

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Erinaceous Group Plc	Company number 03732607
In the High Court of Justice	Court case number 3014 of 2008

We
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EC4Y 8BB
United Kingdom

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

from 14 October 2011	to 13 April 2012
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Signed

Ed Boyle
Joint Administrator

Dated

4 May 2012**Contact Details:**

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

Tom Chuter KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom DX Number DX 38050 Blackfriars		Tel DX Exchange
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have completed and signed this form, please send it to the Registrar of Companies at -

s House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff



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Erinaceous Group Plc – in administration

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

4 May 2012



Notice: about this report

This report has been prepared by the Joint Administrators solely to comply with their statutory duty under rule 2.47 of the Insolvency Rules 1986 to report on the progress of the Administration in the period 14 October 2011 to 13 April 2012. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under rule 2.112 of the Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report.

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

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

Glossary of terms

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



Contents

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in connection with this
report are:

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Executive summary

This report has been prepared for the purposes of Rule 2.47 of the Insolvency Rules 1986

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

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

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

We have progressed a £1.1m claim against a debtor, which is the only significant asset remaining in the administration. Our application for summary judgement or in the alternative an interim payment was heard in the Court on 15 December 2011. We received judgement on 1 March 2012 and whilst summary judgement was not granted we were successful in being granted an interim payment of £324,000 and an order that the debtor pay part of our legal costs in relation to the Court application. This litigation remains ongoing.



Extension of the administration

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

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

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

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

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



Cost of administration

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

Cost of administration

Administrators' remuneration of £7.35 million has been drawn to date in aggregate across the administrations of all the Group companies with the approval of the secured and preferential creditors, where applicable. In accordance with R12.2(2) IR86 the costs associated with the agreement and payment of the Prescribed Parts are payable from those funds. A further £96,000 has been approved and paid from the Prescribed Parts.

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

Comments on Appendices

Appendix 1: Statutory information

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

Appendix 2: Administrators' receipts and payments account

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

Appendix 3: Administrators' time costs

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



Appendix 1 Statutory information

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

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



Appendix 2

Receipts and payments account – Erinaceous Group plc

Receipts as at 13 April 2012		Payments as at 13 April 2012	
	£		£
Receipts		Payments	
Shares and Investments	126,422,233	Trading costs	9,102,405
Regis interim payment	376,195	Distribution to secured creditors	130,486,320
Goodwill	202	Legal fees	1,508,377
Leasehold property	1,205,002	Administrators fees	3,819,648
Furniture and equipment	3,185	Administrators expenses	55,391
Fairoaks	152,913	Debt Collection costs	496
Trade debtors	44,733	Irrecoverable VAT	40,350
Intercompany debtors	576,491	VAT receivable	864,536
Cash at bank	1,361	Bank Charges	267,566
Rent income	232,528	Professional fees	12,754
Bank interest – gross	129	Payroll and expenses	6,000
VAT payable	847,056	Storage costs	151,831
Group funding receipt	7,279,764	Payroll on behalf of 3rd party	3,996
Other receipts	320,896	Sundry expenses	648,376
Recharge of trading / payroll costs	6,777,273	Insurance of assets	32,700
Total receipts	144,239,961	Total Payments	147,000,746
		Bank funding utilised	(2,760,785)

Source: Administrators' records.



Appendix 2

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

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

Source: Administrators' records

Administrators' time costs – Erinaceous Group plc Analysis for the period from 14 October 2011 to 13 April 2012

Erinaceous Group plc (in administration)						
£	Hours			Support	Total	Time cost
	Partner/director	Manager	Administrator			
Cashiering	-	6 90	5 40	0 10	12 4	4,527 00
General	-	0 50	4 10	-	4 60	1,153 00
Shareholders	-	0 50	1 15	-	1 65	474 50
Strategy, Statutory and Planning	2 50	27 70	20 30	0 60	51 10	18,163 50
Tax	-	5 00	10 50	-	15 50	4,515 00
Creditors and claims	1 40	21 50	19 00	-	41 90	14,521 50
Employees	-	3 20	-	-	3 20	1,344 00
Asset realisation	6 10	12 70	2 80	-	21 60	9,925 00
Total in period	10 00	78 00	63 25	0 70	151 95	54,623 50
						359 48

Source: Administrators' records



Appendix 3

Notes to the Administrators' time and cost analysis

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

Source: Administrators records.



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