

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 [full name of court]	Court case number 3014 of 2008

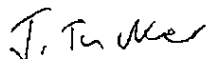
We
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London
EC4Y 8BB
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KPMG LLP
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Administrators of the above company attach a progress report for the period

from	to
14 April 2010	13 October 2010

Signed



Joint Administrator

Dated

10 November 2010

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 the public record.

Tom Chuter KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom DX Number DX 38050 Blackfriars		Tel +44 20 73118667 DX Exchange
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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

FRIDAY



RECEIPTS		£
Brought forward from previous Abstract (if Any)		140,064,676 26
Shares and investments		16,873 36
Group funding receipt		1,840 407 76
Trade debtors		29 818 77
Floating ch VAT payable		107 67
Floating ch VAT control		30,711 24
Carried forward to		141 982,595 06
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		146,076,719 42
Sales		29,818 77
Rent		971 88
Sundry expenses		85,403 82
Legal fees (General)		141,313 97
Rent		42,388 44
Professional fees - Pensions advice		6,023 90
Bank charges & interest		31 294 84
Floating ch VAT receivable		41,821 83
Carried forward to		146 455,756 87
* continuation sheet / next abstract		

* Delete as appropriate

* Delete as appropriate

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



RESTRUCTURING

Erinaceous Group plc and certain subsidiaries – in administration

Administrators' fifth progress report for the period from 1 April 2010 to 13 October 2010 pursuant to Rule 2.47 of the Insolvency Rules 1986

10 November 2010

ADVISORY



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 April 2010 to 13 October 2010. 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 Erineaceous Group plc or other companies in the group.
- Any estimated outcomes for creditors included in this report is 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 2.47 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, Edward George Boyle and Richard John Hill are authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. Richard James Philpott is authorised to act as an insolvency practitioner by the Insolvency Practitioners' Association.
- The Joint Administrators act as agents of the companies 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

Admnicos	Companies placed into administration on or after 14 April 2008 (see Appendix 1 for details of companies)	HLR	HLR Holdings Limited
		IA86	The Insolvency Act 1986
Administrators	James Robert Tucker Edward George Boyle Richard John Hill Richard James Philpott KPMG LLP 8 Salisbury Square London, EC4Y 8BB	IR86	The Insolvency Rules 1986
		ISGO	ISGO Limited
		Operating entities	See Appendix 4
		Parent company	See Appendix 4
		PR	People Resourcing Limited
Banks	HBoS, Lloyds TSB and HSBC (secured by a debenture dated 26 July 2006)	Prescribed part	A fund set aside for unsecured floating charge funds of approximately 20% of net assets
Building Consultancy	Erinaceous Consultancy Services Limited	SoA	Statement of Affairs
Caley	Caley Limited (a vehicle owned by the Banks)	Square Mile	Square Mile Real Estate Services Limited
ECPS	Erinaceous Commercial Property Services Limited		
ECS	Erinaceous Commercial Services Limited		
EG plc and Parent Company	Erinaceous Group plc		
EMS	Erinaceous Managed Services Limited		
EPS	Erinaceous Property Services Limited		
Group	EG plc and its subsidiaries (as at 14 April 2008)		

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Executive summary

This report has been prepared in accordance with Rule 2.47 of IFRS6

- This progress report covers the period from 14 April 2010 to 13 October 2010 and follows the Administrators' fourth six monthly progress report to creditors dated 11 May 2010. It has been prepared purely in accordance with Rule 2.47 of IFRS6
- The Administrators' Statement of Proposals was deemed approved by creditors on 19 July 2008
- Since the last report to creditors dated 11 May 2010, the Administrators have continued to progress the administrations to achieve the statutory purpose to realise assets for the benefit of creditors as a whole, have realised property to distribute to secured and preferential creditors, and have made distributions to unsecured creditors from Prescribed Parts in certain entities
- The Prescribed Parts which resulted from floating charge realisations and are detailed on page 7 have been paid to the unsecured creditors in six of the eight entities from which a Prescribed Part is available
- There is a small number of residual matters, as detailed in this report, which are yet to be finalised. Therefore, the Administrators applied for and obtained a Court Order on 6 October 2010 to extend the remaining ten administrations for a further 12 months until 13 October 2011

Extension of the administrations

The remaining 10 administrations have been extended for a further 12 months until 13 October 2011

- The Administrators considered the position of each of the 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 administrations have been extended for a further 12 months until 13 October 2011 for the following reasons

EG plc

- To dispose of the leasehold property at The Courtyard, Severn Drive Tewkesbury. This property was under offer, but the purchaser recently withdrew from the sale. It is now back on the market
- To complete the collection of a debtor balance with a significant estimated realisable value by way of a joint collection exercise with a Caley owned entity
- As the parent company and the only entity with a bank overdraft facility, EG plc needs to remain open until all subsidiary company administrations have been closed

ECPS

- Following the approval of the Court of the Distribution Scheme to deal with the client monies, and following expiry of a bar date for claims of 21 June 2010, £1.2m has been released to the estate of ECPS (£840,000 was received before 13 October 2010, with the balance received shortly after). This has significantly increased the Prescribed Part available to its unsecured creditors. The process to distribute this increased Prescribed Part will be completed shortly

Building Consultancy

- To complete the distribution of the Prescribed Part of £600,000 to the unsecured creditors declared on 25 August 2010. This distribution was completed on 1 September 2010
- To complete remaining realisations and final distributions to the Banks

ISGO

- The Administrators have sought legal advice on the treatment of investment assets in this entity to establish whether they should properly be treated as fixed or floating charge. Having made enquiries to determine the extent of security arrangements that were in place at the time that the investments were entered into, the Administrators have determined that certain of the securities were subject to a fixed charge and the others are floating charge assets on which a prescribed part is payable

HLR, PR, ECS, EMS and Square Mile

- A tax clearance process is in progress for the above companies and clearance is expected from HMRC shortly. Closure of these administrations will follow after ensuring no further liabilities remain outstanding and the final floating charge distributions have been made

EPS

- A sum of £15,000 is held on behalf of dissenting shareholders and on advice from solicitors the Administrators are seeking to pay these monies into Court pending future claims from beneficial owners
- The Administrators are progressing the sale of a small parcel of land

In all 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

Asset realisations

Our receivables collection activities have largely been concluded and except for one material matter, no further realisations are

anticipated

The Distribution Scheme has been completed

There are a number of property related matters still to be concluded

Trade receivables

- To date, £9.5 million has been recovered from trade receivables
- Other than in respect of one EG plc debtor, work on collection of trade receivables has now concluded

Client monies

- The Distribution Scheme imposed a cut-off date of 21 June 2010 for the submission of claims in respect of the client monies. Payments to beneficiaries have been made. Beneficiaries who did not submit a claim by the cut-off date or were unable to substantiate a valid claim to the client money will have a claim in the administration as an unsecured creditor.

- A surplus of £1.2 million remained after the completion of the Distribution Scheme and is available to the administration estate of ECPS. This increases the Prescribed Part available to the unsecured creditors of ECPS.

Leasehold and freehold property

- The sale of business agreements included the leasehold interest in 78 of the Group's 154 premises. All of these have now been assigned or vacated.
- We have offered surrenders on all of the properties not included in the sale of business. Acceptance of surrender has not yet been granted in all cases. These properties remain vacant. Landlords are not under any obligation to accept surrender of the leases. Therefore, some ongoing management and maintenance of public liability cover of the properties is required until the lease liabilities are discharged or the administrations are closed.
- The joint administrators continue to seek a purchaser for EG plc's long leasehold interest in the Tewkesbury property, having had a sale fall through recently.
- The transfer of a parcel of freehold land adjacent to Shoreham Airport is progressing.

Deferred consideration

- The deferred consideration relating to the sale of an Irish subsidiary has now been received in full.

Liabilities

Since the previous report the Administrators have paid six Prescribed Part dividends, with two more to follow shortly

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	Building Consistency	ECPS	EMS	ECS	Total
Redundancy payments office	112	43	101	20	276
Employees	102	54	17	19	192
Total	214	97	118	39	468

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 late 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 six Prescribed Part dividends have been paid with two more to follow shortly
- 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 Prescribed Part in ECPS has been increased due to monies from the Distribution Scheme
- 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	EG Plc	Building Consistency	ECPS	EMS	ECS	HLR	PR	SM	ISGO	Total
Total (before costs)	Nil	600	450	292	59	139	7	9	43	1,599
Payment due	-	Paid	Nov 10	Paid	Paid	Paid	Paid	Paid	Nov 10	-
Less costs	-	(44)	Unclear	(15)	Nil	Nil	Nil	Nil	Nil	(59)
Dividend (p in the £)	-	9.52	Unclear	7.2	1.48	16.18	0.23	0.37	Unclear	

Note We have not sought to recover our costs in respect of some of the smaller Prescribed Parts where it is not cost effective to do so
Source Administrators' estimates

Costs of administrations

The administrators' total remuneration of £7 409 million to date has been approved by the Secured and preferential creditors (where applicable)

Costs of administrations

- The costs of administrations paid to date 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' remuneration of £7 35 million, together with £59,000 for dealing with the Prescribed Parts, has been drawn to date 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 and the table on Page 7 details costs of £59,000 payable from the Prescribed Parts paid to date
- The Administrators' time costs to 13 April 2010, have been analysed and disclosed in previous reports to creditors. Analyses of time costs incurred in the period from 14 April 2010 to 13 October 2010 are attached as Appendix 3

Comments on Appendices

Appendix 1: Statutory information

- In accordance with IFR86, the prescribed statutory information for the ten group companies which remain in administration is provided

Appendix 2 Administrators' receipts and payments account

- The Administrators' receipts and payments accounts to 13 October 2010 is included. The figures on the account are shown net of VAT
- A summary of the transactions in the period from 14 April 2010 to 13 October 2010 is also included

Appendix 3 Analyses of Administrators' time costs for the period 14 April 2010 to 13 October 2010

Appendix 4 Company classifications



Appendix 1

Statutory information

Statutory information		Erineaceous Commercial Property Services Limited		Erineaceous Managed Services Limited	ISGO Limited
Company name	Erineaceous Group plc				
Company number	3732607	2540610	1166863	3645790	
Date of incorporation	15 March 1999	18 September 1990	16 April 1974	7 October 1998	
Registered office	8 Salisbury Square, London, EC4Y 8BB	8 Salisbury Square, London, EC4Y 8BB	8 Salisbury Square, London, EC4Y 8BB	8 Salisbury Square, London, EC4Y 8BB	
Trading names		NAI Erineaceous Erineaceous Commercial Property Management Dunlop Heywards PPH Commercial Douglas Duff CPAM Commercial Property Asset Management Erineaceous Facilities Management Painter Salter Egan Lawson	Eurcal Services		
Court	High Court of Justice	High Court of Justice	High Court of Justice	High Court of Justice	
Court reference	3014/08	3071/08	3058/08	3096/08	
EU regulation	Main proceedings	Main proceedings	Main proceedings	Main proceedings	
Administrators	Jim Tucker and Edward Boyle	Richard Philpott and Jim Tucker	Richard Hill and Jim Tucker	Richard Hill and Jim Tucker	
Date of appointment	14 April 2008	14 April 2008	14 April 2008	14 April 2008	
Appointor	Directors	Directors	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	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)	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	RD Collins NP Davis	N Davis	D Lavelle	
Secretary (no shares in the companies are held by the secretary)	Robin Simon Johnson	JMS Bellis, RS Johnson	JMS Bellis, RS Johnson	JMS Bellis, RS Johnson	

Appendix 1

Statutory information (cont.)

Statutory information				
Company name	Etrineaceous Property Services Limited	H.L.R. Holdings Limited	People Resourcing Limited	Square Mile Real Estate Services Limited
Company number	3142678	4192518	2040364	3997848
Date of incorporation	2 January 1996	2 April 2001	24 July 1986	19 May 2000
Registered office	8 Salisbury Square, London, EC4Y 8BB	8 Salisbury Square, London, EC4Y 8BB	8 Salisbury Square, London, EC4Y 8BB	8 Salisbury Square, London EC4Y 8BB
Trading names				
Court	High Court of Justice	High Court of Justice	High Court of Justice	High Court of Justice
Court reference	3092/08	3015/08	3091/08	3107/2008
EU regulation	Main proceedings	Main proceedings	Main proceedings	Main proceedings
Administrators	Richard Philpott and Jim Tucker	Richard Philpott and Jim Tucker	Richard Philpott and Jim Tucker	Richard Philpott and Jim Tucker
Date of appointment	14 April 2008	14 April 2008	14 April 2008	14 April 2008
Appointor	Directors	Directors	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	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)	NP Davis D Lavelle	NP Davis D Lavelle	D Lavelle	D Lavelle
Secretary (no shares in the companies are held by the secretary)	JMS Bellis, RS Johnson	JMS Bellis, RS Johnson	JMS Bellis, RS Johnson	JMS Bellis, RS Johnson

Statutory information (cont.)

Statutory information		Erinaceous Consultancy Services Limited	Erinaceous Commercial Services Limited
Company name		Erinaceous Consultancy Services Limited	Erinaceous Commercial Services Limited
Company number	2660273	2505860	
Date of incorporation	5 November 1991	25 May 1990	
Registered office	8 Salisbury Square, London, EC4Y 8BB	8 Salisbury Square, London, EC4Y 8BB	
Trading names	Dearle & Henderson Francis Graves Leach Rhodes Walker Monaghans Nolan Associates Rose Project Services Dunlop Haywards Building Consultancy	Egan Lawson Harman Healy Mainquid Erinaceous Auctions	
Court	High Court of Justice	High Court of Justice	
Court reference	3036/08	3117/2008	
EU regulation	Main proceedings	Main proceedings	
Administrators	Richard Hill 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)	N Davis	N 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 as at 13 October 2010

£	EG Plc	Erinnaceous Consultancy Services Ltd	ECPS	ECS	EMS	HLR	ISGO	PR	EPS	Square Mile	Group Consolidated
Receipts											
Shares and Investments	126,422,233	4	-	-	19,085	3	496,758	-	-	-	126,938,082
Goodwill	202	27,515	9	21,509	5	-	-	-	-	-	49,240
Leasehold property	950,002	-	3	2	1	242,947	-	-	-	-	1,192,955
Furniture and equipment	3,185	164,987	-	28,488	3	-	-	-	-	-	313,399
Fairoaks Escrow – Liable to repay	152,913	-	-	-	-	-	-	-	-	-	152,913
Motor vehicles	-	-	-	10,000	-	-	-	-	-	-	10,000
Client monies	-	-	-	-	-	-	-	-	-	-	840,196
Stock/WIP	-	394,425	2	30,989	1	-	-	-	-	-	425,417
Staff loans	-	-	265	1,005	-	-	-	-	-	-	1,270
Intercompany receipts	-	-	-	-	-	-	-	2,906	-	-	2,906
Trade debtors	43,578	4,601,287	2,245,170	755,375	1,927,995	-	-	4,435	-	-	9,577,839
Intercompany debtors	576,491	-	529,797	-	255,161	-	-	-	1	-	1,361,451
Intercompany debtors – Group	-	-	16,653	-	-	5,229	-	-	-	-	21,882
Book debt interest	-	19,223	4,876	1,629	2,299	-	-	122	-	-	28,149
Repayments	-	-	-	-	-	-	-	-	-	-	-
Cash at bank	1,361	12,099	254,788	47,702	7,903	-	-	16,081	-	-	339,935
Rent income	232,528	74,496	16,779	-	-	-	-	-	-	-	323,803
Sundry income	-	-	-	-	20,784	-	-	-	-	-	20,784
Bank interest – gross	129	48,586	41,062	6,128	44,988	10,316	20,277	199	-	8	171,693
VAT payable	642,999	207,235	313,577	108,170	101,375	5,229	-	116	-	-	1,378,701
Deferred consideration	-	200,000	-	-	-	-	-	-	-	-	200,000
Group funding receipt	5,916,067	-	-	-	-	-	-	-	-	-	5,916,067
Other receipts	320,896	48,242	109,666	1,611	2,527	714,641	54	117	-	27,811	1,225,564
Recharge of trading/payroll costs	6,777,273	-	20,274	-	-	-	-	-	-	-	6,797,547
Total receipts	142,039,857	5,798,098	4,509,853	1,012,608	2,382,127	978,366	517,088	23,976	1	27,819	157,289,792

Source Administrators' records

Appendix 2

Receipts and payments account (cont.)

Payments as at 13 October 2010

£	EG Plc	Einnaceous Consultancy Services Ltd	ECPS	ECS	EMS	HLR	ISGO	PR	EPS	Square Mile	Group Consolidated
Payments											
Trading costs (see summary)	9,102,406	15,551	165,014	-	-	1,531	-	-	-	-	9,284,502
Distribution to secured creditors (sale of Caley businesses)	129,648,055	2,600,000	398,177	-	526,723	450,003	-	2,325	-	-	133,625,283
Distribution to secured creditors (advisors fees)	838,265	-	-	-	-	-	-	-	-	-	838,265
Distribution to preferential creditors	-	214,328	97,706	39,138	118,219	-	-	-	-	-	469,390
Distribution to unsecured creditors	-	546,683	-	59,057	277,671	138,767	-	7,421	-	8,531	1,038,130
Legal fees	1,400,432	150,232	127,394	140,617	98,835	31,197	-	7,114	-	6,451	1,962,273
Administrators fees	3,819,648	777,383	1,821,672	417,517	572,880	-	-	-	-	-	7,409,100
Administrators expenses	56,391	8,541	6,141	4,841	4,226	-	-	-	-	-	79,140
Debt collection costs	496	68,792	33,974	17,962	-	-	-	-	-	-	121,224
Commissions	-	539,431	-	-	-	-	-	-	-	-	539,431
Irrecoverable VAT	40,350	-	-	-	-	5,252	23	117	-	-	45,743
VAT receivable	826,787	224,410	356,479	95,870	104,096	5,235	-	1,245	-	1,152	1,615,275
Bank charges	227,816	526	889	25	76	-	-	-	-	-	229,331
Agents/valuers fees	-	-	-	-	-	-	-	-	-	-	-
Rent and property expenses	-	-	-	-	-	-	-	-	-	-	-
Professional fees	12,754	-	-	-	-	-	-	-	-	-	12,754
Payroll and expenses	6,000	-	-	-	38,932	-	-	-	-	-	44,932
Payroll on behalf of third party	3,996	-	-	-	-	-	-	-	-	-	3,996
Sundry expenses	500,805	89	9,772	1,882	1,898	5,636	133	133	-	133	520,482
Insurance of assets	-	-	3,927	-	-	-	-	-	-	-	3,927
Corporation tax	-	19,290	8,073	2,196	12,051	2,640	4,576	136	-	-	48,962
Inter Company Debtors – Group	-	576,515	1,134,855	195,870	601,375	5,229	23	139	1	-	2,514,008
Total payments	146,483,200	5,741,771	4,164,073	974,976	2,356,983	645,490	4,756	18,631	1	16,268	160,406,149
Cash in hand / (Bank funding utilised)	(4,443,343)	56,328	345,779	37,632	25,144	332,875	512,332	5,345	-	11,551	(3,116,356)

Source Administrators' records



Appendix 2

Receipts and payments account (cont.)

Receipts and payments as at 13 October 2010 – trading payments

	EG Plc	Ernst & Young Consultancy Services Ltd	ECPS	ECS	EMS	HLR	ISGO	PR	EPS	Square Mile	Group Consolidated
Payments											
Direct labour	7,640,382	-	-	-	-	-	-	-	-	-	7,640,382
Direct expenses	22,411	354	98	-	-	-	-	-	-	-	22,863
Sub contractors	2,299	-	77,621	-	-	-	-	-	-	-	79,920
Consumable stores	509	-	-	-	-	-	-	-	-	-	509
Indirect labour	1,625	-	-	-	-	-	-	-	-	-	1,625
Sub contractors	203,826	-	-	-	-	-	-	-	-	-	203,826
Rent	434,107	15,061	59,035	-	-	63	-	-	-	-	508,265
Water rates	1,550	-	-	-	-	-	-	-	-	-	1,550
Heat & light	37,120	-	698	-	-	1,468	-	-	-	-	39,286
Travel	5,152	136	1,256	-	-	-	-	-	-	-	6,545
Telephone/Telex/Fax	234,977	-	-	-	-	-	-	-	-	-	234,977
Carrage	364	-	-	-	-	-	-	-	-	-	364
Insurance	345,814	-	-	-	-	-	-	-	-	-	345,814
Professional fees	89,744	-	-	-	-	-	-	-	-	-	89,744
Hire of equipment	2,390	-	-	-	-	-	-	-	-	-	2,390
Repairs and maintenance	6,303	-	-	-	-	-	-	-	-	-	6,303
Advertising	780	-	382	-	-	-	-	-	-	-	1,162
Stationery & postage	43,662	-	-	-	-	-	-	-	-	-	43,662
Storage costs	-	-	25,924	-	-	-	-	-	-	-	25,924
Employee expenses	3,963	-	-	-	-	-	-	-	-	-	3,963
IT costs	25,429	-	-	-	-	-	-	-	-	-	25,429
Total payments	9,102,406	15,551	165,014	-	-	1,531	-	-	-	-	9,284,502

Appendix 2

Receipts and payments account (cont.)

Transactions in the period 14 April 2010 to 13 October 2010

	EG Plc	Erinnaceous Consultancy Services Ltd	ECPS	ECS	EMS	HLR	ISGO	PR	EPS	Square Mile	Group Consolidated
Receipts											
Shares and investments	16,873	-	-	-	-	3	-	-	-	-	16,876
Goodwill	-	-	-	-	-	-	-	-	-	-	-
Leasehold property	-	-	-	-	-	-	-	-	-	-	-
Furniture and equipment	-	-	-	-	-	-	-	-	-	-	-
Fair Oaks Escrow – Liable to repay	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-
Client monies	-	-	840,196	-	-	-	-	-	-	-	840,196
Stock/MWP	-	-	-	10,707	-	-	-	-	-	-	10,707
Staff loans	-	-	5	-	-	-	-	-	-	-	5
Intercompany receipts	-	-	-	-	-	-	-	116	-	-	116
Trade debtors	29,819	608,286	924	(3,052)	4,850	-	-	-	-	-	640,826
Intercompany debtors	-	-	293,639	-	171	-	-	-	-	-	293,810
Intercompany debtors – Group	-	-	16,653	-	-	5,229	-	-	-	-	21,882
Book debt interest	-	-	-	-	-	-	-	-	-	-	-
Repayments	-	-	-	-	-	-	-	-	-	-	-
Cash at bank	-	-	-	-	-	-	-	-	-	-	-
Rent income	-	13,406	-	-	-	-	-	-	-	-	13,406
Sundry income	-	-	-	-	2,090	-	-	-	-	-	2,090
Bank interest – gross	-	-	1,266	-	1,830	1,031	1,284	37	-	-	5,456
VAT payable	108	207,235	808	108,170	101,375	5,229	-	116	-	-	423,040
Deferred consideration	-	-	-	-	-	-	-	-	-	-	-
Group funding receipt	1,837,432	-	-	-	-	-	-	-	-	-	1,837,432
Other receipts	-	-	-	(9,230)	(6,334)	-	23	117	-	-	(28,428)
Recharge of trading/payroll costs	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,897,637	815,521	1,140,487	106,594	103,982	11,492	1,308	385	-	8	4,077,414

Note Negative receipts relate to reallocation to other specific income accounts

Source Administrators' records

Appendix 2

Receipts and payments account (cont.)

Transactions in the period 14 April 2010 to 13 October 2010

	EG Plc	Ermineous Consultancy Services Ltd	ECPS	ECS	EMS	HLR	ISGO	PR	EPS	Square Mile	Group Consolidated
Payments											
Trading costs	56,766	-	17,336	-	-	-	-	-	-	-	74,103
Distribution to secured creditors (sale of Caley businesses)	-	-	-	-	-	3	-	-	-	-	3
Distribution to secured creditors (advisors fees)	-	-	-	-	-	-	-	-	-	-	-
Distribution to preferential creditors	-	19,321	5,251	-	-	-	-	-	-	-	24,572
Distribution to unsecured creditors	-	546,683	-	59,057	277,671	138,767	-	7,421	-	8,531	1,036,130
Legal fees	141,314	-	-	-	-	136	-	6,451	-	6,451	154,352
Administrators fees	-	44,100	100,000	-	15,000	-	-	-	-	-	159,100
Administrators expenses	-	-	-	-	-	-	-	-	-	-	-
Debt collection costs	-	5,977	-	-	-	-	-	-	-	-	5,977
Commissions	-	539,431	-	-	-	-	-	-	-	-	539,431
Irrecoverable VAT	-	-	-	-	-	-	-	-	-	-	-
VAT receivable	8,134	216,746	25,428	95,312	2,625	5,235	-	1,245	-	1,129	355,854
Bank charges	31,295	25	-	25	25	-	-	-	-	-	31,370
Agents/valuers fees	-	-	-	-	-	-	-	-	-	-	-
Rent and property expenses	-	-	-	-	-	-	-	-	-	-	-
Professional fees	6,024	-	-	-	-	-	-	-	-	-	6,024
Payroll and expenses	-	-	-	-	-	-	-	-	-	-	-
Payroll on behalf of third party	-	-	-	-	-	-	-	-	-	-	-
Sundry expenses	85,404	-	-	(1,576)	(36)	-	-	(534)	-	-	83,259
Insurance of assets	-	-	3,927	-	-	-	-	-	-	-	3,927
Corporation tax	-	19,290	-	-	1,424	816	4,576	88	-	-	26,194
Inter Company Debtors - Group	-	400,439	1,134,855	112,858	601,375	5,229	23	139	-	-	2,254,918
Total payments	328,937	1,792,013	1,286,798	265,676	898,084	150,186	4,599	14,811	-	16,111	3,707,577
Cash in hand/(Bank funding utilised)	1,566,700	(976,492)	(146,311)	(159,082)	(794,102)	(138,693)	(3,291)	(14,425)	-	(16,104)	(679,800)

Notes Negative payments relate to adjustments to costs incurred in prior periods
Source Administrators' records

Appendix 4

Administrators' time costs

Erinaceous Group – (consolidated)

£	Hours					Total	Time cost		Average hourly rate
	Partner/director	Manager	Administrator	Support					
Cashiering	1 00	70 80	32 70	1 60		106 10	42,209 00		397 82
General	-	8 10	49 00	0 20		57 30	14,843 00		259 04
Shareholders/Bankrupt	-	23 50	8 25	-		31 75	10,980 00		345 83
Statutory and compliance	5 20	117 90	98 80	2 90		224 80	77,778 50		345 99
Tax	-	19 60	6 60	0 20		26 40	9,480 50		359 11
Creditors and claims	11 90	178 60	215 90	5 65		412 05	132,095 75		320 58
Employees	-	10 70	4 00	-		14 70	5,094 00		346 53
Investigations	0 50	-	0 30	-		0 80	371 00		463 75
Asset realisation	0 50	25 50	122 00	-		148 00	46,127 50		311 67
Total in period	19 1	454 7	537 55	10 55		1,021 90	338,979 25		331 71

Source Administrators' records

Erinaceous Group plc									
£	Hours					Total	Time cost		Average hourly rate
	Partner/director	Manager	Administrator	Support					
Cashiering	-	8 90	13 50	0 10		22 50	6,955 00		309 11
General	-	7 60	31 00	0 20		38 80	10,688 00		275 46
Shareholders/Bankrupt	-	21 50	4 25	-		25 75	9,320 00		361 94
Statutory and compliance	5 20	102 90	90 95	1 50		200 55	69,793 00		348 01
Tax	-	19 60	2 35	0 20		22 15	8,545 50		385 80
Creditors and claims	11 90	22 80	119 35	5 65		159 70	47,143 75		295 20
Employees	-	3 50	0 50	-		4 00	1,507 50		378 88
Investigations	0 50	-	-	-		0 50	305 00		610 00
Asset Realisation	0 50	22 50	45 00	-		68 00	23,225 00		341 54
Total in period	18 1	209 3	306 9	7 65		541 95	177,482 75		327 49

Source Administrators' records



Appendix 4

Administrators' time costs (cont.)

Erinaceous Consultancy Services Limited (in administration)

£	Partner/director	Hours				Total	Time cost	Average hourly rate
		Manager	Administrator	Support				
Cashiering	-	3 70	3 30	0 30	-	7 30	2 428 00	332 60
General	-	-	9 75	-	-	9 75	2 145 00	220 00
Statutory and compliance	-	3 50	1 55	-	-	5 05	1 738 00	344 16
Tax	-	-	1 00	-	-	1 00	220 00	220 00
Creditors and claims	-	46 30	36 00	-	-	82 30	26 153 00	317 78
Employees	-	1 40	0 75	-	-	2 15	711 00	330 70
Asset Realisation	-	1 50	1 00	-	-	2 50	930 00	372 00
Total in period	-	56 4	53 35	0 3	-	110 05	34,325 00	£311 90

Source Administrators' records.

Erinaceous Commercial Property Services Limited

£	Partner/director	Hours				Total	Time cost	Average hourly rate
		Manager	Administrator	Support				
Cashiering	-	53 30	2 80	-	-	56 10	26,728 50	476 44
General	-	0 50	2 50	-	-	3 00	745 00	248 33
Shareholders/Bankrupt	-	2 00	-	-	-	2 00	780 00	390 00
Statutory and compliance	-	1 50	4 50	0 60	-	6 60	1,774 00	268 79
Tax	-	-	1 00	-	-	1 00	220 00	220 00
Creditors and claims	-	52 90	34 95	-	-	87 85	29,713 50	338 23
Employees	-	4 00	1 25	-	-	5 25	1,843 50	351 14
Asset Realisation	-	0 40	76 00	-	-	76 40	21,447 50	280 73
Total in period	-	114 6	123 00	0 60	-	238 20	83,252 00	349 50

Source Administrators' records

Appendix 4

Administrators' time costs (cont.)

Erinaceous Commercial Services Limited									
£	Hours					Total hours			
	Partner/director	Manager	Administrator	Support			Time cost	Average hourly rate	
Cashiering	-	2 20	7 00	0 80		10 00	2,069 00	518 05	
Statutory and compliance	-	1 50	0 45	-		1 95	697 00	357 44	
Tax	-	-	0 75	-		0 75	165 00	220 00	
Creditors and claims	-	15 50	7 25	-		22 75	7,786 00	342 24	
Employees	-	0 20	-	-		0 20	78 00	390 00	
Total in period	-	19 40	15 45	0 80		35 65	11,385 00	319 35	

Source Administrators' records

Erinaceous Managed Services Limited									
£	Hours					Total			
	Partner/director	Manager	Administrator	Support			Time cost	Average hourly rate	
Cashiering	1 00	1 30	3 00	0 10		5 40	2,077 00	384 63	
General	-	-	5 75	-		5 75	1,265 00	220 00	
Statutory and compliance	-	3 00	0 60	-		3 60	1,317 00	365 83	
Tax	-	-	1 50	-		1 50	330 00	220 00	
Creditors and claims	-	27 30	17 85	-		45 15	15,003 00	332 29	
Employees	-	1 20	1 50	-		2 70	798 00	295 56	
Total in period	1 00	32 8	30 20	0 10		64 10	20,790 00	324 34	

Source Administrators' records



Appendix 4

Administrators' time costs (cont.)

Erinaceous Property Services Limited							
£		Partner/director	Hours			Total	
			Manager	Administrator	Support		
	Shareholders/Bankrupt	-	-	4 00	-	4 00	880 00
	Statutory and compliance	-	1 50	-	-	1 50	600 00
	Creditors and claims	-	2 70	-	-	2 70	1,229 00
	Asset Realisation	-	0 50	-	-	0 50	210 00
	Total in period	-	4 70	4 00	-	8 70	2,919 00
							335 52

Source Administrators' records

HLR Holdings Limited							
£		Partner/director	Hours			Total hours	
			Manager	Administrator	Support		
	Cashiering	-	0 30	0 90	0 10	1 30	359 50
	Statutory and compliance	-	1 00	-	0 40	1 40	436 00
	Creditors and claims	-	1 80	-	-	1 80	735 00
	Investigations	-	-	0 30	-	0 30	66 00
	Total in period	-	3 10	1 20	0 5	4 80	1,596 50
							332 60

Source Administrators' records



Appendix 4

Administrators' time costs (cont.)

ISGO Limited						
£		Hours			Total	
		Partner/director	Manager	Administrator	Support	Time cost
						Average hourly rate
Cashiering	-	0 30	0 40	-	0 70	231 00
Statutory and compliance	-	1 00	-	-	1 00	390 00
Creditors and claims	-	3 80	-	-	3 80	1,802 50
Employees	-	0 40	-	-	0 40	156 00
Asset Realisation	-	0 60	-	-	0 60	315 00
Total in period	-	6 10	0 40	-	6 50	2,894 50
						445 31

Source Administrators' records

People Resourcing Limited						
£		Hours			Total	
		Partner/director	Manager	Administrator	Support	Time cost
						Average hourly rate
Cashiering	-	0 50	1 30	0 10	1 90	532 00
Statutory and compliance	-	1 00	0 25	-	1 25	445 00
Creditors and claims	-	2 80	0 50	-	3 30	1,345 00
Total in period	-	4 30	2 05	0 10	6 45	2,322 00
						360 00

Source Administrators' records



Appendix 4

Administrators' time costs (cont.)

Square Mile Real Estate Services Limited							
£		Partner/director	Hours			Total	
			Manager	Administrator	Support		
Cashiering	-	0.30	0.50	0.10	0.90	239.00	265.56
Statutory and compliance	-	1.00	0.50	0.40	1.90	588.50	309.74
Creditors and claims	-	2.70	-	-	2.70	1,185.00	438.89
Total in period	-	4.00	1.00	0.50	5.50	2,012.50	365.91

Source Administrators' records

Company classifications

Company classifications	
Parent	
Erinaceous Group plc	
Operating entities	
Erinaceous Consultancy Services Limited	
Erinaceous Commercial Property Services Limited	
Erinaceous Managed Services Limited	
Erinaceous Commercial Services Limited	
HLR Holdings Limited	
ISGO Limited	
Dormant companies	
Erinaceous Property Services Limited	
People Resourcing Limited	
Square Mile Real Estate Services Limited	