



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

### 1 Company details

Company number 0 2 9 5 8 4 3 5

Company name in full Cruden Group Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Howard

Surname Smith

### 3 Administrator's address

Building name/number 1 St Peter's Square

Street

Post town Manchester

County/Region

Postcode M 2 3 A E

Country

### 4 Administrator's name ①

Full forename(s) David James

Surname Costley-Wood

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 1 St Peter's Square

Street

Post town Manchester

County/Region

Postcode M 2 3 A E

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	<sup>d</sup> 3	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 3	<sup>d</sup> 0	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*Harold Smith*

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 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 **Louis Noblet**

Company name **KPMG LLP**

Address **1 St Peter's Square**

Post town **Manchester**

County/Region

Postcode **M 2 3 A E**

Country

DX

Telephone **Tel +44 (0) 161 246 4000**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



# Joint Administrators' progress report for the period 31 July 2020 to 30 January 2021

Cruden Group Limited - in  
Administration

25 February 2021

Deemed delivered: 25  
February 2021

# Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

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, <http://www.insolvency-kpmg.co.uk/case+KPMG+CK72993447.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 8).**

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# 1 Executive summary

This progress report covers the period from the date of our appointment to 30 January 2021. ('the Period').

The Company was incorporated on 12 August 1994 and acts as a holding company. The Company owned a freehold property in Warrington, (the "Head office") and employed 11 members of staff based at this site.

The directors resolved on 31 July 2020 to appoint us as Joint Administrators. The notice of appointment was lodged at High Court of Justice, Business and Property Courts in Leeds on 31 July 2020 and we were duly appointed.

The Company was a member of a group which shared the 'Cruden' brand (the 'Cruden Group'). The Cruden Group included two other trading entities – Cruden Construction Limited ('CCL') and Cruden Property Services Limited ('CPS').

We delivered our statement of proposals ('Proposals') to all known creditors on 29 September 2020. They were deemed approved without modification on 9 October 2020.

The strategy to date has been to realise its interest in those assets identified on appointment – primarily the Property, and any other fixed assets it owned – primarily being office equipment (Section 2 – Progress to date).

A successful marketing process in relation to the Property was undertaken in the Period, one offer has been accepted by the Joint Administrators, and is in the process of transacting as the time of this report (Section 2 – Progress to date).

Based on current estimates, it is likely there will be sufficient funds in the administration to enable a distribution to the Secured creditor, WGPL under their subrogated claim. The timing and quantum of any dividend remains uncertain. (Section 3 - Dividend prospects).

Based on current estimates, it is likely there will be sufficient funds in the administration to enable a distribution to preferential creditors. However, the quantum and timing of any dividend remains uncertain (Section 3 - Dividend prospects).

Based on current estimates, it is uncertain whether unsecured creditors will receive a dividend. This will mainly be dependent on asset realisations and advice regarding secured claims ranking in priority to the unsecured creditors (Section 3 - Dividend prospects).

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

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the revised fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 6;

- 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 6.

Please note: you should read this progress report in conjunction with our Proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+CK72993447.html>. 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 "Howard Smith". The signature is fluid and cursive, with the first name "Howard" and last name "Smith" clearly distinguishable.

Howard Smith  
Joint Administrator



## 2 Progress to date

This section updates you on our strategy for the administration and on our progress to 30 January 2021. It follows the information provided in our Proposals.

### 2.1 Strategy and progress to date

#### Strategy

As detailed in our Proposals, the Company acted as a holding company for the trading entities CCL and CPS over which the administrators were also appointed over on 31 July 2020.

To support limited trade in CPS and the administrators in their duties, five employees of the Company's eleven employees were retained on our appointment. All employees were subsequently made redundant by 21 August 2020.

The main asset of the Company was the freehold property in Warrington, secured by way of fixed charge under Lloyds' security. In addition to work undertaken to realise the value from this asset we have also:

- undertaken a sale of miscellaneous equipment held by the Company;
- continued to liaise with employees in relation to specific administration related matters;
- provided a response to queries and requests for proof of debt forms from creditors and other stakeholders; and
- continued to carry out our statutory duties.

#### Freehold Property

During the Period, the Property was marketed for sale on our behalf by Avison Young, receiving several serious offers. Supported by advice from Avison Young, we determined the offer which presented the best return to creditors and accepted this offer in principal. The transaction has not completed at the time of reporting, as such we are unable to disclose details of the transaction, however we anticipate completion prior to our next report.

#### Specific creditors

On appointment, Lloyds were identified as a secured creditor of the Company. However, shortly after our appointment, we were made aware that Lloyds utilised their right of set off to obtain repayment for funds due in relation to the Company's overdraft balance from WGPL, another group entity. We note that at the time of reporting, charges against the Company in favour of Lloyds remain registered at Companies House.

During the Period, the Joint Administrators received correspondence from WGPL claiming a right of subrogation of Lloyds' security against the Company in respect of the amount WGPL paid to settle the overdrawn balance of the Company and CCL via the set off applied by Lloyds. We have received legal advice which confirms the validity of these actions.

As detailed in our Proposals, the nature of the work previously undertaken by the Cruden Group resulted in the need for bonds to be entered into on contracts undertaken. The decision on whether to call on these bonds is made following the completion of work under the contract, and in these circumstances any bond liabilities rank as an unsecured creditor.

All members of the Cruden Group are jointly and severally liable in respect of bond claims, the full extent of any claim in relation to bond holders remains uncrystallised in the Period and dependant on completion of work under the respect contracts in CCL and CPS.

## **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.

### **Intercompany recharges**

The sum of £20,036 has been received from CPS and CCL in respect of i) salary costs incurred by CGL for retained staff utilised for the benefit and statutory duties of these entities and ii) security costs incurred by CGL in which CPS and CCL benefitted.

### **Temporary funding**

The Company received temporary funding from another group company of £15,000 on 6 August 2020 in order to facilitate payments in the administration prior to the realisation of assets. This will be repaid once funds allow.

### **Cash received for group companies**

A total of £44,429 was received in the pre-appointment bank account in respect of debt due to CPS. These funds were transferred to CPS after the Reporting Period.

### **Sundry income**

Sundry refunds of £255 have been recovered in respect of prepayments made prior to appointment.

### **Furniture and equipment**

The sum of £1,608 was received in consideration for miscellaneous equipment, including laptops. No further realisations are anticipated in respect of physical assets. Funds were not remitted into Joint Administrators account in the Period and as such are not reflected in Appendix 2.

### **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.

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.

### Security costs (Fixed & Floating)

A total of £15,700 has been paid in respect of security costs. This consists of:

fixed charge security costs totalling £1,990 paid to 4i Security in relation to CCTV and general security relating to the Company's freehold property as required to comply with our insurance policy; and

floating charge security costs totalling £13,710 paid to Azteca relating to on-site security visits at the Company's freehold property to ensure the safety of staff at the onset of the administration. An element of these costs will be recharged to other Cruden Group entities.

### Redirection of mail

The sum of £321 was paid to Royal Mail for redirecting the Company's mail from the Company's previous address to the Joint Administrators' office.

### Wages and salaries

Wages and salaries costs in the Period totalled £9,313. This relates to the monthly payroll run, net of PAYE & NIC contributions, for the five staff who were retained in the administration.

Wages and salaries totalling £10,984 inclusive of PAYE & NIC contributions below have been recharged and received from CCL and CPS respectively for work carried out by the retained staff to support the administrations of these entities.

### PAYE & NIC

Payroll deductions of £3,628 were paid to HMRC during the Reporting Period, in relation to income tax and national insurance contributions for retained employees.

### Bank charges

Charges of £50 have been incurred on electronic payments from the post appointment bank account. Bank charges of £9 have been incurred on the pre-appointment bank accounts, these amounts have been disputed with the bank and as such separated in our R&P (Appendix 2).

### Payroll bureau costs

The sum of £63 was paid to PayCheck Limited for processing the payment of wages to the five staff who were retained in the administration.

## 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).

Summaries of the most significant expenses which have been incurred in the Period but have not yet been paid are provided below.

Joint Administrators' time costs (fixed & floating charge)

We have incurred time costs of £212,194 in the Period. However, as stated in Appendix 4, we are seeking approval from the Secured and preferential creditors for fees of up to £135,000, apportioned as fixed charge fees of £100,000 and floating charge fees of £35,000. In our schedule of expenses (Appendix 3) fees incurred in the in the Period were capped at this amount.

Solicitors' fees (fixed & floating charge)

We have included a provision of £23,500 for legal services rendered in the Period by DLA in assisting the Joint Administrators with regards to matters in the administration. This includes but not limited to:

- fixed charge legal costs of £18,500 relating to freehold property matters; and
- floating charge legal costs of £5,000 relating to ad-hoc advice in respect of potential legal claims, sales of intellectual property and specific creditor queries where legal advice was required.

Agent's fees

A total of £5,901 is due to be paid to GMS Property Services Limited for services undertaken in the Period in respect of assisting the Company in meeting the requirements of the unoccupied buildings condition schedule provided by our insurers, Marsh.

Storage costs

Storage costs of £16,173 were requested by Iron Mountain in respect of collection and storage of books and records.

Insurance costs

Marsh has been instructed to provide the Company with insurance cover for its assets over the course of the administration. During the Period, Marsh has attended the Property and provided us with general advice to ensure that we remain compliant with insurance regulations. Marsh's costs for the Period totalled £13,780.

## **3 Dividend prospects**

### **3.1 Secured creditor**

Lloyds has the benefit of fixed and floating charges over the assets of the Company, as well as a cross guarantee and rights of set off within other entities in the group. Our legal advisors have reviewed this security over the Company's assets and has confirmed its validity.

As stated in Section 2 above, Lloyds utilised their right of set off to obtain repayment for funds due in relation to the Company's overdraft balance from WGPL, another group entity. We received correspondence from WGPL claiming a right of subrogation of Lloyds' security against the Company in respect of the amount WGPL paid to settle the overdrawn balance of the Company and CCL via the set off applied by Lloyds. We have received legal advice which confirms the validity of these actions, and will seek appropriate legal advice in respect of approving the quantum of their claim.

At the time of reporting, it is considered likely that the Secured creditor will receive a dividend. However, the quantum and timing of any dividend remains uncertain, and potentially dependant on realisations within the other Cruden Group entities.

### **3.2 Preferential creditors.**

We currently estimate that preferential claims against the Company total £20,054.

Based on current estimates, we anticipate that preferential creditors will receive a dividend. However, the quantum and timing of a dividend is currently uncertain and dependent upon the realisations and associated costs of the administration.

### **3.3 Unsecured creditors**

It is currently uncertain whether unsecured creditors will receive a dividend. This will mainly be dependent on the quantum realised in the Property sale and advice regarding secured claims ranking in priority to the unsecured creditors.

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

### **4.1 Joint Administrators' remuneration and disbursements**

We are seeking approval from the Secured and preferential creditors that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 4 and the charge-out rates included in Appendix 6.

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 6.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of our remuneration.

#### Time costs

From the date of our appointment to 30 January 2021, we have incurred time costs of £212,194. These represent 611 hours at an average rate of £347 per hour.

#### Remuneration

During the Period, we have not drawn any remuneration.

#### Disbursements

During the Period, we have incurred disbursements of £886. None of these have been paid in the Period.

#### Additional information

We have attached a revised fees estimate at Appendix 4. Our time costs have increased because due to reasons outlined in Appendix 4. We are therefore seeking approval for further fees.

We have attached a revised expenses estimate at Appendix 5. Expenses have increased due to reasons outlined in Appendix 5.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the Period from our appointment to 30 January 2021. We have also attached our charging and disbursements policy.

## 4.2 Pre-administration costs

We disclosed the following pre-administration costs, which were unpaid at the date of our appointment, in our Proposals:

Pre-administration costs				
	Disclosed unpaid costs (£)	Approved (£)	Paid in the Period (£)	Outstanding (£)
KPMG fees	3,955.00	0.00	0.00	3,955.00
Legal fees	5,259.00	0.00	0.00	5,259.00
<b>Total</b>	<b>9,214.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,214.00</b>

We are seeking approval from the Secured and preferential creditors to pay these pre-administration costs as an expense of the administration.

## **5 Future strategy**

### **5.1 Future conduct of the administration**

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- seeking the realisation of the Property, with assistance from our appointed agents Avison Young in assuring the smooth completion of the sale in its final stages;
- maintenance of the Property and its insurance until the transaction can complete;
- making payment to relevant parties such as agents, on the receipt of the Property sale proceeds;
- obtaining appropriate legal advice in respect of secured claims against the Company, with specific reference to any subrogated claim and exposure to group bond liabilities;
- seeking an extension of the administration period;
- finalisation of the Secured creditor's position and in doing so dividend prospects and timing for unsecured creditors;
- continue to correspond with creditors in respect of the affairs of the Company and their claims;
- making distributions to the creditors as realisations allow;
- finalising the level of costs payable in the administration and arranging payment of these costs;
- continuing to prepare monthly VAT returns until HMRC obliges our request for quarterly returns, then obtaining tax and VAT clearance for the administration;
- completing all statutory duties in the administration, prior to exit by an appropriate exit route; and
- dealing with other matters arising in the administration.

### **5.2 Discharge from liability**

We are seeking approval from Secured and preferential creditors that we be discharged from liability in respect of any actions 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.

### **5.3 Future reporting**

We will provide a further progress report within one month of 30 July 2021 or earlier if the administration has been completed prior to that time.

## Appendix 1 Statutory information

### Company information

Company name	Cruden Group Limited
Date of incorporation	12 August 1994
Company registration number	02958435
Present registered office	1 St Peter's Square, Manchester, M2 3AE

### Administration information

Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Courts in Leeds, 000624 of 2020
Appointor	Directors
Date of appointment	31 July 2020
Joint Administrators' details	Howard Smith and David Costley-Wood
Estimated values of the Net Property and Prescribed Part	<p>Estimated Net Property is £152,854. Estimated Prescribed Part is £31,163.</p> <p>The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors.</p>
Prescribed Part distribution	<p>If funds do become available for a distribution under the Prescribed Part, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.</p> <p>Alternatively, the Prescribed Part will be automatically disapplied if the Net Property is less than £10,000 and the costs of making a distribution would be disproportionate to the benefits.</p>
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	30 July 2021



## Appendix 2 Joint Administrators' receipts and payments account

<b>Cruden Group Limited - in Administration</b>			
<b>Abstract of receipts &amp; payments</b>			
Statement of affairs (£)		From 31/07/2020 To 30/01/2021 (£)	From 31/07/2020 To 30/01/2021 (£)
FIXED CHARGE ASSETS			
500,000.00	Freehold property	NIL	NIL
		NIL	NIL
FIXED CHARGE COSTS			
	Fixed Security Costs	(1,989.64)	(1,989.64)
		(1,989.64)	(1,989.64)
FIXED CHARGE CREDITORS			
(1,500,295.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
250,000.00	Contingent debtor under the OGSA	NIL	NIL
9,378.00	Furniture & equipment	NIL	NIL
	Intercompany Recharges	20,036.00	20,036.00
	Temporary funding	15,000.00	15,000.00
		35,036.00	35,036.00
OTHER REALISATIONS			
	Bank interest, gross	19.53	19.53
	Cash received for Group companies	44,428.58	44,428.58
	Sundry refunds	254.77	254.77
		44,702.88	44,702.88
COST OF REALISATIONS			
	Security Costs	(13,710.00)	(13,710.00)
	Bank charges received in error	(9.48)	(9.48)
	Re-direction of mail	(321.00)	(321.00)
	Wages & salaries	(9,313.01)	(9,313.01)
	PAYE & NIC	(3,627.61)	(3,627.61)
	Bank charges	(50.00)	(50.00)
	Payroll bureau costs	(62.50)	(62.50)
		(27,093.60)	(27,093.60)
PREFERENTIAL CREDITORS			
(20,054.00)	Other	NIL	NIL
		NIL	NIL

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

Statement of affairs (£)	From 31/07/2020 To 30/01/2021 (£)	From 31/07/2020 To 30/01/2021 (£)
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## UNSECURED CREDITORS

(140,349.00)	Employees	NIL	NIL
(1.00)	Banks/Institutions	NIL	NIL
(1,788,904.00)	Connected companies	NIL	NIL
(100,000.00)	Corp tax etc/nonpref PAYE	NIL	NIL
(8,726,485.00)	Residual Contingent Bond Liability	NIL	NIL
		NIL	NIL
<b>(11,516,710.00)</b>		<b>50,655.64</b>	<b>50,655.64</b>

## REPRESENTED BY

Floating ch. VAT rec'able	2,754.50
Floating charge current	51,748.91
Fixed charge VAT rec'able	397.93
Floating ch. VAT control	(4,245.70)
	<b>50,655.64</b>

## Appendix 3

## Schedule of expenses

Schedule of expenses (31/07/2020 to 30/01/2021)			
Expenses (£)	Incurred and paid in the Period (£)	Incurred in the Period not yet paid (£)	Total estimate (£)
<b>Fixed charge costs of realisation</b>			
Officeholders' fees	0.00	100,000.00	100,000.00
Officeholders' disbursements	0.00	886.48	886.48
Legal fees	0.00	18,500.00	18,500.00
Legal disbursements	0.00	0.00	0.00
Agents' fees	0.00	5,896.33	5,896.33
Agents' disbursements	0.00	0.00	0.00
Fixed security costs	1,989.64	0.00	1,989.64
Insurance	0.00	13,668.48	13,668.48
Other property costs	0.00	0.00	0.00
<b>Other costs of realisations</b>			
Officeholders' fees	0.00	35,000.00	35,000.00
Officeholders' disbursements	0.00	886.48	886.48
Legal fees	0.00	5,000.00	5,000.00
Legal disbursements	0.00	0.00	0.00
Agents' fees	0.00	1,217.00	1,217.00
Agents' disbursements	0.00	0.00	0.00
Wages & salaries	9,313.01	0.00	9,313.01
Payroll costs	62.50	0.00	62.50
Bank charges (including amounts in dispute)	59.48	0.00	59.48
Refund of Temporary funds	0.00	0.00	0.00
Storage costs	0.00	16,172.71	16,172.71
Statutory advertising	0.00	0.00	0.00
Stationary & postage	0.00	0.00	0.00
PAYE and NIC	3,627.61	0.00	3,627.61
Re-direction of mail	321.00	0.00	321.00
Security costs	13,710.00	0.00	13,710.00
<b>Total</b>	<b>29,083.24</b>	<b>197,227.48</b>	<b>226,310.72</b>

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

### **Creditors' requests for further information**

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.

### **Creditors' right to challenge our remuneration and expenses**

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 Louis Noblet at 1 St Peter's Square, Manchester, M2 3AE.

## Appendix 4 Joint Administrators' revised fees estimate

Initial estimated time costs for the engagement					Additional estimated time costs for the engagement			Revised total estimated cost
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)	Additional estimated hours	Additional estimated time cost	Additional estimated hourly rate (£)	
Administration & Planning								
Bankrupt/Director/Member	Note 1	0.10	56.00	560.00	9.80	3,890.80	398.67	3,946.80
Cashiering - processing receipts, payments and bank reconciliations	Note 2	9.80	3,500.90	357.23	42.00	11,166.10	283.15	14,667.00
General - books & records, fees & work in progress	Note 3	81.27	28,691.60	353.04	3.17	2,708.10	371.86	31,399.70
Statutory and compliance - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 4	124.09	46,781.15	376.99	46.35	14,823.95	361.45	61,605.10
Tax - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 5	61.05	19,228.50	314.96	71.30	24,562.50	330.87	43,791.00
Creditors								
Committees - committee meetings and reports to the committee		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors and claims - general correspondence, notification of appointment, statutory reports	Note 6	68.28	23,185.15	339.56	301.03	92,133.40	312.25	115,318.55
Employees - correspondence	Note 7	46.82	16,129.65	344.50	5.87	4,043.80	382.87	20,173.45
Investigations								
Directors - correspondence, statement of affairs, questionnaires	Note 8	12.27	5,189.95	422.98	23.70	10,306.90	430.83	15,496.85
Investigations - director conduct and affairs of the Company		30.87	10,509.45	340.44	(-18.75)	(-6,632.75)	319.86	3,876.70
Realisation of Assets								
Asset Realisation - including insurance of assets	Note 9	54.30	24,857.65	457.78	71.34	28,335.45	423.38	53,193.10
Trading								
Trading - purchases, sales, cash projections	Note 10	20.07	7,000.55	348.81	6.54	1,196.10	308.03	8,196.65
Total		508.92	185,130.55	363.77	562.35	186,534.35	346.94	371,664.90

Whilst specific notes have been provided below to give more context around our revised fees estimate, these should be read in conjunction with the report as a whole and our Proposals.

#### Note 1 – Bankrupt/Director/Member

More time than initially anticipated was spent on these matters, including gathering the required information from the Company's records, and preparing internal documentation to be retained in our files.

#### Note 2 – Cashiering

We anticipate spending more time than initially estimated on cashiering. Time spent in this category are in relation to opening and maintaining bank accounts for the administration, processing and reconciling receipts and payments and preparing periodical bank reconciliation statements. Additional time was spent corresponding with the Company's pre-appointment bank which continues to receive ad-hoc receipts, we have also incurred additional costs in dispute relating to charges levied on this account.

#### Note 3 – General

More time than initially anticipated was spent arranging for the collection of the Company's physical and electronic records. On appointment, it was noted that the Company held significant records at the Head office and with a third-party provider with minimal description as to record contents. Additional time was spent reviewing these files to ensure all records that are required to be held by the Joint Administrators were identified.

More time than estimated was also spent on seeking approval for the Joint Administrators' fees and monitoring time spent in the administration. This also includes time to be spent on raising the Joint Administrators fees should approval for this be obtained from the Secured and preferential creditors.

#### Note 4 – Statutory and compliance

More time than initially estimated was spent ensuring that we remain compliant with all relevant statutory obligations, including but not limited to health and safety matters, providing notifications of our appointment and preparing statutory receipt and payment accounts. Additional time was spent liaising with our legal advisors, regarding the subrogation right of WGPL.

#### Note 5 – Tax

More time than estimated in our Proposals, was spent on tax related matters. This is due to additional time spent preparing monthly VAT returns, submitting a request to HMRC for quarterly returns and quantifying pre-appointment tax losses available for a potential transfer to solvent group members.

#### Note 6 – Creditors and claims

More time than initially anticipated was spent dealing with creditors' claims and queries. We received creditor queries and correspondence in excess of that initially forecasted, particularly in relation to previous utility suppliers such as British Gas and Npower for contract sites and leased vehicles with Lex Autolease. Further time will be spent reviewing claims received in the administration should realisations allow a distribution in the administration.

#### Note 7 – Employees

Additional time was required to deal with employee matters. Following our appointment, it was identified that in an error by the company prior to our appointment an element of some employees' pension was not paid. We have been working with the pension provider and RPS to rectify the situation.

More time than initially anticipated was also spent by our ERA team in dealing with queries from redundant staff and other employee matters.

#### Note 8 – Directors

More time than estimated in our Proposals was spent corresponding with the Directors regarding the Statement of Affairs and the Directors' questionnaires, particularly due to additional complexity of the cross guarantee and bond liability position. We continue to liaise with the Directors as appropriate.

#### Note 9 – Asset realisations

More time than initially estimated was spent on assets realisations due to inquiries into the Company's intellectual property, and discussions to realise the Company's pre-appointment tax losses to remaining solvent group members.

#### Note 10 – Trading

The Company did not trade in the Period. This category refers to time spent in dealing with employment and payroll of the five employees retained to assist the Joint Administrators with a managed wind down of the Company.

**Our current estimate is to seek total fees of £135,000 based on the time costs shown above and included in the Joint Administrators expense estimate' (Appendix 5).**

**In the event that additional work is necessary due to a change in the circumstances of the administration we may need to increase our fees estimate and request approval to draw additional remuneration**

## Appendix 5 Joint Administrators' revised expenses estimate

Revised Expenses Estimate					
£	Narrative	Initial total estimate	Paid to date	Estimated future costs	Revised Estimates
<b>Fixed charge costs of realisation</b>					
Officeholders' fees	1	100,000.00	0.00	100,000.00	100,000.00
Legal fees	3	15,000.00	0.00	25,000.00	25,000.00
Legal disbursements	3	0.00	0.00	1,000.00	1,000.00
Agents' fees	4	11,250.00	0.00	15,000.00	15,000.00
Agents' disbursements	4	5,000.00	0.00	3,000.00	3,000.00
Fixed security costs	5	0.00	1,989.64	1,600.00	3,589.64
Insurance	6	8,000.00	0.00	13,668.48	13,668.48
Other property costs	7	15,000.00	0.00	15,000.00	15,000.00
<b>Other costs of realisations</b>					
Officeholders' fees	1	35,000.00	0.00	35,000.00	35,000.00
Officeholders' disbursements	2	0.00	0.00	886.48	886.48
Legal fees	3	10,000.00	0.00	10,000.00	10,000.00
Legal disbursements	3	0.00	0.00	1,000.00	1,000.00
Agents' fees	4	200.00	0.00	1,217.00	1,217.00
Agents' disbursements	4	0.00	0.00	200.00	200.00
Wages & salaries	8	8,275.95	9,313.01	0.00	9,313.01
Payroll costs	8	62.50	62.50	0.00	62.50
Bank charges (including amounts in dispute)	9	200.00	59.48	200.00	259.48
Refund of Temporary funds	10	15,000.00	0.00	15,000.00	15,000.00
Storage costs	11	10,000.00	0.00	16,172.71	16,172.71
Statutory advertising	12	100.00	0.00	100.00	100.00
Stationary & postage	13	600.00	0.00	501.83	501.83
PAYE and NIC	8	0.00	3,627.61	0.00	3,627.61
Re-direction of mail	14	321.00	321.00	0.00	321.00
Security costs	15	13,710.00	13,710.00	0.00	13,710.00
<b>Total</b>		<b>247,719.45</b>	<b>29,083.24</b>	<b>254,546.50</b>	<b>283,629.74</b>

### Notes 1 Officeholders' fees (fixed & floating)

These costs relate to the fees of the Joint Administrators' (in respect of fixed and floating charge time incurred), to date, we have incurred time costs of £212,194. In addition, the Joint Administrators' have incurred pre-administration time costs of £3,955. However, as stated in



Appendix 4 above, we are seeking approval from the Secured and preferential creditors to draw total fees of £135,000 in the administration.

#### Note 2 Officeholders' disbursements, Stationary & postage

Due to the way internal postage and stationary costs are recorded they have been included as category 1 disbursements but relate to stationary & postage expenses.

#### Note 3 Legal fees & disbursements

##### *Fixed legal fees & disbursements*

These costs relate to a provision for legal fees associated with the realisation of the fixed charge asset, the Property.

##### *Floating legal fees & disbursements*

These costs relate to legal fees incurred to date (see the schedule of expenses per Appendix 3) and a provision future legal fees to be incurred for general legal advice over the course of the administration.

A provision has been included for any disbursements to be incurred by our legal advisors on behalf of the Joint Administrators.

#### Note 4 Agents' fees & disbursements

##### *Fixed agent's fees & Disbursements*

These costs relate to a provision for agent fees associated with the service and realisation of the fixed charge asset, the Property. An element of these costs is contingent on the consideration received. Therefore, these costs may require a revision in subsequent reporting.

##### *Floating agent's fees & Disbursements*

Other agents' fees and disbursements are anticipated to be incurred in relation to:

Leslie Keats for recovery of the contractual debtors. The majority of these fees will be contingent upon recoveries; and

Hilco for realisations achieved from the sale of ad hoc equipment identified on site and associated initial valuation work undertaken. No further realisations and associated costs are anticipated in this regard.

#### Note 5 Fixed Security costs

Costs relating to the existing security and CCTV system required until completion of the Property transaction to ensure security of the Company's assets and compliance with insurance requirements.

#### Note 6 Insurance

Insurance premiums estimate in respect of the insurance cover as arranged by our insurance brokers, Marsh

#### Note 7 Other property costs

A provision for other ad hoc costs which may be required to comply with insurance and maintain the Property until a sale can complete. Included in this provision are utility expenses to be crystallised on sale completion.

#### Note 8 Wages & Salaries, Payroll costs, PAY and NIC

Costs incurred in respect of retained employees in the administration, an element of this expense will be recharged should it relate to support for activities in CPS and CCL.

#### Note 9 Bank charges

These costs relate to charges levied by the bank where CHAPS payments are required to facilitate a faster payment method. The standard method of payment in the administration will be by cheque. Despite correspondence requesting payment to the Joint Administrators account some debtors continue to make payment into the pre-appointment bank accounts, additional costs have been incurred in relation to these accounts and transfer costs to remit funds into the administration.

#### Note 10 Refund of temporary funds

Temporary funding provided by Headcrown, the Company's parent, to facilitate payments in the administration prior to any asset realisations have subsequently been returned.

#### Note 11 Storage costs

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

#### Note 12 Statutory advertising

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

#### Note 14 IT systems

Estimated costs in relation to the use of sites during the administration, at the time of reporting finalisation of these costs and recharges where applicable with other Group entities remains ongoing.

#### Note 15 Intercompany recharges

Amounts recharged by CGL in order to cover the cost of the Company's share of the provision of security at head office, and an apportionment of the wages and salaries of five central members of staff retained in the administration who assisted in the managed wind down of the Company.

#### Note 14 Redirection of mail

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

#### Note 15 Floating Security costs

Costs relating to the existing security and CCTV system incurred by the Company on appointment to secure the assets and records of the Company and provide appropriate protection for retained staff in response to direct threats received. No further security expenditure is expected to be incurred.

## Appendix 6 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 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/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 Louis Noblet on 0161 246 4912.

### 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.

Grade	From 01 Jan 2020 £/hr
Partner	690
Director	620
Senior Manager	560
Manager	467
Senior Administrator	325
Administrator	236
Support	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 from the date of our appointment to 9 February 2021.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	NIL	25.25	NIL	NIL	25.25
Meals	NIL	86.09	NIL	NIL	86.09
Mileage	NIL	NIL	NIL	450.72	450.72
Postage	NIL	72.92	NIL	NIL	72.92
Sundry	NIL	190.00	NIL	NIL	190.00
Travel	NIL	61.50	NIL	NIL	61.50
<b>Total</b>	<b>NIL</b>	<b>435.76</b>	<b>NIL</b>	<b>450.72</b>	<b>886.48</b>

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

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

## Narrative of work carried out for the Period 31 July 2020 to 30 January 2021

### The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; 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	formulating, monitoring and reviewing the administration strategy and meetings with internal and external parties to agree the same; 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; 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, including agreeing content of engagement letters; complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	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; 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	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; 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; reviewing the Company's duty position to ensure compliance with duty requirements; dealing with post appointment tax compliance. During the Period it was identified that the pre-appointment losses may present an asset to prior group members. Time was undertaken to identify quantum of applicable losses and to engage in discussions with prior group members. Unfortunatley during these discussions the other party withdrew from the proposed transaction.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the administration.
General	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, arranging for their collection and dealing with the ongoing storage. Additional time was spent correctly allocating books and records between the Cruden Group entities.
Asset realisations	collating information from the Company's records regarding the assets; liaising with finance companies in respect of assets subject to finance agreements; liaising with agents regarding the sale of assets; collating information, liaising with agents and undertaking activities to market the Property for sale; and securing and managing the Property until the sale process can complete.
Health and safety	liaising with Marsh in order to manage all health and safety issues and environmental issues; liaising with the Health and Safety Executive regarding the administration and ongoing

	health and safety compliance.
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets; liaising with Marsh to provide information, assess risks and ensure appropriate cover is 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; 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	collating information and reviewing the Company's pension schemes; ensuring compliance with our duties to issue statutory notices; and 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.
Creditors and claims	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; and providing informal updates to the Secured creditor on the administration progress.
Investigations/ directors	reviewing Company and directorship searches and advising the directors of the effect of the administration; liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; arranging for the redirection of the Company's mail; reviewing the questionnaires submitted by the directors of the Company; reviewing pre-appointment transactions; submitting the online director conduct assessment to the relevant authority.

## Time costs

### SIP 9 –Time costs analysis (31/07/2020 to 30/01/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Bankrupt/Director/Member			
General correspondence	<b>0.80</b>	410.80	513.50
Notification of appointment	<b>0.10</b>	56.00	560.00
Cashiering			
Fund management	<b>11.05</b>	2,705.00	244.80
General (Cashiering)	<b>10.20</b>	3,066.10	300.60
Reconciliations (& IPS accounting reviews)	<b>0.70</b>	165.20	236.00
General			
Books and records	<b>55.14</b>	19,954.95	361.90
Fees and WIP	<b>6.30</b>	2,495.00	396.03
Joint appointee	<b>1.50</b>	930.00	620.00
Statutory and compliance			
Advising directors	<b>0.25</b>	140.00	560.00
Appointment and related formalities	<b>25.70</b>	10,759.00	418.64
Appointment documents	<b>1.00</b>	467.00	467.00
Bonding & Cover Schedule	<b>0.50</b>	233.50	467.00
Budgets & Estimated outcome statements	<b>23.33</b>	7,641.25	327.53
Checklist & reviews	<b>21.24</b>	7,147.70	336.52
Pre-administration checks	<b>0.17</b>	55.25	325.00
Strategy documents	<b>11.35</b>	3,966.40	349.46
Tax			
Initial reviews - CT and VAT	<b>11.95</b>	3,316.10	277.50
Post appointment corporation tax	<b>20.68</b>	8,136.70	393.46
Post appointment PAYE (Non Trading)	<b>1.10</b>	513.70	467.00
Post appointment VAT	<b>43.77</b>	13,645.50	311.75
<b>Creditors</b>			
Creditors and claims			
General correspondence	<b>112.70</b>	27,706.55	245.84
Legal claims	<b>4.80</b>	1,132.80	236.00
Secured creditors	<b>6.15</b>	3,385.25	550.45
Statutory reports	<b>39.16</b>	14,932.95	381.33
Employees			
Correspondence	<b>27.04</b>	10,934.45	404.38



**SIP 9 –Time costs analysis (31/07/2020 to 30/01/2021)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Pension funds	<b>2.75</b>	1,226.50	446.00
Pensions reviews	<b>8.80</b>	2,769.80	314.75
<b>Investigation</b>			
Directors			
Correspondence with directors	<b>0.40</b>	186.80	467.00
D form drafting and submission	<b>20.87</b>	9,284.15	444.86
Directors' questionnaire / checklist	<b>1.00</b>	325.00	325.00
Statement of affairs	<b>13.70</b>	5,700.90	416.12
Investigations			
Mail redirection	<b>0.87</b>	220.45	253.39
Review of pre-appt transactions	<b>11.25</b>	3,656.25	325.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>9.78</b>	3,103.25	317.31
Debtors	<b>3.50</b>	1,312.00	374.86
Freehold property	<b>37.99</b>	19,976.30	525.83
Health & safety	<b>0.85</b>	420.20	494.35
Insurance	<b>9.90</b>	3,296.50	332.98
Intellectual Property	<b>2.75</b>	764.50	278.00
Leasehold property	<b>3.47</b>	834.05	240.36
Office equipment, fixtures & fittings	<b>8.75</b>	2,065.00	236.00
Other assets	<b>2.00</b>	1,250.00	625.00
Pre-appointment tax & VAT refunds	<b>3.50</b>	2,050.00	585.71
Vehicles	<b>6.05</b>	1,658.80	274.18
Trading related codes			
Employee Matters / PAYE	<b>25.11</b>	7,356.65	292.98
Purchases and trading costs	<b>1.50</b>	840.00	560.00
<b>Total in Period</b>	<b>611.47</b>	<b>212,194.25</b>	<b>347.02</b>
Brought forward time (appointment date to SIP 9 Period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 Period end date)	611.47	212,194.25	
Carry forward time (appointment date to SIP 9 Period end date)	611.47	212,194.25	

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

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

## Appendix 7      Glossary

<b>4i Security</b>	4i Security (Acquisitions) Limited
<b>Avison Young</b>	The trading name of GVA Grimley Limited, instructed as agents of the Joint Administrators
<b>Azteca</b>	Azteca Door Secure Limited
<b>Bank/Lloyds</b>	Lloyds Bank PLC
<b>CCL</b>	Cruden Construction Limited
<b>Company/CGL</b>	Cruden Group Limited - in Administration
<b>CPS</b>	Cruden Property Services Limited
<b>Cross Guarantee, or 'OGSA'</b>	The Omnibus Guarantee and Set off Agreement within the Headcrown Group, signed on 1 April 2014
<b>Cruden Group</b>	The Company together with;  Cruden Construction Limited  Cruden Property Services Limited
<b>DLA</b>	DLA Piper UK LLP
<b>Headcrown</b>	Headcrown Group PLC
<b>Hilco</b>	Hilco Appraisal Ltd
<b>Iron Mountain</b>	Iron Mountain Storage (UK) PLC

<b>Joint Administrators/we/our/us</b>	Howard Smith and David Costley-Wood
<b>KPMG</b>	KPMG LLP
<b>Marsh</b>	Marsh Limited
<b>Period/ Reporting Period</b>	31 July 2020 to 30 January 2021
<b>Property</b>	Hillcrest Bungalow, Knutsford Road, Grappenhall, Warrington WA4 3LA
<b>Proposals</b>	The Joint Administrators' Proposals dated 24 September 2020 and deemed delivered 29 September 2020
<b>Royal Mail</b>	Royal Mail Group PLC
<b>Secured creditor</b>	Wiggins Gee Property Limited by way of its right of subrogation of Lloyds Bank PLC's security against the Company
<b>SIP9</b>	Statement of insolvency practice 9
<b>WGPL</b>	Wiggins Gee Property Limited

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 8      Notice: About this report

This report has been prepared by Howard Smith and David Costley-Wood, the Joint Administrators of Cruden 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.

Howard Smith and David James Costley-Wood 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](https://home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html).

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