020)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Investigations			
Mail redirection	0.30	70.80	236.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	141.50	66,492.50	469.91
Debtors	3.90	2,264.40	580.62
Freehold property	25.75	13,128.40	509.84
Insurance	6.60	1,714.50	259.77
Leasehold property	3.50	966.00	276.00
Office equipment, fixtures & fittings	28.50	6,930.50	243.18
Other assets	35.20	19,238.25	546.54
Sale of business	49.50	29,355.00	593.03
Stock and WIP	2.00	450.00	225.00
Vehicles	2.25	511.75	227.44
<b>Trading code used when engagement didn't trade</b>			
Trading			
Employee Matters / PAYE	37.05	13,631.00	367.91
Negotiations with suppliers / landlords	2.00	1,082.50	541.25
<b>Total in period</b>	<b>875.15</b>	<b>359,841.95</b>	<b>411.18</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	875.15	359,841.95	
Carry forward time (appointment date to SIP 9 period end date)	875.15	359,841.95	

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

All time shown in the above analysis is charged in units of six minutes



## Appendix 6      Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

## Statement of affairs

Name of Company Clugston Group Limited	Company number 00333188
In the High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD) <small>[full name of court]</small>	Court case number CR2019LDS001296

(a) Insert name and  
address of registered  
office of the company

Statement as to the affairs of (a) Clugston Group Limited (the 'Company'), 1  
Sovereign Square, Sovereign St, Leeds, LS1 4DA

(b) Insert date

On the 6 December 2019, the date that the Company entered administration.

### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete  
*statement of the affairs of the Company as at 6 December 2019 the date that the*  
Company entered administration.

Full name JAN PATTERSON  
Signed [Signature]  
Dated 6.1.20

## A - Summary of Assets

### Clugston Group Limited

Assets	Book Value £m	Estimated to Realise £m
Assets subject to fixed charge:		
- Property	7.0	6.0
- Investments in Subsidiaries	8.4	0.0
- Investment in PFI	4.0	5.2
<b>Total assets subject to fixed charge</b>	<b>19.4</b>	<b>11.2</b>
Less: Amount(s) due to fixed charge holder(s)		
- Cash Collateral re Avonmouth Bond		1.4
- 'Soft Facilities' - Natwest		0.1
<b>Shortfall/surplus to fixed charge holder(s) c/d</b>	<b>19.4</b>	<b>9.8</b>
Assets subject to floating charge:		
CGL's Cash at Bank at 6 December 2019 less overdrafts in CCL and CDSL	7.4	7.4
Intercompany Debtors		
CEL	6.3	3.1
PF	0.2	0.0
Trade Debtors	0.0	0.0
F&F and IT	0.1	0.0
Corporation Tax	0.5	0.0
Deferred Tax	2.0	0.0
Prepayments	0.1	0.0
<b>Total assets subject to floating charge</b>	<b>16.7</b>	<b>10.5</b>
Uncharged assets		
None		0.0
<b>Total uncharged assets</b>	<b>0.0</b>	<b>0.0</b>
<b>Estimated total assets available for preferential creditors</b>	<b>36.1</b>	<b>20.3</b>

Signature



Date 21.1.20

## A - Summary of Liabilities

Clugston Group Limited

	Estimated to Realise £m
Estimated total assets for preferential creditors (carried from page A)	20.3
<b>Liabilities</b>	
Preferential creditors:-	
Preferential (employee) creditors	0.0
Other preferential creditors	0.0
Estimated deficiency/surplus as regards preferential creditors	20.3
Less uncharged assets	0.0
<b>Net Property</b>	<b>20.3</b>
Estimated prescribed part of net property where applicable (to carry forward)	-0.5
<b>Estimated total assets available for floating charge holders</b>	<b>19.7</b>
Debts secured by floating charges	
Nil - repaid from fixed charge reallocations	0.0
<b>Estimated deficiency /surplus of assets after floating charges</b>	<b>19.7</b>
Estimated prescribed part of net property where applicable (brought down)	0.6
Uncharged assets	0.0
<b>Total assets available to unsecured creditors</b>	<b>20.3</b>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Unsecured (trade) (non-preferential) creditors	
Trade and Crown Creditors	-1.3
Pension	-43.4
Accruals	-0.6
Intercompany - CCL	-10.0
Potential Liquidated Damages Claims (Potential)	-20.0
Unsecured (employee) creditors	0.3
Unsecured (pre-paid consumer) creditors	0.0
<b>Estimated deficiency/surplus as regards unsecured creditors</b>	<b>-54.7</b>
Shortfall to fixed charge holders (brought down)	0.0
Shortfall to preferential creditors (brought down)	0.0
Shortfall to floating charge holders (brought down)	0.0
<b>Estimated deficiency/surplus as regards creditors</b>	<b>-54.7</b>
Issued and called up capital	-0.7
<b>Estimated total deficiency /surplus as regards members</b>	<b>-55.5</b>

Signature



Date 21.1.20

**Note:** You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the company's possession by including a tick in the ROT column below.

[illegible]

Date 6-1-20



Aged Accounts Payable  
GROUP LIVE

20 December 2019  
Page 1  
GALAXYMITCHEK

Aged as of 6, December 2019  
Aged by Due Date

				Aged Overdue Amounts						
Document Date	Document Type	Document No.	Due Date	Original Amount	Balance	Not Due	07/11/19 ..06/12/19	07/10/19 ..06/11/19	07/09/19 ..06/10/19	Before 07/09/19
ADD001	ADDISON LEE									
30/11/19	Invoice	PL000479	30/12/19	-553.61	-553.61	-553.61	0.00	0.00	0.00	0.00
Total for ADDISON LEE				GBP	-553.61	-553.61	0.00	0.00	0.00	0.00
BUP002	BUPA									
14/03/19	Credit Memo	CR000004	08/03/19	138.99	124.39	0.00	0.00	0.00	0.00	124.39
01/06/19	Credit Memo	CR000013	15/06/19	1,120.18	1,120.18	0.00	0.00	0.00	0.00	1,120.18
01/08/19	Invoice	PL000308	15/08/19	-329.54	-329.54	0.00	0.00	0.00	-329.54	0.00
02/08/19	Credit Memo	CR000015	16/08/19	4.77	4.77	0.00	0.00	0.00	0.00	4.77
02/07/19	Credit Memo	CR000016	16/07/19	2,675.62	2,675.62	0.00	0.00	0.00	0.00	2,675.62
02/10/19	Credit Memo	CR000018	16/10/19	1,946.27	1,946.27	0.00	0.00	1,946.27	0.00	0.00
01/11/19	Invoice	-PL000448	15/11/19	-1,673.83	-1,673.83	0.00	-1,673.83	0.00	0.00	0.00
02/12/19	Invoice	PL000528	16/12/19	-297.82	-297.82	-297.82	0.00	0.00	0.00	0.00
Total for BUPA				GBP	3,570.04	-297.82	-1,673.83	1,946.27	-329.54	3,924.96
BUP003	BUPA (CASH PLAN)									
27/11/19	Invoice	PL000485	27/12/19	-95.60	-95.60	-95.60	0.00	0.00	0.00	0.00
02/12/19	Payment	BUPA	02/12/19	95.60	95.60	0.00	95.60	0.00	0.00	0.00
Total for BUPA (CASH PLAN)				GBP	0.00	-95.60	95.60	0.00	0.00	0.00
CBR002	CBRE Limited									
15/11/19	Invoice	PL000462	15/12/19	-682.64	-682.64	-682.64	0.00	0.00	0.00	0.00
Total for CBRE Limited				GBP	-682.64	-682.64	0.00	0.00	0.00	0.00
CLU001	CLUGSTON CONSTRUCTION									
31/10/19	Invoice	PL000423	30/11/19	-835.00	-835.00	0.00	-835.00	0.00	0.00	0.00
31/10/19	Invoice	PL000422	30/11/19	-280.10	-280.10	0.00	-280.10	0.00	0.00	0.00

Aged Accounts Payable  
GROUP LIVE

20 December 2019  
Page 2  
GALAXY/ITC/HEK

Document Date	Document Type	Document No.	Due Date	Original Amount	Balance	Not Due	Aged Overdue Amounts				Before 07/09/19
							07/11/19	07/10/19	07/09/19	06/10/19	
31/10/19	Invoice	PL000421	30/11/19	-12,811.51	-12,811.51	0.00	-12,811.51	0.00	0.00	0.00	0.00
31/10/19	Invoice	PL000424	30/11/19	-2,800.00	-2,800.00	0.00	-2,800.00	0.00	0.00	0.00	0.00
31/10/19	Invoice	PL000425	30/11/19	-528.14	-528.14	0.00	-528.14	0.00	0.00	0.00	0.00
31/10/19	Invoice	PL000425	30/11/19	-1,710.00	-1,710.00	0.00	-1,710.00	0.00	0.00	0.00	0.00
29/11/19	Payment	CCL TFR	29/11/19	18,964.75	18,964.75	0.00	18,964.75	0.00	0.00	0.00	0.00
30/11/19	Invoice	PL00049*	30/12/19	-1,710.00	-1,710.00	-1,710.00	0.00	0.00	0.00	0.00	0.00
30/11/19	Invoice	PL000492	30/12/19	-638.00	-638.00	-638.00	0.00	0.00	0.00	0.00	0.00
30/11/19	Invoice	PL000493	30/12/19	-426.62	-426.62	-426.62	0.00	0.00	0.00	0.00	0.00
30/11/19	Invoice	PL000484	30/12/19	-2,240.00	-2,240.00	-2,240.00	0.00	0.00	0.00	0.00	0.00
30/11/19	Invoice	PL000485	30/12/19	-668.00	-668.00	-668.00	0.00	0.00	0.00	0.00	0.00
30/11/19	Invoice	PL000490	30/12/19	-13,960.62	-13,960.62	-13,960.62	0.00	0.00	0.00	0.00	0.00
Total for CLUGSTON CONSTRUCTION				GBP	-19,644.24	-19,644.24	0.00	0.00	0.00	0.00	0.00
COR001 Corona Energy											
06/12/19	Invoice	PL000513	05/01/20	-84.50	-84.50	-84.50	0.00	0.00	0.00	0.00	0.00
06/12/19	Invoice	PL000514	05/01/20	-184.76	-184.76	-184.76	0.00	0.00	0.00	0.00	0.00
15/11/19	Invoice	PL000515	15/12/19	-87.65	-87.65	-87.65	0.00	0.00	0.00	0.00	0.00
15/11/19	Invoice	PL000515	15/12/19	-156.50	-156.50	-156.50	0.00	0.00	0.00	0.00	0.00
10/10/19	Invoice	PL000517	05/11/19	-1,148.88	-1,148.88	0.00	-1,148.88	0.00	0.00	0.00	0.00
Total for Corona Energy				GBP	-1,562.29	-533.41	-1,148.88	0.00	0.00	0.00	0.00
CCU002 COUNTRYWISE WATER COOLERS LTD											
30/11/19	Invoice	PL000486	30/12/19	-13.93	-13.93	-13.93	0.00	0.00	0.00	0.00	0.00
Total for COUNTRYWISE WATER COOLERS LTD				GBP	-13.93	-13.93	0.00	0.00	0.00	0.00	0.00
CRE001 CREDITSAFE BUSINESS SOLUTIONS LIMITED											
29/11/19	Invoice	PL000489	03/12/19	-960.00	-960.00	0.00	-960.00	0.00	0.00	0.00	0.00
Total for CREDITSAFE BUSINESS SOLUTIONS LIMITED				GBP	-960.00	0.00	-960.00	0.00	0.00	0.00	0.00

Aged Accounts Payable  
GROUP LIVE

20 December 2019  
Page 3  
GALAXYMITCHKEK

				Aged Overdue Amounts						
Document Date	Document Type	Document No.	Due Date	Original Amount	Balance	Not Due	07/11/19 .08/12/19	07/10/19 .08/11/19	07/09/19 .08/10/19	Before 07/09/19
<b>EXP001 MULLER MILK &amp; INGREDIENTS</b>										
23/11/19	Invoice	PL000480	15/11/19	-71.40	-71.40	0.00	-71.40	0.00	0.00	0.00
18/11/19	Invoice	PL000481	30/11/19	-71.40	-71.40	0.00	-71.40	0.00	0.00	0.00
30/11/19	Invoice	PL000512		-71.40	-71.40	0.00	-71.40	0.00	0.00	0.00
<b>Total for MULLER MILK &amp; INGREDIENTS</b>				GBP	-214.20	0.00	-214.20	0.00	0.00	0.00
<b>FID001 FIDELITI LIMITED</b>										
05/12/19	Invoice	PL000526	12/12/19	-1,807.49	-1,807.49	-1,807.49	0.00	0.00	0.00	0.00
<b>Total for FIDELITI LIMITED</b>				GBP	-1,807.49	-1,807.49	0.00	0.00	0.00	0.00
<b>FOR001 FOREST PINES HOTEL</b>										
27/11/19	Invoice	PL000487	04/12/19	-129.30	-129.30	0.00	-129.30	0.00	0.00	0.00
<b>Total for FOREST PINES HOTEL</b>				GBP	-129.30	0.00	-129.30	0.00	0.00	0.00
<b>NOR005 NORTH LINCOLNSHIRE COUNCIL</b>										
09/03/19	Invoice	PL000084	01/01/20	-1,165.00	-1,165.00	-1,165.00	0.00	0.00	0.00	0.00
<b>Total for NORTH LINCOLNSHIRE COUNCIL</b>				GBP	-1,165.00	-1,165.00	0.00	0.00	0.00	0.00
<b>NPO001 NPOWER LIMITED</b>										
06/12/19	Invoice	PL000529	06/12/19	-884.02	-884.02	0.00	-884.02	0.00	0.00	0.00
06/12/19	Invoice	PL000530	06/12/19	-893.84	-893.84	0.00	-893.84	0.00	0.00	0.00
06/12/19	Invoice	PL000531	06/12/19	-772.01	-772.01	0.00	-772.01	0.00	0.00	0.00
06/12/19	Credit Memo	CR000021	06/12/19	79.39	79.39	0.00	79.39	0.00	0.00	0.00
06/12/19	Credit Memo	CR000022	06/12/19	67.38	67.38	0.00	67.38	0.00	0.00	0.00
<b>Total for NPOWER LIMITED</b>				GBP	-2,403.10	0.00	-2,403.10	0.00	0.00	0.00
<b>REG001 REGUS MANAGEMENT (UK) LTD</b>										
30/09/19	Invoice	PL000420	30/10/19	-2,614.37	-1.20	0.00	0.00	-1.20	0.00	0.00



Aged Accounts Payable  
GROUP LIVE

20 December 2019  
Page 4  
GALAXYMITCHEK

				Aged Overdue Amounts						
Document Date	Document Type	Document No.	Due Date	Original Amount	Balance	Not Due	07/11/19 06/12/19	07/10/19 06/11/19	07/09/19 06/10/19	Before 07/09/19
29/11/19	Invoice	PL000488	29/12/19	-2,598.11	-2,598.11	-2,598.11	0.00	0.00	0.00	0.00
Total for REGUS MANAGEMENT (UK) LTD				GBP	-2,598.31	-2,598.11	0.00	-1.20	0.00	0.00
SC0001	SCOTTON CONSTRUCTION LIMITED									
30/10/19	Invoice	PL000442	29/11/19	-20,516.40	-20,516.40	0.00	-20,516.40	0.00	0.00	0.00
Total for SCOTTON CONSTRUCTION LIMITED				GBP	-20,516.40	0.00	-20,516.40	0.00	0.00	0.00
SYN001	SYMES BAINS BROOMER									
19/11/19	Invoice	PL000462	19/12/19	-90.00	-90.00	-90.00	0.00	0.00	0.00	0.00
Total for SYMES BAINS BROOMER				GBP	-90.00	-90.00	0.00	0.00	0.00	0.00
TAY001	R D TAYLOR									
19/11/19	Invoice	PL000478	19/11/19	-120.00	-120.00	0.00	-120.00	0.00	0.00	0.00
28/11/19	Invoice	PL000483	28/11/19	-295.00	-295.00	0.00	-295.00	0.00	0.00	0.00
28/11/19	Invoice	PL000484	28/11/19	-155.00	-155.00	0.00	-155.00	0.00	0.00	0.00
Total for R D TAYLOR				GBP	-570.00	0.00	-570.00	0.00	0.00	0.00
XPS001	XPS Pensions Consulting Limited									
22/11/19	Invoice	PL000482	20/12/19	-5,374.98	-5,374.98	-5,374.98	0.00	0.00	0.00	0.00
Total for XPS Pensions Consulting Limited				GBP	-5,374.98	-5,374.98	0.00	0.00	0.00	0.00
Total (LCY)					-54,817.45	-32,837.83	-27,520.11	1,945.07	-329.54	3,924.96
						59.9%	50.2%	-3.5%	0.6%	-7.2%
Currency Specification				GBP	-54,817.45	1,945.07	-329.54	3,924.96		

*John Lee* 6.1.20

**Note:** You must include all pre-paid consumer creditors (i.e. customers claiming amounts paid in advance of the supply of goods or services) and show the total debt owed in the Summary of Liabilities (above), together with the number of creditors to which the total debt relates.

Signature \_\_\_\_\_ Date 6.1.20

## COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
TOTALS				

Signature  Date 20.12.20

CLUGSTON GROUP LIMITED – COMPANY NUMBER 00333188 COMPANY SHAREHOLDERS AT 6 DECEMBER 2019				
NAME OF SHAREHOLDER	ADDRESS	NO OF SHARES HELD	NOMINAL VALUE £	DETAILS OF SHARES HELD
Addison Mr EJ	Church Farm, Ribby, Nr Grimsby, North East Lincolnshire DN37 8NX	36,641	36,641	Ordinary £1.00
Addison Mr RCG	Thorpe Farm, Tealby Thorpe, Tealby, Market Rasen, Lincolnshire LN8 3XJ	36,640	36,640	Ordinary £1.00
Buck Mrs SJ	20 Cardinal Drive, Walton on Thames, Surrey KT12 3AX	33,641	33,641	Ordinary £1.00
Clugston Group Limited Employee Trust	St Vincent House, Normanby Road, Scunthorpe, North Lincolnshire DN15 8QT	18,971	18,971	Ordinary £1.00
Clugston JWA & Others – JWA Clugston Settlement	The Old Vicarage, Scawby, Brigg, North Lincolnshire DN20 9LX	84,681	84,681	Ordinary £1.00
Clugston JWA & Others – London Life Policy	The Old Vicarage, Scawby, Brigg, North Lincolnshire DN20 9LX	32,667	32,667	Ordinary £1.00
Clugston Miss CAE	c/o The Old Vicarage, Scawby, Brigg, North Lincolnshire DN20 9LX	3,000	3,000	Ordinary £1.00
Clugston Mr DWA	30 Broad Lane, Cawood, Selby, North Yorkshire YO8 3SQ	4,600	4,600	Ordinary £1.00
Clugston Mr JWA	The Old Vicarage, Scawby, Brigg, North Lincolnshire DN20 9LX	135,000	135,000	Ordinary £1.00
Croda International Plc	Cowick Hall, Snaith, Goole DN14 9AA	47,000	47,000	Ordinary £1.00
Dickinson-Chaves Mr M	c/o Cammeringham Manor, Cammeringham, Lincoln, Lincolnshire LN1 2SH	8,467	8,467	Ordinary £1.00
Fearn PS & Others – Clugston Harvey Settlement	Forrester Boyd, 26 South St Mary's Gate, Grimsby, North East Lincolnshire DN31 1LW	73,100	73,100	Ordinary £1.00
Gait Mr AMR	Hall Farm Cottage, Ashby-cum-Fenby, Ashby Road, Grimsby DN37 0RT	88,957	88,957	Ordinary £1.00
Gait Mr ARL	Ashby Grange, Main Road, Ashby-cum-Fenby, North East Lincolnshire DN37 0QW	73,956	73,956	Ordinary £1.00
Gait Mrs G	Ashby Grange, Main Road, Ashby-cum-Fenby, North East Lincolnshire DN37 0QW	15,000	15,000	Ordinary £1.00
Lockwood Mrs JA	Cammeringham Manor, Cammeringham, Lincoln, Lincolnshire LN1 2SH	8,467	8,467	Ordinary £1.00
Mager Mrs SJ	Laburnum Farm, Ludborough, Grimsby, North East Lincolnshire DN36 5SN	8,466	8,466	Ordinary £1.00
Page Mrs CM	1 Kingsway, Tealby, Market Rasen, Lincolnshire LN8 3YA	33,639	33,639	Ordinary £1.00

*Sum Patel* 6-1-20

## Appendix 7      Glossary

<b>Administration Group</b>	The Company together with;  Clugston Construction Limited – in Administration  Clugston Services Limited – in Administration
<b>Bank/Secured Creditor</b>	NatWest Westminster Bank
<b>CBRE</b>	CBRE Limited
<b>CCL</b>	Clugston Construction Limited – in Administration
<b>CDSL</b>	Clugston Distribution Services Limited
<b>CEL</b>	Clugston Estates Limited
<b>CNIM</b>	Constructions industrielles de la Méditerranée (a company registered in France)
<b>Company</b>	Clugston Group Limited – in Administration
<b>Court</b>	High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD)
<b>CRL</b>	Clugston Reclamation Limited
<b>CSL</b>	Clugston Services Limited – in Administration

<b>Directors</b>	David Westland Antony Clugston John Westland Antony Clugston John Anthony Brian Kelly Ian Pattison Stephen John Radcliffe Andrew William Walker Ian Pattison
<b>EfW</b>	Energy from Waste
<b>Eque2</b>	Eque2 Limited
<b>Eversheds</b>	Eversheds Sutherland LLP
<b>FM Contracts</b>	Facilities Management Contracts
<b>Freeths</b>	Freeths LLP
<b>FYXX</b>	Financial year ended 31 January 20XX
<b>Group</b>	The Company together with;  Clugston Construction Limited (in Administration)  Clugston Services Limited (in Administration)  Clugston Distribution Services Limited  Clugston Estates Limited
<b>Joint Administrators/we/our/us</b>	James Clark and Howard Smith
<b>KPMG</b>	KPMG LLP

<b>Leeds Property</b>	Gelderd Road, Morley, Leeds LS27 7JP
<b>Marsh</b>	JLT Speciality Limited (trading as Marsh)
<b>Natwest</b>	National Westminster Bank Public Limited Company
<b>Period</b>	6 <sup>th</sup> December 2019 (appointment) to 24 January 2020
<b>PFI</b>	Private Finance Initiative
<b>PPF</b>	Pension Protection Fund
<b>Property</b>	St Vincent House, Normanby Rd, Scunthorpe DN15 8QT and Gelderd Road, Morley, Leeds LS27 7JP and the Industrial Estate on the west side of Brigg Road, Scunthorpe DN16 1BB
<b>Purchaser</b>	Midos Group UK Limited
<b>Sanderson Weatherall</b>	Sanderson Weatherall LLP
<b>SPV</b>	Special Purpose Vehicles
<b>WIP</b>	Work in progress

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

## Appendix 8 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by James Clark and Howard Smith, the Joint Administrators of Clugston Group Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

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

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

James Richard Clark and Howard Smith are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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



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