

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

Company number 0 5 4 9 4 9 4 6

Company name in full Cradgrove Limited formerly Ingenious Film Partners 2 Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Lloyd

Surname Hinton

3 Administrator's address

Building name/number Allan House

Street 10 John Princes Street

Post town London

County/Region

Postcode W 1 G 0 A H

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

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

7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	Signature 	X							
Signature date	^d 0	^d 9	^m 0	^m 1	^y 2	^y 0	^y 2	^y 3	

AM10

Notice of administrator's progress report



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

Layla Marsh

Company name

Insolve Plus Ltd

Address

Allan House

10 John Princes Street

Post town

London

County/Region

Postcode

W 1 G 0 A H

Country

DX

Telephone

020 7495 2348



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Private and Confidential

Our Ref: LM/I047H/ 3.1

9 January 2023

Administrator's Progress Report to Creditors

For the Period From 12 June 2022 to 11 December 2022

**Cradgrove Limited - In Administration
High Court of Justice Number 10275 of 2018**

1. Executive Summary

This is my report on the progress of the Administration of the Company for the period from 12 June 2022 to 11 December 2022 and should be read in conjunction with my previous progress reports to creditors.

2. Statutory Information

Company name:	Cradgrove Limited
Formerly known as:	Ingenious Film Partners 2 Limited
Court name and reference:	High Court of Justice 10275 of 2018
Registered office:	4th Floor Allan House, 10 John Princes Street, London, W1G 0AH
Former registered office:	15 Golden Square, London, W1F 9JG
Registered number:	05494946
Administrator's name:	Lloyd Edward Hinton
Administrator's address:	4th Floor Allan House, 10 John Princes Street, London, W1G 0AH
Administrator's date of appointment:	12 December 2018
Appointed by:	The Company

Anthony Hyams FCA FABRP is licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association. Lloyd Hinton FIPA FABRP is licensed to act in the United Kingdom as an insolvency practitioner by the Insolvency Practitioners Association. Mark Newton MIP is a member of the Insolvency Practitioners Association. As the Company has its only place of business at premises in the UK, the EC regulations apply, these proceedings are Main Proceedings as defined in Article 3 of the EC Regulation. Insolve Plus is a trading style of Insolve Plus Ltd. Insolve Plus Ltd is registered in England no. 08640857

3. Administrator's actions since last progress report

I issued my progress report for the period 12 December 2021 to 11 June 2022 on 4 July 2022.

As previously reported, the Company is a member of an Ingenious Film Partners partnership ("the Partnership"), and the Partnership was engaged in a long running tax case with HM Revenue & Customs ("HMRC"). Following the decision of the Upper Tribunal which was received in July 2019, the Partnership was granted permission to appeal the decision to the Court of Appeal on the substantive issues in the case (i.e. "trading" and "view to profit").

On 4 August 2021 the Partnership received the decision of the Court of Appeal. The Court of Appeal reversed the decision of the Upper Tribunal and restored the decision of the First-tier Tribunal that the Partnership was trading with a view to profit.

The effect of restoring the First-tier Tribunal decision is to reduce both the losses available to the Company and its share of taxable income from the Partnership. On receipt of the draft decision, HMRC submitted an application to the Court of Appeal to appeal its decision, which was declined. In the absence of an application to appeal to the Supreme Court, the decision of the Court of Appeal on 4th August 2021 represents the final outcome of the tax case (subject to any out of time applications). The impact on the financial statements for the Company upon the Court of Appeal decision has not yet been agreed with HMRC but is expected to be consistent with the estimate of the additional tax and interest liability calculated on the basis of the decision of the First-tier Tax Tribunal.

Brecher LLP have continued to act on my behalf in relation to the position with the charge-holders, Twentieth Century Fox Corporation ("Fox"). Brecher LLP are in correspondence with the solicitors acting for Fox with regard to their stance of the Company's default under the terms of the facility agreement between them and a further update will be provided to creditors once the position is finalised.

A settlement agreement was recently entered into with numerous claimants in relation to civil claims against the Company. The Company, along with a number of co-defendant Ingenious entities and individuals jointly instructed Solicitors, Reynolds Porter Chamberlain LLP, of Tower Bridge House, Katharine's Way, London, E1W 1AA ("RPC") in relation to both the HMRC proceedings and also the civil claims, and I have continued with the instruction. The details of the settlement agreement are confidential. There are likely to be subrogated claims in the Administration in respect of the amounts contributed by third parties in order to meet the settlement payments and the matter is in progress.

There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my last progress report is contained in Appendix 1.

In order to achieve the objective of the Administration of the Company I will continue to liaise with the Ingenious Group. I will update creditors further in my next progress report.

4. Receipts and Payments Account

My Receipts & Payments Account for the period from 12 June 2022 to 11 December 2022 is attached at Appendix 2. As the Company is not VAT registered, all amounts are shown inclusive of VAT. I have reconciled the account against the financial records that I am required to maintain.

The balance of funds is held in an interest bearing estate bank account at Barclays Plc.

4.1 Receipts

Bank Interest Gross

Bank Interest of £1,726 has been received during the period covered by this report.

4.2 Assets Remaining to be Realised

4.2.1 Investments

The Company retains the right to drawings from the LLP, the majority of which must be used to repay the limited recourse loan received by the Company which financed its investment in the LLP. The drawings available to the Company are driven by the level of film income received by the LLP from its exploitation of the films produced. I am awaiting further advice in relation to the investment and security.

4.3 Payments

4.3.1 Legal Fees

Legal fees of £1,485 were paid to Brecher LLP during the period.

4.3.2 Corporation Tax

Corporation tax of £1,459 was paid to HMRC in respect of tax due on bank interest received during a prior reporting period.

4.3.3 HMRC's Costs

The sum of £4,000 was paid to Brecher LLP's client account in respect of HMRC's cost in relation to the judicial review as previously reported.

4.3.4 HMRC's Costs – Barnsdale Hills

The sum of £2,000 was paid to Brecher LLP's client account in respect of 50% of the costs of HMRC in relation to the judicial review.

5. Liabilities

5.1 Secured Creditors

As reported above, the Company holds an interest in the LLP. The value of the investment is approximately £586,559,890. The investment is subject to fixed charges, and the liability totals £578,728,836.

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company granted 68 outstanding charges registered at Companies House, details of which were provided with my Proposals to creditors dated 29 January 2019. It would appear that these are fixed charges over specific assets. I have instructed Solicitors to review the position.

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the

Company gave a “floating charge” over its assets to a lender on or after 15 September 2003. This is known as the “prescribed part of the net property.” A Company’s net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000/£800,000. As there are no floating charges registered, the Prescribed Part provisions will not apply.

5.2 Preferential Creditors

It was not anticipated that there would be any preferential creditor claims and I confirm no preferential claims have been received.

5.3 Crown Creditors

The Company estimated that HMRC were owed £10,873,263 in respect of Corporation Tax.

As a result of utilising tax losses generated by film production activities, the Company received a notice from HMRC to make accelerated tax payments. The accelerated payments comprise two sources of liability. The first source of liability arose from Partner Payment Notices, which HMRC confirmed that they would not seek to collect until the application for a judicial review had been heard. The second source of liability arose from assessments to withdraw the benefit of group relief received, and HMRC confirmed that these remain payable, subject to an internal HMRC decision to enforce collection. A formal final claim has not yet been received.

5.4 Non-preferential unsecured Creditors

The Company has four known intercompany creditors, who are owed a total of approximately £8,468,223. Three claims have been received to date, totalling £8,465,223.

As mentioned above there are likely to be subrogated claim(s) in the administration in respect of the settlement reached with regard to the civil claims against the Company.

6. Dividend Prospects

6.1 Secured creditors

The position regarding the LLP investment and the secured creditors is being reviewed and further information concerning any return to the secured creditors will be provided to creditors in due course.

6.2 Crown Creditors and Unsecured creditors

It appears at this stage that there will be a return to unsecured creditors, however, the quantum and timing is uncertain. The position will be reported upon further in due course.

7. Investigation into the Affairs of the Company

During the reporting period there have been no matters arising that justified further investigation in the circumstances of this appointment.

8. Pre-Administration Costs

On 19 February 2019 the following pre-administration costs were approved by the creditors by correspondence:

- Pre-administration fees charged by Insolve Plus Ltd: £5,000 plus VAT. This fee has been drawn in full.
- Pre-administration legal fees charged by Brecher LLP: £3,000 plus VAT, this fee has been paid.

8.1 Barnsdale Hills Limited – In Administration

On 19 February 2019, creditors also voted by correspondence that the pre-administration fixed fee of £5,000 plus VAT incurred for work undertaken in relation to a connected company, Barnsdale Hills Limited, be approved and paid for by the Company. This fee was part paid by the Company and the remainder of £3,000 was paid by Langreave Limited (In Administration).

The costs incurred by Brecher LLP of £3,000 plus VAT incurred for work undertaken in relation to Barnsdale Hills Limited was approved and authorised to be paid by the Company. This fee was part paid by the Company and the balance was paid by Langreave Limited (In Administration).

9. Administrator's Remuneration

9.1 Cradrove Limited

On 19 February 2019, creditors voted on decisions by correspondence that my remuneration be approved on a time cost basis based on a fee estimate of £49,258. My total time costs from 12 December 2018 to 11 December 2022 amount to £56,189 representing time spent of 154 hours and 18 minutes at an average charge out rate of £364 of which £9,107 representing 22 hours and 12 minutes at an average charge out rate of £410 was charged in the period from 12 June 2022 to 11 December 2022. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £332 in my fees estimate. The increase is due to additional work being carried out at Director level.

A schedule of my time costs incurred from 12 June 2022 to 11 December 2022 together with a cumulative of the total time costs incurred for the entire period of my appointment to 11 December 2022 is enclosed.

To date, I have drawn the sum of £40,280 inclusive of VAT, none of which was drawn during the reporting period.

9.2 Barnsdale Hills Limited – In Administration

In addition, on 19 February 2019 the Company's creditors voted on decisions by correspondence that my post appointment remuneration in respect of Barnsdale Hills Limited be approved on a time cost basis, based on a fee estimate of £49,258. My time costs for the entirety of the Administration to 11 December 2022 amount to £42,803 plus VAT representing 115 hours work at an average charge out rate of £372, of which £5,539 representing 12 hours and 36 minutes at an average charge out rate of £440 was incurred in the period from 12 June 2022 to 11 December 2022. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £332 in my fee estimate due to the nature of work arising which requires director level input.

I enclose a schedule of my time costs incurred for the period from 12 June 2022 to 11 December 2022, and a schedule showing my total time costs incurred for the entire period of my appointment to 11 December 2022.

9.3 Fee Increase

I am seeking an increase in the amount of remuneration that I can draw in both this case and that of Barnsdale Hills Limited. This is as a result of both having to undertake additional work on the case and the work that I have undertaken taking longer than anticipated as detailed below.

In addition to the routine work as anticipated in this matter and as set out at Appendix I, I have also:-

- Instructed and liaised with my solicitors to deal with the security and investment position. This has taken some time due to the correspondence between my solicitor and those of Twentieth Century Fox.
- Requested that creditors agree to extend the period of the Administration for one additional year, and on 25 November 2019 the creditors agreed to extend the Administration of the Company for a period of 12 months. This required me writing to creditors to request the extension, reporting on the outcome of my request and filing the necessary statutory documentation with the Court and Companies House.
- Issued all progress reports as required by statute for each 6 month period during the course of the extended Administration.
- Made an Application to Court for the Administration to be extended further and on 14 October 2020 the Court made an Order that the period of the Administration be extended to 14 October 2023. This also involve additional work in applying to Court, reporting on the outcome of my Application and filing statutory notices of the further extension.
- Liaised on an ongoing basis with the parent company with regard to film income to be received, which is still in progress sand I anticipate further communication in this regard.
- Liaised with the Ingenious Group regarding the long running tax case with HMRC.
- Corresponded with Solicitors, Charles Russell Speechley who were instructed by the Company and other associated companies prior to Administration in respect of a Judicial Review application to challenge the basis on which Partner Payment Notices and associated assessments to recapture group relief had been issued and to halt HMRC collecting the amounts demanded on behalf of the Company and other associated companies.
- Considered the matter regarding the position with the partnerships' tax case, the original reasons for entering into the Judicial Review process and confirming to Charles Russell Speechley that their services were not required going forward.
- Instructed Brecher LLP to assist me in issuing a Notice of Change of Legal Representative and Notice of Discontinuance ("the Notices") of the proceedings to both HMRC and the Court. Upon filing the Notices, as Administrator of the Company I became responsible for the costs of HMRC which totalled £4,000 against the Company and £4,000 against Barnsdale Hills Limited (In Administration). You may recall that the costs incurred in the Administration of Barnsdale Hills Limited (In Administration) are split equally between the Company and Langreave Limited (In Administration) and therefore it was agreed that 50% of HMRC's costs in the sum of £2,000 would be paid as an expense of the Administration in respect of Barnsdale Hills Limited (In Administration). This involved additional unforeseen work in liaising with Brecher LLP regarding the issuing of the Notices, reaching an agreement with HMRC and paying their costs.

- Dealt with the various civil claims against the Company and its associated companies, Langreave Limited and Barnsdale Hills Limited (“Ingenious Defendants”). The Claimants and the Ingenious Defendants have now resolved their dispute on terms which include the withdrawal of all claims in dishonesty against the Ingenious Defendants. The balance of the terms is confidential. An assignment of insurance policy was signed by me as Administrator of the Company in respect of the insurance cover provided by that policy in respect of adverse costs in April 2022. I also dealt with settlement agreements in respect of deceased investors which was unforeseen.

In light of the additional and unforeseen work as set out above, I am seeking an increase in the time costs capped and approved by creditors of £49,258 plus VAT so that the total time cost estimate is £94,615 plus VAT for each Administration of both the Company and Barnsdale Hills Limited, of which the Company would pay 50% of.

This additional work will take 97 hours and 30 minutes at a total time cost of £45,358 at a “blended” rate of £465 per hour. This will increase my total fees estimate to £94,615 at a “blended” rate of £385 per hour. I enclose a revised fees estimate. This increased fees estimate will act as a cap on my time costs so that I cannot draw fees of more than the total estimated time costs without further approval from creditors. If my time costs incurred on the case exceed the estimate, or are likely to exceed the estimate, I will provide an explanation as to why that is the case in the next progress report I send to creditors.

Based on the value of the known assets of the Company I anticipate being able to draw my increased fees in full.

I consider that in light of the above that these are more complex cases, and consider that after taking into account the nature and value of the assets and general correspondence involved, and the change in circumstances of the cases that have occurred since fee approval was obtained, this demonstrates why the increase in fixed fee requested is expected to produce a fair and reasonable reflection of the work that has been and will be necessarily and properly undertaken on these cases.

To assist you in your consideration of my request for an increase in my fees I enclose a receipts and payments account covering the period since the commencement of the Liquidation. All amounts are shown gross of VAT. The receipts represent the assets realised to date.

I only anticipate needing to seek approval to draw fees in excess of these increased estimates if my additional work leads to further areas of investigation, potential further asset recoveries and any associated recovery actions; or if the realisation of assets gives rise to the need to participate in arbitration or legal proceedings or if the circumstances of the cases change again such that I find that it is taking longer than anticipated to undertake the work required to complete the cases.

Further information about creditors’ rights can be obtained by visiting the creditors’ information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder’s fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at <https://insolveplus.com/>

There are different versions of these Guidance Notes, and you should refer to the most recent version. Please note that we have also provided further information about an office holder’s remuneration and expenses in our practice fee recovery sheet, which is enclosed at Appendix 3.

10. Administrator’s Expenses

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

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

I have incurred expenses of £1,485 the period since 12 June 2022, which have been paid and are shown on the attached receipts and payments account.

In addition I became responsible for the costs of HMRC upon filing the Notice of Discontinuance in respect of the Judicial Review and therefore I also incurred the sum of £4,000 in costs in relation to the Company and £2,000 in relation to Barnsdale Hills Limited (In Administration) in the prior reporting period, which have been paid during this reporting period.

I have not incurred any category 2 expenses during the reporting period.

I have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
RPC	Legal Advice	Time Costs
Brecher LLP	Solicitors	Time Costs

The choice of RPC was based on my perception of their experience and ability to perform this type of work having previously acted for the Company and the complexity and nature of the assignment. It should be noted that the legal costs in relation to the proceedings will be met by the Ingenious Group.

The choice of Brecher LLP was based on my perception of their experience and ability to perform this type of work. I am satisfied with the charges and that they are reasonable within the circumstances of the case. I also confirmed that they hold appropriate regulatory authorisations.

11. Further Information

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Insolve Plus Ltd can be found at <https://insolveplus.com/>

12. Summary

You may recall that the period of the Administration has been extended by the Court to 14 October 2023.

Clarity must be obtained concerning the investment and secured liability position, and HMRC's claim in the Administration must be ascertained. The position regarding any subrogated claims in the Administration with regard to the settlement of the civil claims must also be ascertained.

Once these matters have been finalised the Administration will cease and my files will be closed, or the Administration will be converted to a Liquidation, as approved in the proposals.

If creditors have any queries regarding the conduct of the Administration, or if they require hard copies of any of the documents made available on-line, they should contact Layla Marsh by email at laylamarsh@insolveplus.com, or by phone on 020 7495 2348.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Lloyd', with a long horizontal line extending from the end of the signature.

Lloyd Edward Hinton FIPA
Administrator

The affairs, business and property of the Company are being managed by the Administrator, Lloyd Edward Hinton. The Administrator acts as an agent of the Company and contract without personal liability.

Appendix I

I. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up and maintaining electronic case files
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding a meeting of creditors to obtain the approval of the Administrators' proposals.
- Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing Corporation Tax returns.

2. Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Liaising with Solicitors regarding Twentieth Century Fox

Insolvency Assignment Charging and Expenses Recovery Policy**Fixed fee and percentages of realisations and distributions**

Where the approved basis of remuneration is as a fixed fee and/or on a percentage of realisations and distributions, the charges are applied as follows, unless otherwise specified and approved;

Fixed fee basis

There are certain tasks that have to be undertaken in nearly every insolvency assignment, namely Administrative duties and dealing with Creditors. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still have to be carried out.

Administration: This represents the work that is involved in the routine administrative functions of the case by the Office Holder and their staff, together with the control and supervision of the work done on the case by the Office Holder (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the Office Holder to meet their requirements under the Insolvency legislation and the Statements of Insolvency Practice, which set out the required practice that Office Holders must follow.

Creditors: Employees - The Office Holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Service (RPS). That work will include dealing with queries received from both the ex-employees and the RPS to facilitate the processing of the claims. The Office Holder is required to undertake this work as part of his statutory functions.

Claims of creditors - the Office Holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The Office Holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The Office Holder is required to undertake this work as part of his statutory functions.

This Firm's past time records have been reviewed and after taking into account the complexity of the insolvency assignment, concluded that a fixed fee of £18,500 plus VAT is necessary to cover administrative work. This fee is to be drawn from the asset realisations at the Office Holder's discretion, as and when funds are available. A fixed fee of £18,500 plus VAT for undertaking that work in the insolvency assignment is being sought. This demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that is anticipated to be necessarily and properly undertaken. Information about the work that will be undertaken for the fixed fee is listed below. Please note that the list includes generic tasks that may not be necessary every time, but arise in a typical case and are expected to be necessary in this case. If any one task is not required it would not make a material difference to the amount of work done for which approval of the fixed fee is being sought.

- Dealing with anti-money laundering and anti-bribery compliance requirements
- Undertaking statutory notifications to Companies House and Creditors, including gazetting the Office Holders appointment
- Arranging the statutory advertising of the appointment
- Case planning and devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case
- Obtaining a specific penalty bond
- Reviewing adequacy of specific penalty bond on a regular basis
- Setting up and maintaining case files
- Setting up the case on the Office Holders electronic case management system ("IPS") and entering data
- Convening and holding meetings of members and creditors where applicable
- Dealing with decision making procedure
- Dealing with all routine correspondence and emails relating to the case
- Opening, maintaining and managing Office Holders estate bank account

- Creating, maintaining and managing Office Holders cash book
- Undertaking regular reconciliations of the estate bank account(s)
- Undertaking regular reviews of the progress of the case
- Filing returns at Companies House
- Preparing and filing Corporation Tax return
- Preparing and filing VAT returns
- Case reviews at one month, three months, six months and thereafter every six months
- Overseeing and reviewing the work on the case by the case administrators
- Attending to correspondence with creditors and others, including emails
- Attending to telephone calls with creditors
- Maintaining creditor information
- Attending to correspondence and telephone calls with directors and shareholders
- Attending to correspondence and telephone calls with other parties including HM Revenue & Customs
- Statutory investigations into the affairs of the Company and dealings of the directors
- Preparation and submission of statutory reports to the Secretary of State
- Preparing, reviewing and issuing statutory reports to creditors and members
- Obtaining information from the case records about employee claims
- Completing documentation for submission to the Redundancy Payment Office
- Corresponding with the Redundancy Payments Office regarding employee claims
- Dealing with all employee matters, including the Redundancy Payments Service and pension schemes
- Corresponding with employees in respect of their claims
- Ascertaining the existence of a pension scheme
- Submitting the relevant pension notification (if applicable)
- Arranging for the winding up of the pension scheme (if applicable)
- Recovering and listing the books and records of the case
- Conducting an initial investigation with a view to identifying potential assets by seeking and obtaining information from relevant third parties such as banks, accountants, solicitors, and others
- Reviewing the books and records of the case to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors
- Obtaining closure clearance from government departments such as HMRC
- Preparing and issuing final report
- Holding final meetings and preparing minutes, where applicable
- Preparing and sending final returns to Companies House/the Court
- Archiving case records and books and records
- Filing final returns at Companies House (if applicable)

The above list is not exhaustive, but provides an overview of the work anticipated to be carried out in the insolvency assignment, which is either required by Statute or necessary to perform the basic duties of an Office Holder, but may not necessarily provide a direct financial benefit to creditors.

If the case remains open for more than two years an additional fee of £5,000 plus VAT will be charged, per annum, from the third year onwards, to cover the administrative and statutory work required to keep the case open.

Percentage basis:

There are certain tasks that are carried out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. The work is undertaken to protect and then realise the assets, initially at this Practice's own cost, suffering the loss if any asset is not recoverable. If assets are recovered, the Office Holder's costs are first recovered and then any balance is distributed. A percentage basis is being sought as it reflects the risk being taken, the nature of the assets involved, the complexity of the insolvency assignment and shares the anticipated benefit with the creditors.

The Office Holder will, therefore, be seeking fees based on the percentages of asset realisations listed below (net of any fixed charges or finance). Creditors should note that these charges will not be levied on the first £18,500 of realisations if the Office Holder has drawn a fixed fee as detailed above. The percentage proposed is expected

to produce a fair and reasonable fee to reflect the work that is necessarily and properly undertaken to realise assets.

• Equity in Freehold / Leasehold Property	25%
• Plant & Machinery / Fixtures & Fittings / Stock	25%
• Goodwill / Intellectual Property Rights / Investments	25%
• Book Debts / Work in Progress / Rent Deposit	20%
• Equity in Motor Vehicles	20%
• Cash at Bank / Funds held by reporting accountant	15%
• HM Revenue & Custom Refunds	15%
• In relation to any other asset recovery arising from the Office Holders investigations (e.g. antecedent transaction recoveries)	50%

The Office Holder will in addition be seeking remuneration as a percentage of the value of total distributions to creditors (excluding fixed charge creditors) (to be deducted from the total distribution including Prescribed Part payments), as listed below. This reflects the additional work on creditors claims to facilitate a distribution to creditors

• The first £20,000	25%
• The next £80,000	15%
• Over £100,000	10%

The work undertaken on a percentage basis includes, but is not limited to, the following;

- Arranging suitable insurance over assets
- Regularly monitoring the suitability and appropriateness of the insurance cover in place
- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with banks regarding the closure of accounts
- Instructing agents to value known assets
- Disposing of the business and assets
- Dealing with Retention of Title claims
- Liaising with agents with regard to the realisation of assets
- Instructing solicitors to assist with the realisation of assets
- Registering cautions in respect of properties
- Instructing solicitors to assist with the sale of leasehold/freehold properties
- Obtaining details from secured creditors in respect of debts secured over assets
- Liaising with secured creditors in respect of the realisation of charged assets
- Determining ownership of assets such as properties and vehicles
- Issuing notice of intended dividend and placing an appropriate notice
- Reviewing and adjudicating on proofs of debt received from creditors
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims
- Calculating and paying dividends
- Paying tax deducted from dividends paid to employees

Time cost basis

Where the approved basis of remuneration is on a time costs basis, work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of charge-out rates effective from 18 March 2021 are as follows:

Directors	£450 - £595
Associate Directors	£450
Senior Managers	£405
Managers	£350
Assistant Managers	£310

Senior Administrators	£250
Administrators	£175
Junior Administrators	£125
Accounts Managers	£175
Cashiers	£150
Junior Cashiers	£125
Office Assistants	£75

Time cost rates to 17 March 2021

Directors	£495
Associate Directors	£375
Managers	£350
Senior Administrators	£250
Administrators	£175
Cashiers	£125
Office Junior	£75

Expenses recovery

Category 1 expenses

Category 1 expenses will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by Insolve Plus and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred. Category 1 expenses can be drawn without prior approval.

Examples of Category 1 expenses include postage, case advertising, specific bond insurance, company search fees, travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing and external room hire. Document storage and associated services is charged at cost.

If an asset agent is required on a case it is anticipated that they would be paid approximately £1,000 plus VAT for providing a valuation report, but this may vary according to the size and complexity of the assets. If that agent is then required to assist with the sale of those assets it would be anticipated that the agent would receive approximately 10% of gross realisations. In the event that the office holder instructs a debt collection agent it is anticipated that the agent will be paid a percentage of debtor realisations. This percentage will vary from approximately 5% to 25% depending upon the age and complexity of the debt. If the Office Holder is required to instruct a solicitor it is anticipated that the solicitor will charge on a time cost basis which would be monitored by the office holder and disclosed to creditors in future progress reports.

Category 2 expenses

Category 2 expenses are payments to associates or which have an element of shared costs. Category 2 expenses may be drawn if they have been approved in the same manner as an Office Holder's remuneration. When seeking approval, an Office Holder should explain, for each category of expenses, the basis on which the charge is being made. Examples of Category 2 expenses are photocopying/scanning and all business mileage.

The current levels of Category 2 expenses recovered by Insolve Plus are as follows:-

Photocopying/scanning (internal)	15p per side
Business mileage	45p per mile

All costs are subject to VAT, where applicable. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

18 March 2021

Rule 18.34 – Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Rule 18.9 – Creditors’ and members’ requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members’ voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members’ voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members’ voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Cradgrove Limited formerly Ingenious Film Partners 2 Limited

(In Administration)

Administrator's Summary of Receipts and Payments (Accruals Basis)

Statement of Affairs £	From 12 June 2022 To 11 December 2022 £	From 12 December 2018 To 11 December 2022 £
SECURED ASSETS		
586,559,890.00 Investment	0.00	0.00
	0.00	0.00
SECURED CREDITORS		
(578,728,836.00) Chargeholder	0.00	0.00
	0.00	0.00
ASSET REALISATIONS		
1,651,013.00 Debtors	0.00	1,651,013.00
3,154,018.00 Cash at Bank	0.00	3,156,603.76
Film Income	0.00	2,163,223.55
Bank Interest Gross	1,726.21	13,198.42
	1,726.21	6,984,038.73
COST OF REALISATIONS		
Specific Bond	0.00	6,580.00
Pre Administration Fees	0.00	6,000.00
Office Holders Fees	0.00	40,280.40
Barnsdale Pre Administration Fees	0.00	3,000.00
Barnsdale Post-Appointment Fees	0.00	16,171.80
Legal Fees	1,485.00	14,625.00
Legal disbursements	0.00	1,115.00
Corporation Tax	1,459.04	2,572.69
HMRC Costs	4,000.00	4,000.00
Barnsdale Hills Legal Fees	0.00	1,774.50
Barnsdale Hills Legal Disbursements	0.00	242.50
HMRC Costs - Barnsdale Hills	2,000.00	2,000.00
Statutory Advertising	0.00	67.34
	(8,944.04)	(98,429.23)
UNSECURED CREDITORS		
(10,873,263.00) H M Revenue & Customs - CT	0.00	0.00
(165,246.25) Ingenious Media Limited	0.00	0.00
(6,648,964.18) IFP2 Corporate Partner Limited	0.00	0.00
(1,651,012.56) Ingenious Treasury Services Limited	0.00	0.00
(3,000.00) Ingenious Media Investments Limited	0.00	0.00
	0.00	0.00
DISTRIBUTIONS		
(1.00) Ordinary Shareholders	0.00	0.00
	0.00	0.00
(6,705,401.99)	(7,217.83)	6,885,609.50

Statement
of Affairs
£

From 12 June 2022 To 11 December 2022	From 12 December 2018 To 11 December 2022
£	£

REPRESENTED BY

Bank 1 Current

	6,885,609.50
	6,885,609.50

12 June 2022 to 11 December 2022

Cradgrove Limited formerly Ingenious Film Partners 2 Limited - I047H (By Project Code: POST – Post Appointment)

Total Fees Claimed

12 June 2022 to 11 December 2022

Barnsley Hills Limited formerly Ingenious Film Partners 3 Limited - I048H (By Project Code: POST – Post Appointment)

Total Fees Claimed

FEES ESTIMATE SUMMARY

Cradgrove Limited - In Administration

The office holder is seeking to be remunerated on a time cost basis. We use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform, recording time spent in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work. This document provides an estimate as to how much time the office holder and his staff will spend undertaking specific tasks within broad categories of work, and the time costs of undertaking such work, which will depend upon the grade, or grades, of staff undertaking the work and the number of hours spent undertaking the work by each grade of staff. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work on the case. We have then divided that estimated total by the estimated number of hours to arrive at what is known as a blended hourly charge out rate for that category of work. The sum of all the estimates for the different categories of work is the total estimated time costs to undertake all the necessary work on the case. Again, we have then divided that estimated total by the estimated number of hours to arrive at a blended hourly charge out rate for the case as a whole.

The hourly charge out rates that will be used on this case are:

£

Partner – appointment taker	595.00
Associate Director	450.00
Manager	350.00
Senior Administrator	250.00
Case Administrator	175.00
Cashier	150.00
Support staff	75.00

ADMINISTRATION

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.	3.00	1,295.00	
Setting up physical/electronic case files (as applicable).	1.50	262.50	
Setting up the case on the practice's electronic case management system and entering data.	1.50	262.50	
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable).	3.50	1,032.50	
Obtaining a specific penalty bond.	0.50	80.00	
applicable).	7.00	2,940.00	
the case.	8.00	2,765.00	
Opening, maintaining and managing the office holder's estate bank account (delete if not applicable).	1.00	150.00	

cashbook.	-	-	
Undertaking regular bank reconciliations of the bank account containing estate funds.	2.00	300.00	
Reviewing the adequacy of the specific penalty bond on a quarterly basis.	1.00	175.00	
Undertaking periodic reviews of the progress of the case.	2.30	997.50	
Overseeing and controlling the work done on the case by case administrators.	2.00	945.00	
Preparing, reviewing and issuing six monthly progress reports to creditors and members (as applicable).	41.00	13,575.00	
applicable).	0.50	87.50	
Preparing and filing VAT returns (delete if not applicable).	-	-	
applicable).	1.50	920.00	
parties.	0.50	87.50	
Preparing, reviewing and issuing final reports to creditors and members (as applicable).	4.00	2,095.00	
applicable).	1.00	200.00	
Seeking Administration Extension from Creditors	5.00	1,745.00	
Seeking Administration Extension from Court	6.00	1,745.00	
	-	-	
	-	-	
Total:	92.80	£31,660.00	£341.16

INVESTIGATIONS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Recovering the books and records for the case.	-	-	
Listing the books and records recovered.	2.00	350.00	
required by the Company Directors Disqualification Act (delete if not applicable).	2.50	525.00	
potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc.	15.00	4,935.00	
Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors	15.00	5,180.00	
	-	-	
	-	-	
	-	-	
	-	-	
Total:	34.50	£10,990.00	£318.55

REALISATION OF ASSETS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Arranging suitable insurance over assets.	-	-	
Regularly monitoring the suitability and appropriateness of the insurance cover in place.	-	-	
Corresponding with debtors and attempting to collect outstanding book debts.	7.50	2,887.50	
Liaising with the bank regarding the closure of the account.	1.00	262.50	
Instructing agents to value known assets.	-	-	
Liaising with agents to realise known assets.	-	-	
Instructing solicitors to assist in the realisation of assets.	-	-	
Registering a caution in respect of freehold property owned by the debtor/company (where applicable).	-	-	
the debtor's/company's freehold/leasehold property (where applicable).	-	-	
freehold/leasehold matrimonial home (delete if not applicable).	-	-	
Instructing solicitors to assist in the realisation of the freehold/leasehold property (where applicable).	-	-	
Liaising with the secured creditors over the realisation of the assets subject to a mortgage or other charge.	14.00	5,450.00	
	-	-	
	-	-	
	-	-	
	-	-	
Total:	22.50	£8,600.00	£382.22

TRADING

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
Obtaining appropriate information about the business and preparing a business plan and cash flow forecasts.	-	-	
Arranging suitable insurance for the business	-	-	
Setting up suitable systems and controls in respect of purchases and sales for the business	-	-	

Liaising with staff and trade unions	-	-	
and submitting relevant information in respect of wages and salaries paid	-	-	
business	-	-	
Monitoring compliance with Health and Safety obligations in respect of the business	-	-	
-	-	-	
-	-	-	
-	-	-	
Total:	0.00	£0.00	0

CREDITORS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
claims.	-	-	
Completing documentation for submission to the Redundancy Payments Office.	-	-	
Corresponding with employees regarding their claims.	-	-	
Liaising with the Redundancy Payments Office regarding employee claims.	-	-	
Dealing with creditor correspondence, emails and telephone conversations regarding their claims.	-	-	
Maintaining up to date creditor information on the case management system.	2.00	525.00	
Issuing a notice of intended dividend and placing an appropriate gazette notice.	1.00	175.00	
adjudicating on them and formally admitting them for the payment of a dividend.	8.00	2,940.00	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.	10.00	3,885.00	
Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend.	4.00	1,050.00	
Paying tax deducted from the dividends paid to employees.	-	-	
Reviewing secured creditor claim, agreements	29.00	12,215.00	
Fox	35.00	19,100.00	
Corresponding with HMRC	7.00	3,475.00	
-	-	-	
Total:	96.00	£43,365.00	£451.72

The blended rate in respect of this category is higher than the average blended rate for the case as a whole, which will centre around the grade of staff used to undertake the work in this category. The majority of this work is being undertaken at Director level due to the complexity.

CASE SPECIFIC MATTERS

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work		
	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work £	Blended charge out rate to undertake the work £
	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
Total:	0.00	£0.00	£0.00
GRAND TOTAL FOR ALL CATEGORIES OF WORK	245.80	£94,615.00	£384.93