Rule 2 47

Form 2.24B

The Insolvency Act 1986

2.24B(CH)

Administrator's progress report

Name of Company	Company number
Ernnaceous Group Plc	03732607

In the	Court case number
High Court of Justice	3014 of 2008

We

Edward George Boyle KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom	James Robert Tucker KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom

Administrators of the above company attach a progress report for the period

from	to
14 October 2011	13 April 2012

Signed Ed Boyle

Joint Administrator

Dated 4 May 2012

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

Tom Chuter
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
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Tel

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DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

ABSTRACT OF RECEIPTS AND PAYMENTS - 14/10/2011 to 13/04/2012 **Appendix to Form 2.24**
Erinaceous Group Plc

RECEIPTS	**£**
Brought forward from previous Abstract (if Any)	144,813,365 62
Regis interim settlement	376,195 18
Debtors (101)	805 22
Sundry receipts	350 00
Floating ch VAT payable	61 25
Floating ch VAT control	16,366 50
Carried forward to * continuation sheet / next abstract	145,207,143 77

* Delete as appropriate

PAYMENTS	**£**
Brought forward from previous Abstract (if Any)	147,831,210 80
Legal fees (fixed cost)	32,152 92
Legal costs re debtor recoveries	15,062 20
Storage costs	41,038 25
Insurance of assets	2,385 00
Bank charges & interest	26,572 58
Floating charge	2,406 69
Floating ch VAT rec'able	24,577 72
Carried forward to * continuation sheet / next abstract	147,975,406 16

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed

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Erinaceous Group Plc – in administration

Administrators' eighth progress report for the period from 14 October 2011 to 13 April 2012 pursuant to Rule 2.47 of the Insolvency Rules 1986

4 May 2012

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Notice: about this report

This report has been prepared by the Joint Administrators solely to comply with their statutory duty under rule 2 47 of the Insolvency Rules 1986 to report on the progress of the Administration in the period 14 October 2011 to 13 April 2012 It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context

This report has not been prepared in contemplation of being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in EG plc

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

Any person that chooses to rely on this report for any purpose or in any context other than under rule 2 112 of the Insolvency Rules 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 this report

James Robert Tucker and Edward George Boyle are each authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

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

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Glossary of terms

Administrators	James Robert Tucker Edward George Boyle KPMG LLP 8 Salisbury Square London, EC4Y 8BB
Banks	HBoS, Lloyds TSB and HSBC (secured by a debenture dated 26 July 2006)
EG plc	Erinaceous Group plc
IA86	The Insolvency Act 1986
IR86	The Insolvency Rules 1986
Group	EG plc and its subsidiaries (as at 14 April 2008)
SoA	Statement of Affairs

Contents

The contacts at KPMG in connection with this report are:

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Executive summary

This report has been prepared for the purposes of Rule 2 47 of the Insolvency Rules 1986

This progress report covers the period from 14 October 2011 to 13 April 2012 and follows the Administrators' seventh progress report to creditors which was dated 11 November 2011

The Administrators' Statement of Proposals was deemed approved by creditors on 19 July 2008 and has not been subsequently modified

Since the last report to creditors on 11 November 2011, the Administrators have continued to progress the administration to achieve the statutory purpose to realise assets for the benefit of the secured creditors

We have progressed a £1 1m claim against a debtor, which is the only significant asset remaining in the administration Our application for summary judgement or in the alternative an interim payment was heard in the Court on 15 December 2011 We received judgement on 1 March 2012 and whilst summary judgement was not granted we were successful in being granted an interim payment of £324,000 and an order that the debtor pay part of our legal costs in relation to the Court application This litigation remains ongoing

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Extension of the administration

We requested a 12 month extension for EG plc. However, the Court granted a two year extension of the administration period.

Prior to making the application to extend EG plc's administration we advised the secured creditors of our intention to seek an extension to the administrations and received their support for this strategy

A one year extension of the period of administration of EG plc, which was due to end on 13 October 2011, was requested from the Court for the following reasons

- To complete the collection of a debtor balance with a significant estimated realisable value
- To agree the final corporation tax position of EG plc and obtain corporation tax and VAT clearance
- To make a further distribution to the secured creditors under their fixed and floating charge security

The Court granted an extension of the administration to 12 October 2013

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Cost of administration

The secured creditors have approved total administrators' remuneration, across all of the Group Companies that entered administration, of £7.45 million to date

Cost of administration

Administrators' remuneration of £7 35 million has been drawn to date in aggregate across the administrations of all the Group companies with the approval of the secured and preferential creditors, where applicable In accordance with R12 2(2) IR86 the costs associated with the agreement and payment of the Prescribed Parts are payable from those funds A further £96,000 has been approved and paid from the Prescribed Parts

The Administrators' time costs to 13 October 2011 have been analysed and disclosed in previous reports to creditors An analysis of the time costs incurred in the period from 14 October 2011 to 13 April 2012 is included in Appendix 3

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Comments on Appendices

Appendix 1: Statutory information

In accordance with IR86, the prescribed statutory information for EG plc, which remains in administration, is provided

Appendix 2: Administrators' receipts and payments account

The Administrators' receipts and payments accounts to 13 April 2012 is included The figures on the account are shown net of VAT

Appendix 3. Administrators' time costs

The Administrators' time costs for the period from 14 October 2011 to 13 April 2012

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Appendix 1

Statutory information

Statutory information	
Company name	**Erinaceous Group plc**
Company number	3732607
Date of incorporation	15 March 1999
Registered office	8 Salisbury Square, London, EC4Y 8BB
Trading names	
Court	High Court of Justice
Court reference	3014/08
EU regulation	Main proceedings
Administrators	Jim Tucker and Ed Boyle
Date of appointment	14 April 2008
Appointer	Directors

Statutory information	
Company name	**Erinaceous Group plc**
Para 100(2) statement	All functions or acts to be carried out by the Joint Administrators are to be exercised by all or any one or more of the persons for the time being holding that office
Directors (number of shares in the companies held by the directors)	Nigel Peter Davis (30,927 – personal shareholding) Nicholas Rodney Lowther Fry (20,000 – personal shareholding) The Lord David Charles Poole Lord Edward Timothy Razzall CBE (9,400 – controlled company) Dominic Lavelle Timothy John Redburn
Secretary (no shares in the companies are held by the secretary)	Robin Simon Johnson

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Appendix 2

Receipts and payments account – Erinaceous Group plc

Receipts as at 13 April 2012	
	£
Receipts	
Shares and Investments	126,422,233
Regis interim payment	376,195
Goodwill	202
Leasehold property	1,205,002
Furniture and equipment	3,185
Fairoaks	152,913
Trade debtors	44,733
Intercompany debtors	576,491
Cash at bank	1,361
Rent income	232,528
Bank interest – gross	129
VAT payable	847,056
Group funding receipt	7,279,764
Other receipts	320,896
Recharge of trading / payroll costs	6,777,273
Total receipts	**144,239,961**

Source Administrators records

Payments as at 13 April 2012	
	£
Payments	
Trading costs	9,102,405
Distribution to secured creditors	130,486,320
Legal fees	1,508,377
Administrators fees	3,819,648
Administrators expenses	55,391
Debt Collection costs	496
Irrecoverable VAT	40,350
VAT receivable	864,536
Bank Charges	267,566
Professional fees	12,754
Payroll and expenses	6,000
Storage costs	151,831
Payroll on behalf of 3rd party	3,996
Sundry expenses	648,376
Insurance of assets	32,700
Total Payments	**147,000,746**
Bank funding utilised	**(2,760,785)**

Source Administrators' records

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Appendix 2

Receipts and payments account – Erinaceous Group plc (cont.)

Transactions in the period 14 October 2011 to 13 April 2012	
	£
Receipts	
Regis interim payment	376,195
Debtors	1,155
Total receipts	**377,350**
Payments	
Legal fees	47,215
VAT receivable	8,150
Bank Charges	19,095
Storage costs	41,038
Sundry expenses	2,407
Insurance of assets	2,385
Total payments	**120,290**
Movement	**257,060**

Source Administrators' records

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Appendix 3

Administrators' time costs – Erinaceous Group plc

Analysis for the period from 14 October 2011 to 13 April 2012

Erinaceous Group plc (in administration)

	Hours						
£	Partner/director	Manager	Administrator	Support	Total	Time cost	Average hourly rate
Cashiering	-	6 90	5 40	0 10	12 4	4,527 00	365 08
General	-	0 50	4 10	-	4 60	1,153 00	250 65
Shareholders	-	0 50	1 15	-	1 65	474 50	287 58
Strategy, Statutory and Planning	2 50	27 70	20 30	0 60	51 10	18,163 50	355 45
Tax	-	5 00	10 50	-	15 50	4,515 00	291 29
Creditors and claims	1 40	21 50	19 00	-	41 90	14,521 50	346 58
Employees	-	3 20	-	-	3 20	1,344 00	420 00
Asset realisation	6 10	12 70	2 80	-	21 60	9,925 00	459 49
Total in period	**10 00**	**78 00**	**63 25**	**0 70**	**151 95**	**54,623 50**	**359 48**

Source Administrators' records

Appendix 3

Notes to the Administrators' time and cost analysis

Erinaceous Group plc (in administration)				
£	14 Apr 08 – 30 Sep 08	1 Oct 08 – 30 Jun 09	1 Jul 09 – 30 Sept 10	1 Oct 2010 – Present
Hourly rates				
Partner	600	640	695	725
Director	525	560	610	635
Senior Manager	430	460	500	525
Manager	340	360	390	420
Senior Administrator	240	260	285	305
Administrator	190	200	220	230
Support staff	100	105	115	120

Source Administrators' records

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