

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

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

### 1 Company details

Company number 00681537

Company name in full Clugston Construction Limited

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

### 2 Liquidator's name

Full forename(s) James Richard

Surname Clark

### 3 Liquidator's address

Building name/number 4th Floor, Tailors Corner

Street Thirsk Row

Post town Leeds

County/Region

Postcode LS14DP

Country

### 4 Liquidator's name ①

Full forename(s) Howard

Surname Smith

① **Other liquidator**  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 4th Floor, Tailors Corner

Street Thirsk Row

Post town Leeds

County/Region

Postcode LS14DP

Country


② **Other liquidator**  
Use this section to tell us about  
another liquidator.

# LIQ03

## Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>															
From date	<sup>d</sup>	2	<sup>d</sup>	5	<sup>m</sup>	1	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	1
To date	<sup>d</sup>	2	<sup>d</sup>	4	<sup>m</sup>	1	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	2

<b>7</b>	<b>Progress report</b>											
<input type="checkbox"/> The progress report is attached												

<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	<sup>d</sup>	1	<sup>d</sup>	9	<sup>m</sup>	0	<sup>m</sup>	1	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	3

**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 **Poppy Bayley**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**  
**Glasgow**

Post town **G2 5HF**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 113 521 7510**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

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

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

**Further information**

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

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

Joint  
Liquidators'  
progress report  
for the period  
25 November  
2021 to 24  
November 2022

Clugston Construction Limited - in  
Liquidation

19 January 2023

Deemed delivered: 24 January 2023

# Notice to creditors

Please note that KPMG LLP sold its Restructuring practice in the UK to Interpath Ltd ('Interpath Advisory') on 4 May 2021. This will not have an impact on your day to day dealings of the liquidation of the Company and your case contacts remain the same. Please note that the contact details for your primary case contacts may have changed, please check the insolvency portal at [www.ia-insolv.com/case+INTERPATH+CLB25E5938.html](http://www.ia-insolv.com/case+INTERPATH+CLB25E5938.html) for the latest contact details.

This report provides an update on the liquidation of the Company.

We have included (Appendix 2) an account of all amounts received and payments made during the period from the date of our appointment on 25 November 2021 to 24 November 2022.

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

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

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, [www.ia-insolv.com/case+INTERPATH+CLB25E5938.html](http://www.ia-insolv.com/case+INTERPATH+CLB25E5938.html). We hope this is helpful to you.

**Please also note that an important legal notice about this report is attached (Appendix 7).**

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# 1 Executive summary

We, James Clark and Howard Smith, were appointed Joint Liquidators of the Company on 25 November 2021, following a previous administration appointment. The Company had been placed into administration on 6 December 2019.

This report covers the period from the date of the final administration report to 24 November 2022 ("the Period").

The collection of contractual book debts and retentions is ongoing, with realisations in the liquidation totalling £125,456 to date. (Section 2 - Progress to date).

We are not aware of any secured claims against the Company. (Section 3 - Dividend prospects and dividends paid).

In the Period, preferential creditors, being the employees of the Company and the Redundancy Payment Service, have been paid a distribution of 100p in the £ totalling £467,400. (Section 3 - Dividend prospects and dividends paid).

Based on current estimates, we anticipate that unsecured creditors should receive a dividend of circa 1p in the £. The process of reviewing and agreeing unsecured claims has commenced, however the timing and amount of any dividend are dependent upon the final level of realisations and associated costs of the liquidation, as well as the quantum of claims received. (Section 3 - Dividend prospects and dividends paid).

Please note: you should read this report in conjunction with any previous correspondence sent to the Company's creditors; these can be found at <https://www.ia-insolv.com/case+interpath+CLB25E5938.html> and <http://clugstonconstruction.ia-insolv.com>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



James Clark  
Joint Liquidator

## 2 Strategy and progress to date

We were appointed Joint Liquidators of the Company on 25 November 2021, following a previous administration appointment. The Company had been placed into administration on 6 December 2019.

This report covers the Period from the date of the final administration report to 24 November 2022. However, please refer to any previous administration reports or correspondence to creditors where any information has previously been disclosed.

This section updates you on our strategy for the liquidation and on our progress to date. It follows the information provided in the Joint Administrators' final progress report.

### 2.1 Strategy to date

#### Strategy

As detailed in our administration progress reports, our strategy has focussed on realising the Company's remaining assets, being the contractual book debts and retentions.

Our appointed agents, Acasta, continue to assist the Joint Liquidators with these collections. Realisations from book debts, retentions and WIP have totalled £125,456 during the Period. Acasta have provided us with a very broad range of estimated future realisations, from £38,000 in a low case to £648,000 on a high case. The debt collection process will take at least a further 12 months to complete as a number of defect liability periods are scheduled to lapse in this period and hence the level of defects and likely counterclaims are unknown at this stage. We will continue to liaise with Acasta regarding the ongoing collection of these debts, and will explore opportunities to accelerate payments where this is possible.

We continue to liaise with HMRC to seek corporation tax clearance and will also deregister the Company for VAT once debtor collections are completed.

In the Period we have agreed the claims of the Company's preferential creditors, being the employees and the Redundancy Payments Service, and have completed the distribution to preferential creditors of 100p in the £.

We have commenced the process of reviewing and agreeing unsecured claims against the Company. The claims agreement process is likely to take some time to complete owing to the large number of creditors and the complexity of certain claims.

The timing and amount of any dividend are dependent upon the final level of realisations and associated costs of the liquidation, as well as the quantum of claims received. Any creditor who has not yet submitted a proof of debt is encouraged to do so at the earliest opportunity.



## 2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

Funds from administration

Surplus funds of £2,051,098 were transferred from the previous administration.

VAT from administration

VAT receivable of £426,855 which relates to the previous administration has now been received from HMRC. In our final administration report we reported a balance of £433,510 was owed, but HMRC made certain deductions from this sum prior to remitting funds to us.

Debtors

As detailed in section 2.1, Acasta continue to assist the Joint Administrators with these collections. Realisations from book debts, retentions and WIP have totalled £125,456 during the Period. Our agents estimate future realisations will be in excess of £38,000 as detailed earlier in this report.

VAT refunds from Clugston Group

The Company is in a VAT group with CGL, who are the representative member for VAT purposes with HMRC. In the Period, the sum of £28,089 has been overpaid by CGL to the Company in respect of VAT refunds received from HMRC. This sum will be repaid to CGL outside of the reporting period.

Investigations

We are continuing to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

## 2.3 Costs

Payments made in the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the Period are provided below.

Agents' fees

In the Period, we have paid fees of £27,600 to Acasta for their assistance with the realisation of outstanding book debts, WIP and retentions.

Storage costs

Storage costs of £14,731 have been paid during the Period. Of this, £8,981 was paid to Iron Mountain and the remainder was paid to Box-It, as the Company's books and records are

currently held across two sites. We plan to combine all records at the Iron Mountain site and will continue to meet our statutory obligation to hold the records.

#### Statutory advertising

We paid £83 in the Period to advertise our appointment as Joint Liquidators.

#### Insurance

We paid £1,644 to Marsh in the Period. This relates to open cover insurance premiums for the initial liquidation period.

#### Vehicle lease costs

As disclosed in the final administration report, costs were incurred in hiring leased vehicles for staff that were retained to assist the Joint Administrators at the onset of the administration. An amount of £730 has been paid in the Period in relation to this.

#### ERA outsource fee

Fees of £4,163 were paid to ERA Corporate Services Limited in the Period, for their assistance in the agreement of preferential employee claims.

## **2.4 Schedule of expenses**

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

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

#### Storage costs

Costs in relation to the storage of the Company's books and records were paid to Iron Mountain after the Period end but incurred during the Period. These additional costs totalled £10,462.

#### Insurance

An additional insurance premium of £1,068 was incurred but not paid to Marsh until after the Period end date.

## **3 Dividend prospects**

### **3.1 Secured creditor**

We are not aware of any secured claims against the Company.

NatWest held the benefit of fixed and floating charges over the Group by way of a debenture. However, they recovered their indebtedness in full during the previous administration.

In our final progress report in the administration we advised that Legal Counsel has advised that HCCI's £6.7 million claim will rank above any intercompany claims, including where subrogation is applicable. HCCI is not expected to be fully repaid from the liquidation and as a result, CGL will not receive a distribution regardless of its position as a subrogated secured creditor.

### **3.2 Preferential creditors**

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

A first and final dividend to preferential creditors of 100p in the £ was declared on 31 August 2022 and paid during the Period.

A total of £262,399 was paid to employees in relation to preferential claims and a total of £205,001 was paid to the Redundancy Payments Service. The preferential creditors have therefore been repaid in full.

### **3.3 Unsecured creditors**

Based on current estimates, we anticipate that unsecured creditors should receive a dividend. This is currently estimated at around 1p in the £. However, the timing and amount of any dividend are dependent upon the final level of realisations and associated costs of the liquidation, as well as the total value of unsecured claims admitted.

We have started the process of agreeing unsecured creditor claims. Therefore, any creditor that believes they have a claim should submit this to us if they have not already done so.

The claims agreement process is likely to take some time to complete owing to the large number of creditors and the complexity of certain claims. The value of claims received to date from trade creditors total £72,513,860, and, of 760 creditors listed on the Directors' statement of affairs, 551 have formally submitted their claims.

## 4 Joint Liquidators' remuneration and expenses

### 4.1 Joint Liquidators' remuneration and expenses

During the Period, the creditors have provided approval that:

our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in our initial letter to creditors following appointment dated 30 November 2021 and Interpath's usual charge-out rates for work of this nature.

category 2 expenses (as defined in Statement of Insolvency Practice 9) will be charged and drawn in accordance with Interpath Advisory's policy as set out in Appendix 5.

Time costs

From the date of our appointment to 24 November 2022, we have incurred time costs of £206,382. These represent 505 hours at an average rate of £409 per hour.

Our total time costs for the liquidation have exceeded the fees estimate provided in our initial letter to creditors, being £190,692. This is because of the following reasons:

- We have spent more time than initially anticipated on statutory and compliance matters, namely complying with the Joint Administrators' statutory duties, cashiering, and preparing strategy notes and file reviews. We expect that further costs will be incurred in this area as we amalgamate the Company's books and records, and execute the statutory requirements of the liquidation and its future closure.
- Our tax team have incurred more costs than initially anticipated. They have been liaising extensively with HMRC in order to reach an agreement upon the date that the Company's trade ceased in order to confirm HMRC's position and the level of any corporation tax liabilities. Our tax team have advised that they believe that the position with HMRC is close to being resolved, although we await formal confirmation of tax clearance. As such we do not anticipate significant future costs in this area. We continue to submit quarterly VAT returns to HMRC.
- We have incurred more time costs than initially expected in relation to creditors, namely in agreeing the unsecured claims and dealing with creditor correspondence. We expect significant further costs, as the claims agreement process is likely to be protracted due to the volume and complexity of the claims.

**Please note that, despite these increases in time costs, at this time we do not intend to seek approval for fees above the level for which the Company's creditors have given their approval.**

## Remuneration

During the Period, we have drawn floating charge remuneration of £100,000 in line with approval obtained from the Company's creditors.

## Liquidators' Expenses

These are any payments which are neither liquidators' remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the liquidators, and then reimbursed to the liquidators from the estate.

During the Period, we have not incurred any expenses.

## Additional Information

We have attached a revised expenses estimate at Appendix 4.

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 24 November 2022. We have also attached our charging and expenses policy.

# 5 Future strategy

## 5.1 Future conduct of the liquidation

The following matters are still ongoing in the liquidation:

- Realising the remaining book debts with the assistance of Acasta;
- Settling all remaining costs of the liquidation, including the costs of consolidating, storing and destroying the Company's books and records;
- Deregistering the Company for VAT once book debt collections are finalised, and confirming corporation tax clearance with HMRC;
- Reviewing and adjudicating upon the unsecured creditor claims received, including those from former employees;
- Declaring and paying a distribution to the Company's unsecured creditors; and
- Completion of all other statutory matters ahead of closure of the liquidation via dissolution.

## 5.2 Future reporting

We will report again on the progress of this liquidation within 2 months of 24 November 2023, or in the final report if matters have been concluded earlier.

## Appendix 1      Statutory information

### Company information

Company name	Clugston Construction Limited
Previous company names if applicable	N/A
Date of incorporation	25 January 1961
Company registration number	00681537
Previous registered office	St. Vincent House, Normanby Road, Scunthorpe, North Lincolnshire, DN15 8QT
Present registered office	4th Floor, Tailors Corner, Thirsk Row, Leeds, LS1 4DP
Trading address	N/A
Nature of business	Construction of commercial buildings

### Liquidation information

Appointed by	Creditors pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986
Date of appointment	25 November 2021
Joint Liquidators' details	James Clark and Howard Smith
Joint Liquidators' address	4th Floor, Tailors Corner, Thirsk Row, Leeds, LS1 4DP
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986.
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.



## Appendix 2 Joint Liquidators' receipts and payment account

### Abstract of receipts & payments

Statement of affairs (£)		From 25/11/2021 To 24/11/2022 (£)	From 25/11/2021 To 24/11/2022 (£)
ASSET REALISATIONS			
	Book debts	125,455.94	125,455.94
	Recharges from Group Companies	1,069.15	1,069.15
	VAT refunds from Clugston Group	28,089.20	28,089.20
		154,614.29	154,614.29
OTHER REALISATIONS			
	Bank interest, gross	365.97	365.97
2,051,097.90	Funds from Administration	2,051,097.90	2,051,097.90
433,510.00	VAT from Administration	426,854.91	426,854.91
		2,478,318.78	2,478,318.78
COST OF REALISATIONS			
	ERA outsource fee	(4,162.71)	(4,162.71)
	Liquidator's fees	(100,000.00)	(100,000.00)
	Agents'/Valuers' fees	(27,600.30)	(27,600.30)
	Vehicle lease hire	(730.14)	(730.14)
	Storage costs	(14,730.82)	(14,730.82)
	Statutory advertising	(83.00)	(83.00)
	Insurance of assets	(1,644.16)	(1,644.16)
	Bank charges	(15.00)	(15.00)
		(148,966.13)	(148,966.13)
PREFERENTIAL CREDITORS			
(409,286.00)	Employees' wage arrears & Holiday pay	(262,398.92)	(262,398.92)
	Redundancy Payments Service	(205,000.80)	(205,000.80)
		(467,399.72)	(467,399.72)
UNSECURED CREDITORS			
(70,900,000.00)	Trade & expense	NIL	NIL
(2,668,800.00)	Employees	NIL	NIL
		NIL	NIL
<b>(71,493,478.10)</b>		<b>2,016,567.22</b>	<b>2,016,567.22</b>
REPRESENTED BY			
	VAT receivable		203,601.76
	Current account		2,011,660.67
	VAT payable		(28,178.25)
	Floating ch. VAT control		(170,516.96)
			<b>2,016,567.22</b>

## Appendix 3      Schedule of expenses

### Cost of realisations

ERA outsource fee	4,162.71	0.00	<b>4,162.71</b>
Agents'/Valuers' fees	27,600.30	0.00	<b>27,600.30</b>
Storage costs	14,730.82	10,461.74	<b>25,192.56</b>
Statutory advertising	83.00	0.00	<b>83.00</b>
Insurance of assets	1,644.16	1,068.48	<b>2,712.64</b>
Bank charges	15.00	0.00	<b>15.00</b>
<b>TOTAL</b>	<b>48,235.99</b>	<b>11,530.22</b>	<b>59,766.21</b>

Please note that there is a difference between the payments made during the Period of £148,966 (per the receipts and payments account) and the expenses incurred and paid in the Period of £48,236 (per the schedule of expenses).

This is due to the fact that some payments made during the Period relate to expenses incurred in a prior period.

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

The figures above relate to liabilities incurred, whether paid or accrued, in this reporting period. They do not include details of liabilities accrued or reported during the previous administration; which are detailed in the final Joint Administrators' report.

#### Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this report, you must do so in writing within 21 days of receiving this report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

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

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this report, you must do so by making an application to Court within eight weeks of receiving this report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant Rules can be provided on request by writing to Poppy Bayley at Interpath Advisory, 4th Floor, Tailors Corner, Thirsk Row, Leeds, LS1 4DP.

## Appendix 4      Joint Liquidators' revised expenses estimate

Agent fees	1	130,020.00	27,600.30	102,419.70	130,020.00
Legal fees and disbursements	2	50,000.00	0.00	50,000.00	50,000.00
Storage costs	3	75,000.00	14,730.82	60,269.18	75,000.00
Statutory advertising	4	190.00	83.00	107.00	190.00
Insurance	5	1,000.00	1,644.16	1,068.48	2,712.64
Vehicle lease costs	6	18,271.00	730.14	0.00	730.14
Other property costs	7	6,062.00	0.00	6,062.00	6,062.00
Other costs	8	5,000.00	0.00	5,000.00	5,000.00
Bank charges	9	200.00	15.00	185.00	200.00
ERA outsource fee	10	0.00	4,162.71	0.00	4,162.71
<b>Total</b>		<b>285,743.00</b>	<b>48,966.13</b>	<b>225,111.36</b>	<b>274,077.49</b>

### Note 1 - Agents' fees

We anticipate agents' fees of up to £130,020 to Acasta for assisting with the realisation of outstanding book debts, WIP and retentions. We have agreed a fee mechanism with Acasta that is contingent on asset realisations in order to incentivise performance.

### Note 2 - Legal fees and disbursements

We anticipate legal costs will be incurred for general matters arising over the course of the liquidation, including support with claim agreements where necessary. No legal fees have been paid in the Period.

### Note 3 - Storage costs

The costs associated with the ongoing storage of over 6,000 boxes of Company books and records. This includes the expected costs of transferring over 3,000 boxes of Company books and records held at an external storage facility to Iron Mountain (where a further 3,000 boxes are currently stored) so that all Company records can be documented and easily accessed. The costs associated with this transfer have been disclosed in our previous administration reports and are expected to be in the region of £30,000. We will also deal with the destruction of records at the end of the liquidation.

### Note 4 - Statutory advertising

We paid to advertise our appointment as Joint Liquidators. Furthermore, given we expect to make a distribution to unsecured creditors, we will need to advertise this dividend. This cost has been captured in our expenses estimate.

#### Note 5 – Insurance

Insurance premiums have been paid (and expect to be paid shortly after the Period end) for the initial liquidation period. We anticipate that the insurance will no longer be required after the current period and will be cancelled.

#### Note 6 - Vehicle lease costs

Costs were incurred in hiring leased vehicles for staff that were retained to assist the Joint Administrators at the onset of the administration. An amount of £730 has been paid in the Period. These costs were lower than anticipated and no further costs are expected.

#### Note 7 - Other property expenses

Outstanding costs associated with the clearance of the Company's leasehold property at St Vincent's House were incurred during the administration. These costs are yet to be settled.

#### Note 8 - Other costs

We have included a provision for unexpected costs that may arise in the liquidation.

#### Note 9 - Bank charges

We expect bank charges will be incurred in the liquidation associated with making electronic payments and have provided an estimate for this cost.

#### Note 10 - ERA outsource fee

This relates to a fee paid to ERA Corporate Services Limited for their assistance in the agreement of preferential employee claims.

## Appendix 5      Joint Liquidators' charging and expenses policy

### Joint Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. This includes work undertaken in respect of in-house Interpath Advisory tax, VAT and employee specialists

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Liquidators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>

If you are unable to access this guide and would like a copy, please contact Poppy Bayley on 0113 521 8121.

### Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation.

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

Managing Director	690	725	725
Director	620	675	675
Associate Director	560	590	590
Manager	467	495	495
Senior Associate	325	345	345
Associate	236	245	245
Support	147	155	155

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. In our next statutory report, we will inform creditors of any material amendments to these rates.

## Policy for the recovery of liquidators' expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

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

*Category 1 expenses:* These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 expenses:* These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

*Associates:* are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath Advisory include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of managing director's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any expenses during the Period.

<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
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We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses have been approved in the same manner as our remuneration.

Narrative of work carried out for the Period 25 November 2021 to 24 November 2022.

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; preparing statutory receipts and payments accounts; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the liquidation strategy briefing of our staff on the liquidation strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the liquidation; allocating and managing staff/case resourcing and budgeting exercises and reviews; complying with internal filing and information recording practices, including documenting strategy decisions.
Cashiering	setting up liquidation bank accounts and dealing with the transfer of funds from the administration; preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	gathering initial information from the Company's records in relation to the taxation position of the Company; submitting relevant initial notifications to HM Revenue and Customs; reviewing the Company's pre-appointment corporation tax and VAT position; analysing VAT related transactions and completion of Group returns; dealing with post appointment tax compliance; extensive communication with HMRC to clarify the Company's tax position and seek tax clearance.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by creditors; dealing with the ongoing storage of Company books and records.
Asset realisations	reviewing outstanding debtors and management of debt collection strategy; liaising with the Acasta regarding debtor recoveries; reviewing the inter-company debtor position between the Company and other group companies.
Open cover insurance	arranging ongoing insurance cover for the Company's business and assets; liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; assessing the level of insurance premiums.
Employees	dealing with queries from employees regarding various matters relating to the liquidation and their employment; dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; communicating and corresponding with HM Revenue and Customs; managing claims from employees.
Pensions	collating information and reviewing the Company's pension schemes; calculating employee pension contributions and review of pre-appointment unpaid contributions; ensuring compliance with our duties to issue statutory notices.
Creditors and claims	creating and updating the list of unsecured creditors; responding to enquiries from creditors regarding the liquidation and submission of their claims; reviewing completed forms submitted by creditors, recording claim amounts and



- maintaining claim records;
- agreeing preferential and unsecured claims;
- arranging distributions to the preferential creditors;
- drafting our report.

## Time costs

### SIP 9 –Time costs analysis (25/11/2021 to 24/11/2022)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Bankrupt/Director/Member			
General correspondence	<b>7.70</b>	2,506.50	325.52
Notification of appointment	<b>1.60</b>	899.20	562.00
Cashiering			
General (Cashiering)	<b>16.70</b>	5,358.20	320.85
Reconciliations (& IPS accounting reviews)	<b>2.00</b>	630.00	315.00
General			
Books and records	<b>10.20</b>	3,619.00	354.80
Fees and WIP	<b>6.85</b>	2,929.45	427.66
Statutory and compliance			
Appointment and related formalities	<b>7.95</b>	3,246.50	408.36
Bonding & Cover Schedule	<b>1.45</b>	513.85	354.38
Budgets & Estimated outcome statements	<b>2.75</b>	1,018.15	370.24
Checklist & reviews	<b>13.35</b>	6,202.75	464.63
Strategy documents	<b>35.85</b>	16,657.55	464.65
Tax			
Post appointment corporation tax	<b>107.10</b>	51,016.50	476.34
Post appointment VAT	<b>28.85</b>	10,336.50	358.28
<b>Creditors</b>			
Creditors and claims			
Agreement of claims	<b>22.30</b>	8,558.50	383.79
Agreement of preferential claims	<b>30.20</b>	15,029.00	497.65
Agreement of unsecured claims	<b>93.50</b>	34,400.50	367.92
General correspondence	<b>46.55</b>	14,319.45	307.61
Payment of dividends	<b>7.10</b>	3,946.50	555.85
Statutory reports	<b>5.00</b>	1,767.00	353.40
Employees			
Agreeing employee claims	<b>14.10</b>	4,674.50	331.52
Correspondence	<b>10.70</b>	3,813.10	356.36

**SIP 9 –Time costs analysis (25/11/2021 to 24/11/2022)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Pensions reviews	<b>0.70</b>	346.50	495.00
<b>Investigation</b>			
Directors			
Statement of affairs	<b>3.00</b>	1,035.00	345.00
Investigations			
Review of pre-appt transactions	<b>2.25</b>	1,113.75	495.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>4.00</b>	2,760.00	690.00
Debtors	<b>11.90</b>	5,459.75	458.80
Freehold property	<b>0.50</b>	172.50	345.00
Insurance	<b>9.10</b>	3,223.30	354.21
Other assets	<b>0.30</b>	103.50	345.00
Stock and WIP	<b>1.00</b>	725.00	725.00
<b>Total in period</b>	<b>504.55</b>	<b>206,382.00</b>	<b>409.04</b>
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	504.55	206,382.00	
Carry forward time (appointment date to SIP 9 period end date)	504.55	206,382.00	

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

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

## Appendix 6      Glossary

Acasta	Acasta Consulting Limited
Box-It	Box-It Humberside - operated under licence by CRF Storage (Brantingham) Ltd.
CGL	Clugston Group Limited – in liquidation
Company	Clugston Construction Limited- in liquidation
Court	High Court of Justice, Business and Property Court in Leeds, Insolvency and Companies List (ChD)
Group	The Company together with; Clugston Group Limited (in liquidation) Clugston Services Limited Clugston Distribution Services Limited Clugston Estates Limited
HCCI	HCC International Insurance Company Plc
HMRC	His Majesty's Revenue and Customs
Interpath/Interpath Advisory	Interpath Ltd
Iron Mountain	Iron Mountain (UK) PLC
Joint Administrators/we/our/us	James Clark and Howard Smith
KPMG	KPMG LLP

Marsh

Marsh Ltd

NatWest

NatWest Westminster Bank

Period

25 November 2021 to 24 November 2022

Any references in this report to Sections, Paragraphs and Rules are to Sections and Paragraphs and Rules in the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016 respectively.

## Appendix 7      Notice: About this report

This progress report has been prepared by James Clark and Howard Smith, the Joint Liquidators of Clugston Construction Limited (the 'Company'), solely to comply with their statutory duty under the Insolvency Rules (England and Wales) 2016 to provide members and creditors with an update on the progress of the liquidation of the estate, and for no other purpose.

This report has not been prepared in contemplation of it being used, and is not suitable to be used to inform any decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at their own risk. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors.

James Richard Clark and Howard Smith are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [www.interpathadvisory.com/privacy-insolvency](http://www.interpathadvisory.com/privacy-insolvency).

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the liquidation.

**[www.interpathadvisory.com](http://www.interpathadvisory.com)**

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