



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 0 3 3 3 1 8 8

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 L S 1 4 D A

Country

4 Administrator's name ①

Full forename(s) Howard

Surname Smith

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 Sovereign Square

Street Sovereign Street

Post town Leeds

County/Region

Postcode L S 1 4 D A

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 6	^m 0	^m 6	^y 2	^y 0	^y 2	^y 1
To date	^d 1	^d 9	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

J. All

X

Signature date

^d 2	^d 3	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1
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**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 **Poppy Bayley**

Company name **Interpath Advisory**

Address **1 Sovereign Square**

Sovereign Street

Post town **Leeds**

County/Region

Postcode

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Country

DX

Telephone **Tel +44 (0) 113 521 7510**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint
Administrators'
final progress
report for the
period 6 June
2021 to 19
November 2021

Clugston Group Limited - in
Administration

23 November 2021

Notice to creditors

Please note that KPMG LLP sold its Restructuring practice in the UK to Interpath Ltd ('Interpath Advisory') on 4 May 2021. This will not have an impact on your day to day dealings of the administration of the Company and your case contacts remain the same. Please note that the contact details for your primary case contacts may have changed, please check the insolvency portal at <http://clugstongroup.ia-insolv.com> for the latest contact details or contact Poppy.Bayley@interpathadvisory.com

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each class of creditors.

You will find other important information in the document such as the costs we have incurred.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://clugstongroup.ia-insolv.com>. We hope this is helpful to you.

Please also note that an important legal notice about this report is attached (Appendix 7).

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1 Executive summary

This final progress report covers the administration of Clugston Group Limited (the 'Company') and includes movements in the final period from 6 June 2021 to 19 November 2021 (the 'Period'). The administration will now be converted to Creditors' Voluntary Liquidation ('CVL').

As detailed in our previous reports, the Company 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'). CCL, CSL, CEL and the Company (together, the 'Administration Group') are the only Group entities subject to insolvency proceedings.

Our strategy during the Period has continued to focus on the realisation of assets, namely progressing the sale of freehold land, and accessing the funds following the sale of shares in a PFI SPV, both of which are held within wholly owned subsidiaries. During the Period, we agreed the sale of one of the plots of development land held by CRL. Note that funds will be realised in the Company by way of shareholder distributions from the respective subsidiaries (Section 2 - Progress to date).

Preferential claims comprise employee arrears of wages and holiday pay and are currently estimated at £29,061. Based on current estimates, we anticipate that preferential creditors will be paid in full. However, the timing of a distribution is currently unknown. The distribution to preferential creditors will be made in the subsequent CVL (Section 3 - Outcome for creditors).

Per the Statement of Affairs, unsecured claims are anticipated to total £75.6 million and based on current estimates, it is anticipated that unsecured creditors will receive a dividend. However, the quantum and timing of a distribution is currently unknown. A distribution to unsecured creditors will be made in the subsequent CVL (Section 3 – Outcome for creditors).

We consider that our Proposals have been completed. There have been no amendments to, or major deviations from, our original Proposals.

We have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notices to place the Company into Creditors' Voluntary Liquidation. We will cease to act as Joint Administrators when these documents are registered by the Registrar of Companies and on the same date will be discharged of liability in respect of any action of ours as Joint Administrators (Section 5 – Conclusion of the administration).

Please note: you should read this progress report in conjunction with our previous progress report(s) and proposals issued to the Company's creditors <http://clugstongroup.ia-insolv.com>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

A handwritten signature in black ink, appearing to read 'J Clark'.

James Clark
Joint Administrator

2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

During the Period, our strategy has focused on continuing to realise the Company's remaining assets. For detail on the Company's assets sold in prior periods, please refer to our previous progress reports and Proposals.

An update on the progress made to realise the Company's remaining assets is as follows:

PFI SPV: As previously reported, a wholly owned subsidiary of the Company, Clugston PF Limited ('CPFL'), owned an interest in a PFI SPV. The sale of the PFI SPV was completed in a prior period and the funds are being held by CPFL's solicitors.

During the Period, we sought approval from all creditors of the administration in relation to the proposed Members Voluntary Liquidation ('MVL') of CPFL. This decision was approved and several steps to place CPFL into MVL have been undertaken. We have spent time during the period liaising with our in-house tax specialists and the team working on the MVL of CPFL in order to arrange for the funds to be distributed to the Company. Due to the complex nature of this realisation, the funds realised from the sale of the PFI SPV will be transferred to the Company once it is in CVL. The realisation will be in excess of £4.0 million.

Freehold Land: As previously reported, one of the Company's wholly owned subsidiaries, Clugston Reclamation Limited ('CRL'), owns two plots of development land. During the Period we have continued to liaise with Sanderson Weatherall ('SW') regarding the sale of both plots of land.

As outlined previously, SW had carried out extensive marketing for one of the plots of land and received interest from over 60 parties. During the Period a sale has been agreed. Funds from this sale will be transferred to the Company by way of shareholder distribution in due course.

The second plot of land has an option agreement with a potential developer which, during the Period, has been extended until June 2022. This should allow sufficient time for the option to be exercised once another application for planning permission has been submitted. If the application is successful, the value of the land is expected to increase significantly.

During the Period the Joint Administrators identified that their Proposals, which were approved by creditors via a decision by correspondence on 27 February 2020, were sent late and approved outside of the period required in statute. Following the identification of

this issue, the Joint Administrators made an application to Court in order to retrospectively extend the time period for the sending and approval of the Proposals. This Court application was approved and accordingly the Joint Administrators Proposals are validly approved. The costs in relation to this Court application were paid by Interpath Advisory and will not be charged to the administration estate.

We consider that our Proposals have now been completed. There have been no amendments to, or major deviations from, our original Proposals.

During the Period, preferential and unsecured creditors have granted approval that we be discharged from liability in respect of any actions as Joint Administrators, upon the filing of this 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.

The administration of the Company is due to expire on 5 December 2021, however there are outstanding matters that need to be completed.

A shareholder distribution in excess of £4.0 million will be received shortly from CPFL. A further distribution is anticipated from CRL once CRL has realised its assets. We will receive these distributions in the subsequent CVL, and then pay a dividend to preferential and unsecured creditors in due course.

We have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notices to place the Company into CVL. We will cease to act as Joint Administrators on the date these documents are registered by the Registrar of Companies.

2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

During the Period, we have received £80,475 in relation to VAT repayments owed to CCL and CSL, which are part of the Company's VAT Group. These repayments have now been transferred to CCL and CSL.

During the Period, we received £2,084 from Freeths for the Option fee that was paid in relation to the extension of the option agreement on one of the plots of land held by CRL.

We reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

During the Period, Joint Administrators' fees of £298,713 were paid in line with approvals obtained from creditors for drawing remuneration.

During the Period, Joint Administrators' expenses of £7 were paid in line with approvals obtained from creditors for drawing disbursements.

During the Period, we have paid £650 to Wardell Armstrong in relation to work carried out on the sale of one of the plots of land. This was a site visit to assess future gas monitoring requirements.

A director of CRL has provided assistance in relation to the sale of the shares held by CPFL. Accordingly, the director has been paid £759 for their services.

Insurance costs of £1,120 have been paid during the Period in relation to insuring the Company's remaining assets.

During the Period, a total of £136,988 has been paid to CCL and CSL in relation Group VAT repayments. These VAT repayments relate to funds received during this Period and prior periods. These funds relate to VAT repayments owed to CCL and CSL, which were initially paid into CGL (as administrator of the Clugston VAT group).

2.4 Schedule of expenses

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Outcome for creditors

3.1 Secured creditors

At appointment, NatWest held the benefit of fixed and floating charges over the Company by way of a debenture. As previously reported, NatWest has confirmed that it has recovered its indebtedness in full.

3.2 Preferential creditors

We estimate the value of preferential claims to be £29,061.

Based on current estimates, we anticipate that preferential creditors will receive a dividend during the liquidation. We have been liaising with the RPS in relation to its claim which has ultimately delayed the agreement of preferential claims. Once resolved, claims will be agreed, and a dividend will be paid during the liquidation.

3.3 Unsecured creditors

Based on current estimates, we anticipate that unsecured creditors should receive a dividend during the liquidation. The amount will be determined once the realisation of assets and payment of associated costs has been completed during the liquidation.

4 Joint Administrators' remuneration and expenses

From 6 June 2021 to 19 November 2021, we have incurred time costs of £54,370. These represent 155 hours at an average rate of £351 per hour.

During the period, we have drawn remuneration of £298,713 in line with approvals obtained from creditors for drawing remuneration.

During the Period, £7 of expenses has been paid to Interpath Advisory. These expenses were incurred in prior periods.

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 6 June 2021 to 5 December 2021. We have also attached our charging and expenses policy.

5 Conclusion of the administration

We have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notices to place the Company into Creditors' Voluntary Liquidation.

We will cease to act as Joint Administrators when these documents are registered by the Registrar of Companies and on the same date will be discharged of liability in respect of any action of ours as Joint Administrators.

As outlined in this report there are still some assets held by the Company which are yet to be realised, summaries of these assets are provided below.

PFI SPV: As outlined previously, the sale of the PFI SPV held within CPFL was completed in a prior period, proceeds from the sale of this asset will be realised once the company is in CVL.

Freehold Land: As outlined previously, one of the Company's wholly owned subsidiaries, Clugston Reclamation Limited ('CRL'), owns two plots of development land. As detailed in this report the sale of one of these plots of land was agreed during the Period. Following the sale of the second plot of land, a distribution will be paid to the Company from CRL. This distribution will be received in the subsequent liquidation.

Funds totalling £12,056,357 have been transferred into the CVL which represents the administration surplus. In addition outstanding VAT due to the Company of £196,211 will be reclaimed from HMRC and will be paid into the subsequent CVL.

This is reflected in the receipts and payments account at Appendix 2.

Appendix 1 Statutory information

Company information

Company name	Clugston Group Limited
Date of incorporation	1 November 1937
Company registration number	00333188
Present registered office	1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

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' details	James Clark and Howard Smith
Functions	The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	5 December 2021
Values of the Net Property and Prescribed Part	Net Property was £15,648,305. Prescribed Part was £600,000.
Prescribed Part distribution	The amount distributed to unsecured creditors during the administration by way of the Prescribed Part was NIL.

Appendix 2 Joint Administrators' receipts and payments account

Clugston Group Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 06/06/2021 To 19/11/2021 (£)	From 06/12/2019 To 19/11/2021 (£)
FIXED CHARGE ASSETS			
6,000,000.00	Freehold property	NIL	5,406,299.12
	Clugston Reclamation Limited	2,083.33	2,083.33
	Shares and investments	NIL	1.00
	Bank interest, gross	330.40	12,061.98
	Reimbursement of search fees	16.67	1,569.18
5,200,000.00	PFI SPV	NIL	NIL
		2,430.40	5,422,014.61
FIXED CHARGE COSTS			
	Legal fees	NIL	(38,156.00)
	Legal Disbursements	NIL	(9.00)
	Agents'/Valuers' fees	(650.00)	(50,650.00)
	Agents disbursements	NIL	(1,643.00)
	Insurance of fixed assets	(1,120.00)	(2,240.00)
	Bank charges	NIL	(20.00)
	Consultancy Costs	(758.50)	(12,939.50)
	Costs of QMC Sale	NIL	(42,866.00)
		(2,528.50)	(148,523.50)
FIXED CHARGE CREDITORS			
(1,350,000.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
	Miscellaneous receipts	NIL	2,520.99
	Rent refund	NIL	34,307.42
	Intercompany loans	NIL	2,400,000.00
	Cash at bank	NIL	5,618,125.70
	Insurance refund	400.50	9,863.40
		400.50	8,064,817.51
OTHER REALISATIONS			
	Bank interest, gross	456.08	15,990.84
	Refund of BUPA Cash Plan	NIL	4,420.16
	Sundry refunds	NIL	40,184.73
	Employee Trust funds	NIL	34,163.30

Clugston Group Limited - in Administration**Abstract of receipts & payments**

Statement of affairs (£)		From 06/06/2021 To 19/11/2021 (£)	From 06/12/2019 To 19/11/2021 (£)
	Reimbursement of Third Party payroll	NIL	1,113,704.95
	Charges for administrative services	NIL	78,967.14
	Funds held for third parties	NIL	81,025.00
	Advertising	NIL	350.00
3,100,000.00	Group Company VAT Repayments	80,474.64	111,478.72
		80,930.72	1,480,284.84
COST OF REALISATIONS			
	VAT to be reclaimed in liquidation	(196,211.14)	(196,211.14)
	Funds to liquidation	(12,056,357.32)	(12,056,357.32)
	Sundry Repayments	NIL	(381.12)
	Repayment of third party funds	NIL	(81,023.00)
	Repayment of employee Trust funds	NIL	(34,299.01)
	IT costs	NIL	(9,842.63)
	Administrative services	NIL	(9,836.50)
	Other professional costs	NIL	(432.74)
	Administrators' pre-administration costs	NIL	(442.00)
	Administrators' fees	(298,712.24)	(743,712.24)
	Administrators' expenses	(6.48)	(5,892.03)
	Payroll Bureau Costs	NIL	(1,906.45)
	Agents'/Valuers' fees	NIL	(7,528.00)
	Software costs	NIL	(27,450.00)
	Legal fees	NIL	(88,325.50)
	Payment of third party payroll	NIL	(1,130,332.06)
	Legal disbursements	NIL	(756.87)
	VAT Repayments to the Group	(136,987.51)	(136,987.51)
	Storage costs	NIL	(2,300.00)
	Re-direction of mail	NIL	(211.00)
	Statutory advertising	NIL	(73.00)
	Rent	NIL	(39,657.76)
	Insurance of assets	NIL	(4,653.91)
	Wages & salaries	NIL	(136,088.04)
	PAYE & NIC	NIL	(103,068.63)
	Bank charges	(40.00)	(825.00)
		(11,816,822.23)	(9,686,543.46)

Clugston Group Limited - in Administration**Abstract of receipts & payments**

Statement of affairs (£)		From 06/06/2021 To 19/11/2021 (£)	From 06/12/2019 To 19/11/2021 (£)
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
(52,993,393.00)		(12,607,081.57)	NIL
REPRESENTED BY			
	Floating charge VAT receivable		NIL
	Fixed charge current		NIL
	Floating charge current		NIL
	Fixed charge VAT receivable		NIL
	Fixed charge VAT payable		NIL
	Floating charge VAT payable		NIL
	Floating charge VAT control		NIL
	Fixed charge VAT control		NIL
			NIL

Appendix 3 Schedule of expenses

Fixed charge costs

Agents'/Valuers' fees	650.00	0.00	650.00
Insurance of fixed assets	1,120.00	0.00	1,120.00
Consultancy Costs	758.50	0.00	758.50

Cost of realisations

Administrators' fees	298,712.24	0.00	298,712.24
Administrators' expenses	6.48	0.00	6.48
VAT Repayments to the Group	136,987.51	0.00	136,987.51
Bank charges	40.00	0.00	40.00
TOTAL	438,274.73	0.00	438,274.73

Requests for further information and right to challenge our remuneration and expenses

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Poppy Bayley on 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA.

Appendix 4 Joint Administrators' charging and expenses 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 in-house Interpath Advisory tax, VAT and employee 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/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Poppy Bayley on 0113 521 8121.

Set out below are the relevant charge-out rates per hour worked 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.

Partner	690
Director	620
Senior Manager	560
Manager	467
Senior Administrator	325
Administrator	236
Support	147

We have recovered both Category 1 and Category 2 expenses from the estate.

For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. 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 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Advisory 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 Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during the Period.

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

Category 2 expenses have been approved in the same manner as our remuneration.

The key areas of work have been:

Statutory and compliance	posting information on a dedicated web page; preparing statutory receipts and payments accounts; dealing with all closure related formalities; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and	monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; regular case management and reviewing of progress, including regular team update meetings and calls;

reviews	meeting with management to review and update strategy and monitor progress; 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	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions; dealing with post appointment tax compliance.
Shareholders	responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by preferential and unsecured creditors; locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	liaising with agents regarding the sale of assets.
Open cover insurance	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	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; 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;
Pensions	ensuring compliance with our duties to issue statutory notices; 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; communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	responding to enquiries from creditors regarding the administration and submission of their claims; drafting our progress report.

General (Cashiering)	8.30	2,356.55	283.92
Reconciliations (& IPS accounting reviews)	0.60	141.60	236.00

SIP 9 –Time costs analysis (06/06/2021 to 19/11/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Books and records	2.20	885.40	402.45
Fees and WIP	3.10	870.20	280.71
Statutory and compliance			
Checklist & reviews	14.15	3,732.40	263.77
Closure and related formalities	20.30	5,530.60	272.44
Statutory receipts and payments accounts	0.80	188.80	236.00
Strategy documents	5.30	2,359.60	445.21
Tax			
Post appointment corporation tax	12.30	4,546.90	369.67
Post appointment PAYE (Non Trading)	1.60	747.20	467.00
Post appointment VAT	14.30	6,293.60	440.11
Creditors			
Creditors and claims			
General correspondence	7.80	2,923.10	374.76
Statutory reports	36.70	10,682.90	291.09
Employees			
Correspondence	2.60	1,214.20	467.00
DTI redundancy payments service	0.10	46.70	467.00
Pension funds	1.40	653.80	467.00
Realisation of assets			
Asset Realisation			
Cash and investments	17.45	8,381.25	480.30
Freehold property	0.25	81.25	325.00
Insurance	1.00	325.00	325.00
Other assets	3.55	1,907.00	537.18
Trading code used when engagement didn't trade			
Trading			
Employee Matters / PAYE	1.15	501.55	436.13
Total in period	154.95	54,369.60	350.88
Brought forward time (appointment date to SIP 9 period start date)	2,372.20	905,279.53	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	154.95	54,369.60	
Carry forward time (appointment date to SIP 9 period end date)	2,527.15	959,649.13	

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.



The Company together with;

Clugston Construction Limited – in
Administration

Clugston Services Limited – in
Administration

NatWest Westminster Bank

Clugston Construction Limited

Clugston Distribution Services Limited

Clugston Estates Limited

Constructions industrielles de la
Méditerranée (a company registered in
France)

High Court of Justice, Business and Property
Court in Leeds, Insolvency and Companies
List (ChD)

Clugston Group Limited - in Administration

Clugston Reclamation Limited

Clugston Services Limited

Creditors' Voluntary Liquidation

David Westland Antony Clugston

John Westland Antony Clugston

John Anthony Brian Kelly

Ian Pattison

Stephen John Radcliffe

Andrew William Walker

Eversheds Sunderland LLP

Freeths LLP

The Company together with;

Clugston Construction Limited

Clugston Services Limited

Clugston Distribution Services Limited

Clugston Estates Limited

HCCI International Insurance Co PLC

James Clark and Howard Smith

Interpath Ltd

KPMG LLP

JLT Speciality Limited (trading as Marsh)

Members' Voluntary Liquidation

National Westminster Bank Public Limited

6 December 2020 to 5 June 2021

Private Finance Initiative

Pension Protection Fund

Joint Administrators' proposals dated 31
January 2020

Redundancy Payment Service

Sanderson Weatherall LLP

Special Purpose Vehicles

Any references in this progress report 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 7 Notice: About this report

This report 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 to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress 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.

This report has not been prepared in contemplation of it 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 the Company or any other company in the Group.

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 the Insolvency Rules (England and Wales) 2016 does so at its 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 to any such person.

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.

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 – www.interpathadvisory.com/privacy-insolvency.

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, Interpath Ltd 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.

www.interpathadvisory.com

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