

**Notice of move from  
administration to dissolution**

Name of Company
Erinaceous Property Services Limited

Company number
03142678

In the High Court of Justice <small>[full name of court]</small>
--

Court case number 3092 of 2008
-----------------------------------

We James Robert Tucker  
KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB  
United Kingdom

Richard James Philpott  
KPMG LLP  
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London  
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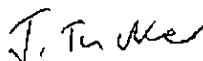
having been appointed Administrators of Erinaceous Property Services Limited KPMG LLP, 8 Salisbury Square London EC4Y 8BB

on 14 April 2008 by the Company

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed



Dated

Joint Administrator  
14 September 2011

**Contact Details:**

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

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When you have completed and signed this form, please send it to the  
Registrar of Companies at -  
Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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# **Erinaceous Group subsidiaries – in administration Closure Report**

**Final progress report in accordance with Rule 2.47**

**6 September 2011**

This Progress Report has been prepared by James Robert Tucker and Richard James Philpott the Administrators of two subsidiaries of Ernaceous Group Plc in administration, solely to comply with their statutory duty under Rule 2.110 of the Insolvency Rules 1986 (as amended) to provide creditors with a final report of the administrations, 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 these entities.

Any person that chooses to rely on this Report for any purpose or in any context other than under rule 2.110 of the Insolvency Rules 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this Report.

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

Jim Tucker is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. Richard Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The appointments of the Joint Administrators are personal to them and are not appointments of KPMG LLP. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administrations.

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

## Glossary of terms

<b>Admincos</b>	Companies placed into administration on or after 14 April 2008 (see Appendix 1 for details of companies)	<b>IA86</b>	The Insolvency Act 1986
		<b>IR86</b>	The Insolvency Rules 1986
<b>Administrators</b>	James Robert Tucker Richard James Philpott KPMG LLP 8 Salisbury Square London, EC4Y 8BB	<b>Prescribed part</b>	A fund set aside for unsecured floating charge funds of approximately 20% of net assets
		<b>The Subsidiaries</b>	The two administrations being closed, i.e. ECPS and EPS
		<b>SoA</b>	Statement of Affairs
<b>Banks</b>	HBoS, Lloyds TSB and HSBC (secured by a debenture dated 26 July 2006)		
<b>ECPS</b>	Erinaceous Commercial Property Services Limited		
<b>EPS</b>	Erinaceous Property Services Limited		
<b>EG plc or Parent Company</b>	Erinaceous Group plc		
<b>Group</b>	EG plc and its subsidiaries (as at 14 April 2008)		

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## Executive Summary

All matters in relation to these two administrations have now been completed and tax clearance received from HMRC. Therefore these administrations are now being closed

- The Subsidiaries' parent company, Ernaceous Group Plc, and 71 of its subsidiaries went into administration on 14 April 2008
- This report is prepared in accordance with Rule 2.110 of the Insolvency Rules 1986 and relates only to ECS and ECPS ("the Subsidiaries")
- The administrators have previously issued five progress reports covering the administrations of all Group companies as a whole from 14 April 2008 to 13 April 2011
- The Administrators' Statement of Proposals was approved on 19 July 2008 (see Appendix 3 - Statement of Proposals)
- On 3 April 2009 a Court order was obtained which extended the period of the Subsidiaries' administrations until 13 October 2010. On 6 October 2010 a further extension to the period of the Subsidiaries' administrations was granted by the Court until 13 October 2011
- The appropriate Prescribed Part dividends have been paid to all unsecured creditors of the Subsidiaries
- The Subsidiaries' funds available to the Banks under their fixed and floating charges have, with the Banks' permission, been distributed to ECG Plc to reduce the overdraft facility provided by the Banks
- Receipts and payments accounts for the Subsidiaries are attached in Appendix 2
- Tax clearance has been obtained for pre and post appointment periods for the Subsidiaries
- On the filing of this report, together with a Form 2.35B with the Registrar of Companies, the Subsidiaries' administrations will end and dissolution will follow three months thereafter

## Statement of Proposals

**Proposals to creditors were approved on 19 July 2008**

- In accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 the Administrators are required to issue their proposals to creditors for achieving the purpose of the administrations within eight weeks of their appointment on 14 April 2008
- Due to the complexity of the Group's affairs an extension to the deadline was granted by the Court and the Administrators' Statement of Proposals was circulated to all known creditors on 7 July 2008
- As the Subsidiaries had insufficient property to enable a distribution to unsecured creditors, other than that by virtue of the Prescribed Part, the Administrators are not required to convene a creditors meeting unless, as set out in the Statement of Proposals, one is requested by creditors. No such meeting was requested. As a result, in accordance with Rule 2.33(5) of the Insolvency Rules 1986, the Statement of Proposals as circulated was deemed approved on 19 July 2008

## Progress and outcome of the administrations

- This progress report covers the final period from 14 April 2011 to 1 September 2011
- The Administrators' Statement of Proposals were approved on 19 July 2008 and have not been modified (see page 5, Statement of Proposals)
- Since the last progress report the Administrators have continued to advance the administrations to achieve the statutory purpose and in line with the proposals. This has included the realisation of all known assets. In addition prescribed part dividends have been paid in respect of one of the Subsidiaries. The balance of funds remaining after payment of all costs, which were due to be distributed to the Banks, have, by agreement of the Banks, been paid to EG Plc to reduce the Bank overdraft



## Extension of the administrations in October 2010

In October 2010 the remaining 10 administrations were extended for a further 12 months until 13 October 2011.

Following the closure of the EPS and ECPS administrations, only the administration of EG plc will remain open.

- In October 2010 the Administrators considered the position of each of the ten remaining administrations separately
- Prior to making the application to extend the remaining ten administrations the Administrators advised the secured creditors of the intention to seek an extension to the administrations and received their support for this strategy

- The Subsidiaries' administrations were extended for a further 12 months until 13 October 2011 for the following reasons

### ECPS

- Following the approval of the Court of the Distribution Scheme to deal with the client monies, £1.2m was released to the estate of ECPS following expiry of a bar date for claims of 21 June 2010, and following subsequent correspondence with two rejected claimants. This increased the Prescribed Part available to its unsecured creditors. The process to distribute the prescribed part was completed in November 2010

### EPS

- A sum of £15,000 was held on behalf of dissenting shareholders. On advice from solicitors the Administrators paid these monies into Court, pending any future claims from beneficial owners, on 16 August 2011
- The Administrators were progressing a sale of some land adjacent to Shoreham Airport to Caley. The land was sold on 18 April 2011 for £50,000

### In both cases

- To agree the final corporation tax position of the Group and each of its members and obtain corporation tax and VAT clearance
- To make a further distribution to the secured creditors under their fixed and floating charge security

## Liabilities

Since the previous report the Administrators have paid the final Prescribed Part.

### Secured creditors

- To date distributions to the secured creditors total £134 million, against a debt at appointment of £230 million

### Preferential creditors

- A summary of the agreed and paid preferential creditor claims are detailed below

Preferential claims agreed and paid		
£000	ECPS	EPS
Redundancy payments office	43	Nil
Employees	56	Nil
<b>Total</b>	<b>99</b>	<b>Nil</b>

Source Administrators' records

### Prescribed part and unsecured creditors' claims

- Summarised below are the Prescribed Parts for each of the Administrations
- On 3 April 2009 the Court granted the Joint Administrators permission to pay a dividend to unsecured creditors from the Prescribed Parts
- The Joint Administrators had largely completed the agreement of claims at the date of the last report but received a later communication from HM Revenue and Customs that it considered itself to be a significant creditor and intended to participate in view of the materiality of HMRC's claim the administrators agreed to delay the dividends for a period to allow HMRC to claim Following receipt of HMRC's claims the Prescribed Part dividend was subsequently paid
- The Joint Administrators forecast that there will not be a Prescribed Part in EG plc However, they continue to keep this under review as they finalise realisations
- The costs directly associated with agreeing claims and distributing the Prescribed Part to the unsecured creditors are deductible from the Prescribed Part

Prescribed part		
£000	ECPS	EPS
<b>Total (before costs)</b>	<b>444</b>	<b>Nil</b>
Payment due	Paid	N/A
Less costs	(29)	Nil
<b>Dividend (p in the £)</b>	<b>6 57</b>	<b>Nil</b>

Source Administrators' records

## Cost of administrations

### Costs of administrations

- The costs of administrations paid to date in the individual companies are set out in the attached Receipts and Payments Accounts (see Appendix 2)
- In accordance with Rule 2 106 (5a) of the Insolvency Rules 1986, where there is a dividend to preferential creditors in a particular entity, a simple majority of these creditors voting is required to approve the basis of the Administrators' remuneration drawn from that estate. This is in addition to the approval of each of the Secured Creditors
- Administrators' total remuneration of £7.4 million, together with £88,000 for dealing with the Prescribed Parts, has been drawn to date with the approval of the Secured Creditors and Preferential Creditors where applicable. In accordance with R12 2(2) IR86 the costs associated with the agreement and payment of the Prescribed Parts are payable from those funds and the table on Page 9 details costs of £29,000 paid from the ECPS Prescribed Part
- The Administrators' time costs to 13 April 2011, have been analysed and disclosed in previous reports to creditors. Analyses of time costs incurred in the period from 14 April 2011 to 1 September 2011 are attached as Appendix 3

# Appendices

## Comments on Appendices

### Appendix 1: Statutory information

- In accordance with Insolvency Rule 2.47, the prescribed statutory information for the Subsidiaries is provided

### Appendix 2: Administrators receipts and payments account

- The Administrators' receipts and payments account for the six months from 14 April 2011 to 1 September 2011 together with a receipts and payments account covering the period 14 April 2008 to 1 September 2011, are included. The figures on the accounts are shown net of VAT

### Appendix 3: Analysis of Administrators' time costs

- Schedules detailing the Administrators' time costs for the six month period from 14 April 2011 to 1 September 2011 together with time cost analysis covering the period from 14 April 2008 to 1 September 2011, are included in this report

## Appendix 1

### Statutory information

Statutory information		Erinaceous Commercial Property Services Limited	Erinaceous Property Services Limited
Company name		Erinaceous Commercial Property Services Limited	Erinaceous Property Services Limited
Company number	2540610		3142678
Date of incorporation	18 September 1990		2 January 1996
Registered office	8 Salisbury Square, London, EC4Y 8BB		8 Salisbury Square, London, EC4Y 8BB
Trading names	NAI Erinaceous Erinaceous Commercial Property Management Dunlop Haywards PPH Commercial Douglas Duff CPAM Commercial Property Asset Management Erinaceous Facilities Management Painter Satter Egan Lawson		
Court	High Court of Justice		High Court of Justice
Court reference	3071/08		3092/08
EU regulation	Main proceedings		Main proceedings
Administrators	Richard Philpott and Jim Tucker		Richard Philpott and Jim Tucker
Date of appointment	14 April 2008		14 April 2008
Appointor	Directors		Directors
Para 100(2) statement	All functions or acts to be carried out by the Joint Administrators are to be exercised by all or any one or more of the persons for the time being holding that office		All functions or acts to be carried out by the Joint Administrators are to be exercised by all or any one or more of the persons for the time being holding that office
Directors (no shares in the companies are held by the directors)	RD Collins NP Davis		NP Davis D Lavelle
Secretary (no shares in the companies are held by the secretary)	JMS Bellis, RS Johnson		JMS Bellis, RS Johnson

## Appendix 2

### Receipts and payments account

Receipts from 14 April 2011 to 1 September 2011			
£	ECPS	EPS	
<b>Receipts</b>			
Goodwill	-	-	
Leasehold property	-	50,000	
Client accounts	-	-	
Furniture and equipment	-	-	
Stock / WIP	-	-	
Staff Loans	-	-	
Trade debtors	-	-	
Intercompany debtors	-	-	
Intragroup debtors – Group	-	-	
Book debt interest	-	-	
Cash at bank	6,977	-	
Rent income	-	-	
Bank interest – gross	-	27	
VAT payable	-	-	
Other receipts	5,907	-	
Recharge of trading / payroll costs	-	-	
<b>Total receipts</b>	<b>12,884</b>	<b>50,027</b>	

Source Administrators' records

Payments from 14 April 2011 to 1 September 2011			
£	ECPS	EPS	
<b>Payments</b>			
Trading costs	-	-	
Distribution to secured creditors	13,392	45,027	
Distribution to preferential creditors	1,619	-	
Distribution to unsecured creditors	1,371	-	
Legal fees	-	5,000	
Administrators fees	-	-	
Administrators expenses	-	-	
Debt Collection costs	-	-	
VAT receivable	-	-	
Bank Charges	75	-	
Sundry expenses	1,212	-	
Insurance of assets	-	-	
Corporation tax	893	-	
<b>Total payments</b>	<b>18,562</b>	<b>50,027</b>	
<b>Movement in the period</b>	<b>(5,678)</b>	<b>-</b>	

Source Administrators' records

## Appendix 2

### Receipts and payments account

Receipts as at 1 September 2011			
£	ECPS	EPS	
<b>Receipts</b>			
Goodwill	9	-	
Leasehold property	3	50,000	
Client accounts	1,178,501	-	
Furniture and equipment	116,736	-	
Stock / WIP	2	-	
Staff Loans	265	-	
Trade debtors	2,259,304	-	
Intercompany debtors	529,797	-	
Intergroup debtors – Group	16,653	-	
Bank debt interest	4,876	-	
Cash at bank	261,765	-	
Rent income	16,779	1	
Bank interest – gross	41,062	27	
VAT payable	351,301	-	
Other receipts	115,573	-	
Recharge of trading / payroll costs	20,274	-	
<b>Total receipts</b>	<b>4,912,900</b>	<b>50,028</b>	

Source Administrators' records

Payments as at 1 September 2011			
£	ECPS	EPS	
<b>Payments</b>			
Trading costs	165,015	-	
Distribution to secured creditors	1,825,006	45,028	
Distribution to preferential creditors	99,325	-	
Distribution to unsecured creditors	416,593	-	
Legal fees	127,394	5,000	
Administrators fees	1,850,378	-	
Administrators expenses	6,141	-	
Debt Collection costs	33,974	-	
VAT receivable	356,479	-	
Bank Charges	964	-	
Sundry expenses	18,738	-	
Insurance of assets	3,927	-	
Corporation tax	8,966	-	
<b>Total payments</b>	<b>4,912,900</b>	<b>50,028</b>	
<b>Cash in hand</b>	<b>-</b>	<b>-</b>	

Source Administrators' records



## Appendix 3

### Administrators' time costs

#### ECPS

14 April 2011 to 1 September 2011

	Partner/ Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Strategy, statutory & planning	-	12 30	2 70	0 30	15 30	5,935 50	387 94
Creditors	-	5 00	3 45	-	8 45	2,893 50	342 43
Realisation of assets	-	2 50	-	-	2 50	1,050 00	420 00
<b>Total in period</b>	-	<b>19 80</b>	<b>6 15</b>	<b>0 30</b>	<b>26 25</b>	<b>9,879 00</b>	<b>376 34</b>

14 April 2008 to 1 September 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading	-	69 50	-	44 50	114 00	30,075 50	263 82
Strategy, statutory & planning	32 30	1,022 20	186 65	17 60	1,258 75	514,485 00	408 73
Creditors	10 00	188 25	334 20	8 00	540 45	161,134 25	289 15
Client money	18 00	300 50	14 00	1 60	334 10	137,795 00	412 44
Investigation	-	0 60	6 40	-	7 00	1,796 00	256 57
Realisation of assets	256 10	1,077 20	3,212 55	2 40	4,548 25	1,275,204 50	280 37
<b>Total in period</b>	<b>316 40</b>	<b>2,658 25</b>	<b>3,753 80</b>	<b>74 10</b>	<b>6,802 55</b>	<b>2,120,490 25</b>	<b>311 72</b>

## Appendix 3

### Administrators' time costs (cont.)

#### EPS

14 April 2011 to 1 September 2011

	Partner/ Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Strategy, statutory & planning	-	11 00	2 75	0 20	13 95	5,414 50	388 14
Creditors	-	0 20	3 10	-	3 30	797 00	241 52
<b>Total in period</b>	-	<b>11 20</b>	<b>5 85</b>	<b>0 20</b>	<b>17 25</b>	<b>6,211 50</b>	<b>360 09</b>

14 April 2008 to 1 September 2011

	Partner/ Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading	-	3 00	0 50	-	3 50	1,365 00	395 71
Strategy, statutory & planning	5 00	21 10	274 70	9 50	310 30	68,405 00	220 45
Creditors	6 50	15 40	22 40	0 50	44 80	14,952 00	333 75
Investigation	0 20	0 10	-	0 10	0 40	181 00	670 00
Realisation of assets	15 50	9 50	29 60	0 10	54 70	19,686 50	359 90
<b>Total in period</b>	<b>27 20</b>	<b>49 10</b>	<b>327 20</b>	<b>10 20</b>	<b>413 70</b>	<b>104,609 50</b>	<b>252 86</b>



## Appendix 3

### Notes to the Administrators' time and cost analysis

#### EG Plc subsidiaries (in administration)

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

Source Administrators' time records



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