

AM03

Notice of administrator's proposals



Companies House

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1 Company details

Company number 00870030

Company name in full Clugston Services 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

Street Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode L S 1 4 D A

Country United Kingdom

4 Administrator's name

Full forename(s) Christopher Robert

Surname Pole

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

5 Administrator's address

Building name/number One Snowhill

Street Snow Hill Queensway

Post town

County/Region Birmingham

Postcode B 4 6 G H

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	^d 3 ^d 1	^m 0 ^m 1	^y 2 ^y 0 ^y 2 ^y 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 Milana Yandieva

Company name KPMG LLP

Address 1 Sovereign Square

Sovereign Street

Post town Leeds

County/Region

Postcode L S 1 4 D A

Country United Kingdom

DX

Telephone



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- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



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Further information

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Joint Administrators' proposals

Clugston Services 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/clugstonservices. 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	2
2	Group structure	4
3	Background and events leading to the administration	6
4	Strategy and progress of the administration to date	9
5	Dividend prospects	12
6	Ending the administration	13
7	Approval of proposals	14
8	Joint Administrators' remuneration, disbursements and pre-administration costs	16
9	Summary of proposals	18
Appendix 1	Statutory information	20
Appendix 2	Joint Administrators' receipts and payments account	21
Appendix 3	Joint Administrators' fees estimate	22
Appendix 4	Joint Administrators' expenses estimate	24
Appendix 5	Joint Administrators' charging and disbursements policy	26
Appendix 6	Statement of Affairs, including creditor list	32
Appendix 7	Glossary	40
Appendix 8	Notice: About this statement of proposals	42

1 Executive summary

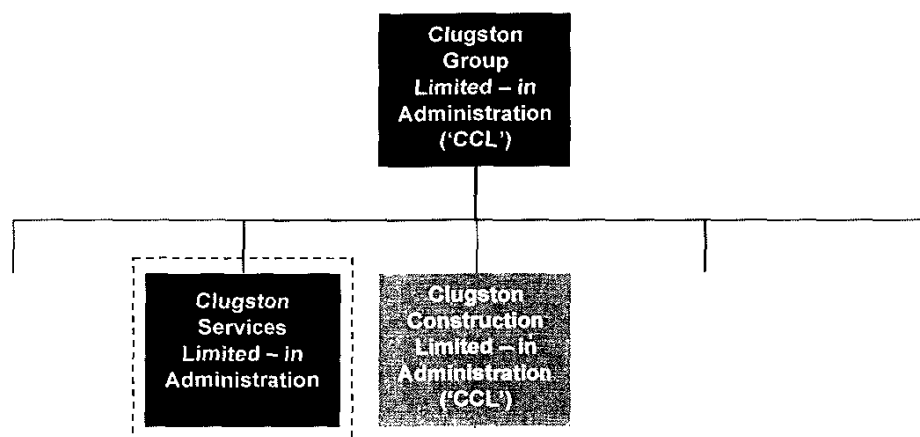
- This report covers the period 6 December 2019 to 24 January 2020 (the 'Period') and it sets out the Joint Administrators' proposals in the matter of Clugston Services Limited ('CSL') (the 'Company').
- Clugston Services Limited (the 'Company') was incorporated on 28 January 1966 and provided facilities management ('FM') and Site Survey services. At the date of the Joint Administrators' appointment, the Company employed 72 members of staff. The Company operated from its head office in Scunthorpe and had operations at seven sites across the UK.
- The Company was a member of a group that shared the 'Clugston' brand (the 'Group'). The Group encompassed four trading companies including: Clugston Group Limited ('CGL'), Clugston Construction Limited ('CCL'), Clugston Distribution Services Limited ('CDSL') and Clugston Estates Limited ('CEL') (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. 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 a strategic joint venture partner 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 through 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 and CGL, and together, the Company, CGL and CCL comprise the 'Administration Group'.
- The Group had seven active FM contracts as at the date of appointment, five of which were in the healthcare sector. Owing to the critical nature of these contracts, the Joint Administrators continued to trade all seven contracts in order to preserve value whilst alternative providers were sought, minimising disruption for the contract employers (and maximising the chances of asset realisations). Note that two contract employers contracted with the Company while the remaining five contracts, whilst operated by the Company, were contracted with CCL (Section 4 – Strategy and progress of the administration to date).

- In order to continue operations, 49 members of staff were retained to service the FM contracts, six of whom were head office staff. During the Period, the services of all seven FM contracts were transferred to alternative providers. Moreover, 41 employees were transferred under TUPE regulations to the alternative providers which preserved jobs and minimised claims in the administration (Section 4 – Strategy and progress of the administration to date).
- We are in the process of invoicing the contract employer for the continued FM services provided by the Company whilst in administration. As agreed with the contract employer at the outset of the administration, we anticipate that a small refund will be due from the Company once a final reconciliation is completed. The final trading position will be detailed in our first progress report to creditors; however, we currently anticipate making a small trading profit (Section 4 – Strategy and progress of the administration to date).
- We are not aware of any secured claims against the Company (Section 5 - Dividend prospects).
- Preferential claims comprise employee arrears of wages and holiday pay and are currently estimated at £21,598. Based on current estimates we expect to pay preferential creditors in full (Section 5 - Dividend prospects).
- Based on current estimates, it is expected that unsecured creditors should receive a dividend. The timing and quantum of any distribution is dependent upon realisations, and in particular book debt collections, and the associated costs of the administration (Section 5 - Dividend prospects).
- We intend to seek approval of our proposals from the preferential and unsecured 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 preferential and unsecured creditors alongside this report. We have included an estimate of our anticipated time costs for the administration in Appendix 3 (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 9, 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.

JCU

James Clark
Joint Administrator

2 Group structure



Clugston Services Limited – in Administration (the 'Company')

The Company was incorporated on 28 January 1966 but remained dormant until it began trading in February 2019.

Prior to the administration of the Company it was the trading name and service delivery company of some of the Group's FM contracts and Site Survey services. 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 Company from February 2019.

Clugston Group Limited – in Administration ('CGL')

This entity was incorporated on 1 November 1937 and is the parent company to a group of companies that share the 'Clugston' brand. Prior to administration, CGL 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. The Joint Administrators' Proposals will be circulated to all known creditors of CGL on or before 31 January 2020.

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, as noted above, it held five FM contracts. James Clark and Howard Smith were appointed as Joint Administrators of the Company on 6 December 2019. *The Joint Administrators' Proposals will be circulated to all known creditors of CCL on or before 31 January 2020.*

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.

Other

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

At the date of the Joint Administrators' appointment, the Company employed 72 members of staff. The Company operated from the Group's head office in Scunthorpe and had operations at seven sites across the UK.

The Company provided FM and Site Survey services. The FM business provided both 'hard' and 'soft' FM services, where hard FM services relate to regulatory maintenance services such as gas, plumbing and heating, and soft FM services relate to non-technical services such as waste management or pest control. The entire business division had 43 employees, with the primary focus being on hard FM in the healthcare sector. Site Survey services comprised 12 employees who undertook topographical surveys, floor plans and laser scanning of sites.

Historically, the FM contracts were serviced by CCL whilst the Company remained dormant. In February 2019, employees who worked on the FM contracts, including the relevant head office staff, were transferred from CCL to the Company. Any new FM contracts won from this point on were contracted with the Company. Whilst all seven FM contracts were then administered by the Company, five of the FM contracts already in place remained contractually in CCL due to the costs and complexity of contract novations.

Additionally, any invoices in respect of the Group's Site Survey services were raised in the name of the Company.

3.2 Funding and financial position of the Company

The Company operated independently of the Group's bank 'pooling' facility provided by NatWest. However, the Company's cash balance was manually maintained by finance staff through intercompany transactions with CCL.

Historically, CCL operated the FM contracts and, as outlined above, five of these FM contracts remained legally with CCL. Accordingly, intercompany transactions between the Company and CCL did take place in the ordinary course of trading.

Detailed below is the Group's consolidated financial position and performance for FY16, FY17, and FY18. Note that prior to the administration of the Company it filed accounts for a dormant company:

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
Shareholder funds	15,535	14,798	14,317
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 through 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

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 liaising 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 Chris Pole 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 Directors asked KPMG to prepare a contingency plan for an insolvency as part of the pre-administration advisory work that took place for the Group. Within this plan, we concluded that the most suitable strategy for the Company was to continue to trade the Administration Group's FM contracts. With the majority of the contracts in the healthcare sector, continued supply was deemed critical in order to minimise any disruption to the hospitals. Moreover, continuing to trade the contracts would also provide the best chance of preserving value by way of book debt collections and provide time to identify alternative providers to whom the contracts or services could be transferred. As outlined earlier, two of these contracts were held by the Company while the remaining five contracts, whilst operated by the Company, were legally held by CCL.

The site survey services sub-division of the Company ceased to trade immediately upon our appointment with the associated members of staff being made redundant. This decision was made on the basis that a trading cash flow suggested a likely trading loss and that a quantum of book debts was insignificant and unlikely to be materially damaged in the event of the sub-division ceasing to trade.

The Company employed 72 members of staff prior to appointment. Following our appointment, 23 members of staff, including those who were associated with the survey services sub-division, were made redundant. The remaining 49 members of staff were initially retained by the Joint Administrators whilst we sought to preserve value and transfer the FM contracts/services to alternative providers.

Sanderson Weatherall, an experienced firm of agents, has been engaged to provide a valuation of the Company's tangible assets, being specialist survey services equipment. The equipment will be sold at auction in due course.

Trading

Immediately following our appointment, we contacted all contract employers to outline the Joint Administrators' strategy to trade the contracts until an alternative provider was found. In addition, we received payment for the ongoing services from the contract employers in order to ensure profitability in the trading period and to enable the Joint Administrators to trade the Company without diluting the potential returns for the Company's creditors. Note that whilst not all receipts and costs have been collected and paid in relation to this trading period at the date of our proposals, we do not expect to have made a trading loss.

During the Period, all contracts were transferred to alternative providers with minimal disruption to operations. As a result, 41 members of staff who were directly associated with the FM contracts were transferred under TUPE regulations to the new providers.

We have continued to work alongside the contract employers to ensure an orderly handover of books and records. Reconciliations will be completed on the date that traded contracts are transferred to alternative providers with surplus funds returned/shortfall funds requested.

Future strategy

The Joint Administrators continue to retain two members of staff to assist with the orderly handover of FM related records to the new providers, as well as deal with any queries relating to the period prior to our appointment. This handover of records and transfer of knowledge to the Joint Administrators' staff will improve the likelihood of asset realisations within the estate.

As at the date of appointment, the Company's records showed outstanding book debts of £497,255, of which we have realised £207,831 in the Period. We will continue to liaise with debtors in order to ensure payment where funds are rightly due and maximise realisations in the administration.

Similarly, Sanderson Weatherall will advise a suitable strategy for realising the Site Survey Services' equipment. Sanderson Weatherall have provided an initial valuation of between £5,000 and £10,000. The likelihood is that the items will be realised by way of an online auction in due course.

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.

Debtors

As at the date of appointment, the Company's records showed outstanding book debts for the two FM contracts of £237,179. The book debt ledger for the Site Survey services totalled £260,076. With respect to the five contracts held in CCL, the debtor ledger was £1.1 million.

To date, we have received £207,831 in relation to the Company's debtor ledger.

An update on future realisations will be provided in our first progress report.

Trading

The Company has received post-appointment trading funds totalling £16,667. These funds were provided by one of the contract employers to enable the Joint Administrators to continue to trade the FM contract. These funds would cover the ongoing services provided, including staff costs and a reasonable margin.

Cash at bank

Cash at bank on appointment totalled £4,835. 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 Milana Yandieva at KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA United Kingdom.

4.3 Costs

An estimate of the anticipated costs likely to be incurred throughout the duration of the administration of the Company 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.

Wages and salaries

As stated above, 49 employees were retained whilst we continued to trade the FM contracts. We paid £2,729 in respect of the Company's retained employees' wages and salaries during the Period. Note this primarily relates to expenses costs; as was the case prior to the appointment of the Joint Administrators payroll is administered by CGL and the payroll recharge was not paid by the Company in the Period.

Statutory advertising

A total of £73 was paid to comply with our statutory requirement to advertise the administration in the London Gazette.

5 Dividend prospects

5.1 Secured creditor

We are not aware of any secured claims against the Company.

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 £21,598.

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

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 early stage of the administration. 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 preferential and unsecured 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 from preferential and unsecured creditors.

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;
- the 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; and
- the formation of a Creditors' Committee.

In addition, creditors are also required to vote on the proposed decisions in Section 8. 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 preferential and unsecured 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.

Attached to the covering letter is formal notice of the decision by correspondence which asks the creditors to vote on the proposed decisions with regard to our remuneration and drawing of Category 2 disbursements.

Time costs

From the date of our appointment to 24 January 2020, we have incurred time costs of £155,432. These represent 469 hours at an average rate of £331 per hour. None of these have yet been paid.

Disbursements

We have incurred disbursements of £1,138 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 early stage of the administration. 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	461.50	461.50
Legal fees	0.00	1,187.00	1,187.00
Total	0.00	1,648.50	1,648.50

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, rescuing the Company in accordance with Paragraph 3(1)(a) was 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; and
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the preferential creditors where funds allow; and
- 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 Chris Pole, 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 Chris Pole, 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; and

- 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 Services Limited
Date of incorporation	28 January 1966
Company registration number	00870030
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	Nicholas Cunningham Blackstock David Westland Antony Clugston Ian Pattison
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), 1316 of 2019
Appointor	Directors
Date of appointment	6 December 2019
Joint Administrators	James Clark and Chris Pole
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 not applicable on this case because there are no secured charges against the Company.
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 Services Limited - in Administration			
Trading accounts			
Statement of Affairs (£)		From 06/12/2019 To 24/01/2020 (£)	From 06/12/2019 To 24/01/2020 (£)
POST-APPOINTMENT SALES			
	Sales	16,666.67	16,666.67
		16,666.67	16,666.67
	Trading surplus/(deficit)	16,666.67	16,666.67

Clugston Services 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 (£)
ASSET REALISATIONS			
300,000.00	Book debts	207,831.00	207,831.00
	Cash at bank	4,834.72	4,834.72
		212,665.72	212,665.72
OTHER REALISATIONS			
	Trading surplus/(deficit)	16,666.67	16,666.67
		16,666.67	16,666.67
COST OF REALISATIONS			
	Statutory advertising	(73.00)	(73.00)
	Wages & salaries	(2,729.27)	(2,729.27)
		(2,802.27)	(2,802.27)
PREFERENTIAL CREDITORS			
(21,598.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(520,000.00)	Trade & expense	NIL	NIL
(179,157.00)	Employees	NIL	NIL
		NIL	NIL
(420,755.00)		226,530.12	226,530.12
REPRESENTED BY			
	Floating charge VAT receivable		14.60
	Floating charge current		229,848.85
	Floating charge VAT payable		(3,333.33)
			226,530.12

Appendix 3 Joint Administrators' fees estimate

Clugston Services Limited - in Administration fee estimate					
	Cost incurred to date (£)	Estimated future cost (£)	Estimated total cost (£)	Estimated total time (hours)	Estimated average hourly rate (£)
Statutory and compliance	26,579.45	4,441.50	31,020.95	86.55	358.42
Cashiering	5,602.40	1,963.50	7,565.90	23.70	319.24
Tax	3,156.80	15,769.00	18,925.80	47.10	401.82
Bankrupt/Director/Member	1,290.50	-	1,290.50	2.90	445.00
General	2,274.40	11,767.00	14,041.40	38.80	361.89
Administration & Planning	38,903.55	33,941.00	72,844.55	199.05	365.96
Trading	56,926.80	12,904.00	69,830.80	204.80	340.97
Realisation of Assets	17,885.00	21,070.00	38,955.00	125.40	310.65
Employees	12,275.20	6,365.83	18,641.03	51.62	361.12
Creditors and claims	28,306.75	17,370.50	45,677.25	146.30	312.22
Committees	-	-	-	-	-
Creditors	40,581.95	23,736.33	64,318.28	197.92	324.97
Directors	1,134.50	6,838.50	7,973.00	20.70	385.17
Investigations	-	4,020.75	4,020.75	11.75	342.19
Investigations	1,134.50	10,859.25	11,993.75	32.45	369.61
Total	155,431.80	102,510.53	257,942.38	759.62	339.57

Note 1 – Statutory and 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 submission of post-appointment tax records.

Note 4 – Bankrupt/Director/Member

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

Note 5 – 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 Joint Administrators' fees, as well as raising fees and monitoring time spent in the administration.

Note 6 – Trading

Time has been spent liaising with contract employers, retained staff members and dealing with matters arising in the ordinary course of trading, whilst also working to transfer the FM contracts/services to alternative providers. Moreover, time will be spent ensuring an orderly handover of the Company's records and information to the new FM providers.

Note 7 – Realisation of assets

Time will be spent realising the Company's assets, which include but are not limited to book debts and site survey equipment. We will spend time seeking valuations and liaising with agents in order to maximise realisations; in addition to extensive correspondence with customers to ensure the receipt of book debts.

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 within the administration.

Note 10 – Directors

Time will be spent corresponding with the Directors regarding the Statement of Affairs and Directors' questionnaires. 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 Joint Administrators' expenses estimate

Expenses of the administration				
	Note	Paid to date (£)	Future costs (£)	Total (£)
Trading costs				
Trading costs	1	-	9,000	9,000
Wages and salaries	1	-	85,000	85,000
Non-trading costs				
Joint Administrators' pre-appointment costs	2	-	462	462
Legal pre-appointment costs	3	-	1,187	1,187
Legal fees	3	-	20,000	20,000
Legal disbursements	3	-	400	400
Agents' fees	4	-	1,000	1,000
Agents' disbursements	4	-	1,000	1,000
Wages and salaries	5	2,729	30,000	32,729
Head office costs	6	-	5,000	5,000
Insurance	7	-	5,000	5,000
Storage costs	8	-	2,000	2,000
Statutory advertising	9	73	146	219
Bank charges	10	-	60	60
Mail redirection	11	-	400	400
Total		2,802	160,655	163,457

Trading costs

Note 1 – Trading costs and wages and salaries

The costs incurred whilst continuing to trade the Company's FM contracts, in line with the contractual obligations.

Non-trading costs

Note 2 – Joint Administrators' pre-administration costs

In addition to the detailed fees estimate in Appendix 3, the Joint Administrators have incurred fees for pre-administration work as detailed in Appendix 5.

Note 3 – Legal fees, disbursements and pre-administration costs

This includes estimated legal costs and disbursements to be incurred throughout the administration, for the provision of ongoing legal advice over the course of the administration.

Furthermore, Eversheds have incurred time costs in their assistance in preparation of appointment documents and related matters.

Note 4 – Agents' fees and disbursements

Estimated agents' fees and disbursements to be incurred throughout the administration, largely by Sanderson Weatherall for their work in valuing and marketing the site survey equipment.

Note 5 – Wages and salaries

A number of employees were retained to assist with the administration and, in particular, the head office functions in relation to ongoing trade of the FM contracts. Wages paid to date are for the period 6 December 2019 to 24 January 2020 and largely related to expenses.

Note 6 – Head office costs

Estimated costs in relation to the continued occupation of the Group's head office in Scunthorpe, including business rates, utilities, security and other site related costs.

Note 7 – Insurance

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

Note 8 – Storage costs

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

Note 9 – Statutory advertising

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

Note 10 – Bank charges

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

Note 11 – Mail redirection

Costs of redirecting the Company's mail from the Company's previous address to the Joint Administrators' office.

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 Milana Yandieva on 0113 231 3270.

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 Restructuring		
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:

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation		554.60		NIL	554.60
Meals		189.16		NIL	189.16
Mileage		NIL		295.65	295.65
Postage		73.11		NIL	73.11
Travel		25.00		NIL	25.00
Total		841.87		295.65	1,137.52

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	■ collating initial information to enable us to carry out our statutory duties, including creditor information and details of assets;
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compliance	<ul style="list-style-type: none"> ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ issuing regular press releases and posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, and arranging for their collection.
Trading	<ul style="list-style-type: none"> ■ preparing cash flow statements to monitor the cash position; ■ attending to supplier and customer queries and correspondence; ■ raising, approving and monitoring purchase orders and setting up control systems for trading; ■ negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; ■ securing petty cash on site; ■ communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with agents regarding the valuation of assets; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with Company credit control staff and communicating with debtors; ■ seeking legal advice in relation to book debt collections; ■ liaising with the agents regarding debtor recoveries; ■ reviewing the inter-company debtor position between the Company and other group companies.
Health and safety	<ul style="list-style-type: none"> ■ 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; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets;

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

Time costs – pre-administration

Pre-Administration costs (29/11/2019 to 05/12/2019)						
	Hours					
	Partner / Director	Manager	Administrator	Support	Total	Average Hourly Rate (£)
Appointment documents			0.40		0.40	310.00
Pre-administration checks			1.50		1.50	225.00
Total	0.00	0.00	1.90	0.00	1.90	242.89

SIP 9 –Time costs analysis (06/12/2019 to 24/01/2020)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
Notification of appointment	2.90	1,290.50	445.00
Cashiering			
Fund management	0.40	94.40	236.00
General (Cashiering)	7.80	2,158.00	276.67
Reconciliations (& IPS accounting reviews)	8.50	3,350.00	394.12
General			
Books and records	1.60	410.00	256.25
Fees and WIP	7.20	1,864.40	258.94
Statutory and compliance			
Appointment and related formalities	53.65	14,261.00	265.82
Bonding & Cover Schedule	0.65	223.75	344.23
Checklist & reviews	9.65	5,840.95	605.28
Pre-administration checks	2.50	1,637.50	655.00
Strategy documents	8.60	4,616.25	536.77
Tax			
Initial reviews - CT and VAT	8.10	3,156.80	389.73
Creditors			
Creditors and claims			
General correspondence	48.40	12,563.95	259.59
Notification of appointment	7.00	2,170.00	310.00
ROT Claims	0.50	118.00	236.00
Statutory reports	41.90	13,454.80	321.12
Employees			

SIP 9 –Time costs analysis (06/12/2019 to 24/01/2020)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
Correspondence	28.90	12,204.40	422.30
Pensions reviews	0.30	70.80	236.00
Investigation			
Directors			
Correspondence with directors	0.20	89.00	445.00
Statement of affairs	2.20	1,045.50	475.23
Realisation of assets			
Asset Realisation			
Debtors	9.60	3,043.50	317.03
Health & safety	4.00	1,247.50	311.88
Insurance	2.70	711.30	263.44
Leasehold property	1.50	354.00	236.00
Other assets	0.20	47.20	236.00
Plant and machinery	2.50	887.50	355.00
Sale of business	37.40	11,594.00	310.00
Trading code used when engagement didn't trade			
Trading			
Cash & profit projections & strategy	40.65	16,043.40	394.67
Employee Matters / PAYE	32.75	10,335.25	315.58
Negotiations with customers	2.75	1,471.25	535.00
Negotiations with suppliers / landlords	12.00	3,313.00	276.08
Post trading related matters	41.20	12,777.40	310.13
Purchases and trading costs	3.00	1,143.00	381.00
Trading Management	37.95	11,843.50	312.08
Total in period	469.15	155,431.80	331.31
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)	469.15	155,431.80	
Carry forward time (appointment date to SIP 9 period end date)	469.15	155,431.80	

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.

Rule 3.30

Statement of affairs

Name of Company Clugston Services Limited	Company number 00870030
In the High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD)	Court case number CR2019LDS001316

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

Statement as to the affairs of (a) Clugston Services 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 IAN PATTERSON
Signed [Signature]
Dated 20.12.19

A - Summary of Assets

Clugston Services Limited

Assets

	Book Value £m	Estimated to Realise £m
Assets subject to fixed charge:		
Total assets subject to fixed charge	0.0	0.0
Less: Amount(s) due to fixed charge holder(s)		
Shortfall/surplus to fixed charge holder(s) c/d	0.0	0.0
Assets subject to floating charge:		
Cash at Bank at 6 December 2019	0.0	0.0
Trade Debtors	0.7	0.3
WIP	0.3	0.0
Tangible Assets	0.1	0.0
Intercompany		
Total assets subject to floating charge	1.1	0.3
Uncharged assets		
None		0.0
Total uncharged assets	0.0	0.0
Estimated total assets available for preferential creditors	1.1	0.3

Signature




Date 21.1.20

A - Summary of Liabilities

Clugston Services Limited

	Estimated to Realise £m
Estimated total assets for preferential creditors (carried from page A)	0.3
Liabilities	
Preferential creditors:-	
Preferential (employee) creditors	0.0
Other preferential creditors	0.0
Estimated deficiency/surplus as regards preferential creditors	0.3
Less uncharged assets	0.0
Net Property	0.3
Estimated prescribed part of net property where applicable (to carry forward)	-0.1
Estimated total assets available for floating charge holders	0.2
Debts secured by floating charges	
Nil - repaid from fixed charge reallocations	0.0
Estimated deficiency / surplus of assets after floating charges	0.2
Estimated prescribed part of net property where applicable (brought down)	0.1
Uncharged assets	0.0
Total assets available to unsecured creditors	0.3
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Unsecured (trade) (non-preferential) creditors	
Trade Creditors	-0.1
Subcontractors	-0.1
Trade and Subcontractor Accruals	-0.3
Corporation Tax	0.0
Unsecured (employee) creditors	-0.2
Unsecured (pre-paid consumer) creditors	0.0
Estimated deficiency/surplus as regards unsecured creditors	-0.5
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
Estimated deficiency/surplus as regards creditors	-0.5
Issued and called up capital	-0.1
Estimated total deficiency / surplus as regards members	-0.5

Signature 

Date 21.1.20

	NMI Truck Bodies Limited	00905965	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison
	Reliner Limited	00438302	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison
	Scunthorpe Hauliers Limited	00378282	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison
	St Vincent Plant Limited	00827432	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison
	St Vincent Plant (Contracting) Limited	01014982	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison
	The Moors Limited	02768136	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison
	Treval Plant Hire Limited	00384406	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison
	WA Sturgeon Limited	00429046	St Vincent House	31 January	100%	JWA Clugston I Pattison	I Pattison

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

Signature



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.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £
	N/A	
	Total pre-paid consumer creditor debt	

Signature

Date 6.1.20

COMPANY SHAREHOLDERS

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

Signature [Signature]

Date 6.1.20

CLUGSTON SERVICES LIMITED – COMPANY NUMBER 00870030 COMPANY SHAREHOLDERS AT 6 DECEMBER 2019				
NAME OF SHAREHOLDER	ADDRESS	NO OF SHARES HELD	NOMINAL VALUE £	DETAILS OF SHARES HELD
Clugston Group Limited jointly with JWA Clugston	St Vincent House, Normanby Road, Scunthorpe, North Lincolnshire DN15 8QT	1	1	Ordinary £1
Clugston Group Limited	St Vincent House, Normanby Road, Scunthorpe, North Lincolnshire DN15 8QT	49,999	49,999	Ordinary £1

[Handwritten signature]
6.12.19

Appendix 7 Glossary

Acasta	Acasta Consulting Limited
Administration Group	The Company together with; Clugston Group Limited – in Administration Clugston Construction Limited – in Administration
Bank	NatWest Westminster Bank Plc
CNIM	CNIM UK Limited
CDSL	Clugston Distribution Services Limited
CEL	Clugston Estates Limited
CGL	Clugston Group Limited – in Administration
CSL	Clugston Services Limited – in Administration
Company	Clugston Services Limited- in Administration
Court	High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD)
Directors	David Westland Antony Clugston Ian Pattison
EfW	Energy from Waste
ERA	Employment Rights Act

Eversheds	Eversheds Sutherland LLP
FM Contracts	Facilities Management Contracts
FYXX	Financial year ended 31 January 20XX
Group	The Company together with; Clugston Group Limited - in Administration Clugston Construction Limited - in Administration Clugston Estates Limited Clugston Distribution Services Limited
Joint Administrators/we/our/us	James Clark and Chris Pole
KPMG	KPMG LLP
Marsh	JLT Speciality Limited (trading as Marsh)
Sanderson Weatherall	Sanderson Weatherall LLP
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006

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 Chris Pole, the Joint Administrators of Clugston Services 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 Christopher Robert Pole are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

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

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

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