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Joint administrators' progress report  
from 7 September 2018 to 6 March  
2019

***Nigel Fredericks Limited***  
(in administration)

02 April 2019

High Court of Justice, Business and Property Courts,  
Insolvency and Companies List (ChD)

Case Number 7347 of 2018

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Administrators / we / us / our	Rachael Maria Wilkinson and Zelf Hussain
Atlantic	Atlantic Risk Management Services Limited
CDDA	Company Directors Disqualification Act 1986
Charge holders	National Westminster Bank Plc, RBS Invoice Finance Limited and Lombard North Central Plc (all secured creditors)
Company	Nigel Fredericks Limited – in administration
firm	PricewaterhouseCoopers LLP
The Insolvency Service	An executive agency of the Department for Business, Energy and Industrial Strategy
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
LTO	Licence to occupy
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Purchaser	The purchaser of the Company's business and assets – Nigel Fredericks Trading Limited
Proposals	Joint Administrators' proposals for achieving the purpose of administration dated 14 September 2018
RBS	The Royal Bank of Scotland Plc
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Energy & Industrial Strategy, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
ROT claims	Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
unsecured creditors	Creditors who are neither secured nor preferential

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# Key messages

## Why we've sent you this report

We're writing to update you on the progress of the administration of Nigel Fredericks Limited in the six months since our appointment. You may wish to read this report in conjunction with our Proposals and SIP16 report which continue to be available to view online at [www.pwc.co.uk/nigel](http://www.pwc.co.uk/nigel).

## How much creditors may receive

The following table summarises the possible outcome for creditors\*, based on what we currently know.

<b>Class of creditor</b>	<b>Current estimate</b>	<b>Previous estimate (in our Proposals)</b>
Secured creditors	60 p/£	60 p/£
Preferential creditors	Nil	Nil
Unsecured creditors	Nil	Nil

*\*Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.*

We don't think the secured creditors will be fully repaid their lending (totalling £10.6m per the Company's statement of affairs, including amounts owed under the invoice discounting facility) out of their security over the Company's assets.

There are no preferential creditors as there are no arrears of wages or unpaid holiday pay that we're aware of, as all employees transferred to the Purchaser.

We don't think the Company's unsecured creditors (totalling £8.7m per the Company's statement of affairs) will receive any dividend based on what we know currently. The prescribed part provisions do not apply as all realisable assets are secured by floating charges registered prior to 15 September 2003, when the prescribed part provisions came into force.

## What you need to do

This report is for your information and you don't need to do anything.

Please note that should you wish to vote in future in relation to any decision procedure during the administration or any subsequent liquidation, or object to a decision sought by deemed consent in the future, you'll need to submit a proof of debt.

A proof of debt form can be downloaded from our website at [www.pwc.co.uk/nigel](http://www.pwc.co.uk/nigel) or you can get one by telephoning Callum Inksetter on 0113 289 4257.

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# ***Background to the administration***

You may remember from our Proposals that when we were appointed, the position was as follows:

- The Company had been set up for the processing and sale of meat products to restaurants, hotels, caterers and sporting events and operated from one site in North London comprising 7 units and a second, smaller, distribution site in Mansfield.
- We were appointed because the Company experienced a fall in profitability and cash generation due to a number of factors, including the fall in value of the pound following the UK referendum to leave the EU and a reduction of credit insurance limits which led to an increase in working capital requirements as suppliers demanded faster payment.
- The Company was unable to secure further funds from its lenders, and the attempt to market the Company's shares unfortunately did not result in any acceptable offers.
- Several options had been considered for the Company, including a solvent sale of the business, a liquidation and shut down of the Company; and a Company Voluntary Arrangement or a Scheme of Arrangement, none of which were considered a viable option. The only viable option was a sale of the business and assets on an accelerated timescale, executed via an administration process.

We set out below a summary of the key events immediately following our appointment on 7 September 2018.

- We completed the sale of the business and assets of the Company to the Purchaser. All employees transferred to the Purchaser.
- We agreed as part of the sale of the business that the Purchaser would collect the book debts which totalled £8.3m and were subject to RBS's invoice discounting facility. RBS also appointed the debt collection firm (Atlantic) to monitor and report to RBS on the collection process.
- We liaised with the Company's directors to discuss settlement options for the directors' loan account of £4.1m and the recovery of any tax charges incurred in relation to this loan.
- We granted the Purchaser a licence to occupy the Company's seven leasehold premises and one freehold property, for a period of six months less seven days whilst it arranged an assignment of the leases with the relevant landlords.

In broad terms, our work in the administration was expected to focus on the following key areas:

- Providing support as required to the collection of book debts;
- Pursuing the recovery of the directors' loan account and any associated tax assets;
- Managing the portfolio of properties; in particular the collection of licence fees from the Purchaser and payment of rent to the landlords;
- Reviewing the conduct of the directors prior to the insolvency of the Company and completing the required submissions to The Insolvency Service;
- Fulfilling our statutory and regulatory obligations as administrators of the Company; and
- Managing and winding down the Company's affairs, with a view to the Company ultimately being dissolved in an orderly manner.

In the next section, we provide details of the work done and progress of the administration in the first six months of the administration.

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# *Progress in the period*

## *Asset realisations*

### **Sale of the business and assets**

We refer you to our Proposals and SIP16 report which contained the background and details of the sale of the business and assets to the Purchaser on 7 September 2018. As shown on the enclosed receipts and payments account, the net cash consideration of £23k was received on completion of the sale.

The sale resulted in all employees transferring to the Purchaser, mitigating potential employee claims for holiday pay and redundancy claims. It also significantly improved the prospects for higher recoveries from book debts due to the fact that customers would benefit from continued supply. The lower costs of an immediate sale compared to a close-down of the business were also a factor in determining the most appropriate strategy on behalf of the Company's creditors.

The directors and shareholders of the Purchaser are not associated with either the former directors of Nigel Fredericks Limited or any of its charge holders.

In the period since our appointment and as required by the sale contract, it has been necessary to provide reasonable assistance to the Purchaser in the novation of certain agreements and contracts from the Company to the Purchaser, for example items of leased equipment.

### **Book debts owed to RBS**

For a short period after the sale, the Purchaser was responsible for collecting the debts owed to the Company, under the supervision of Atlantic. During the period, Atlantic assumed full responsibility for collecting the debts and the Purchaser is therefore no longer involved in this process.

We understand that during the period covered by this report, a total of £4.22m has been collected and paid directly to RBS. The collection process is ongoing and we will provide a further update to creditors in our next report.

Our work in this area has been limited to liaising with Atlantic, terminating the arrangement with the Purchaser and other support as and when required.

### **Directors' loan account and tax thereon**

One of the assets of the Company is a directors' loan account of £4.1m. We have been reviewing potential options on how to realise funds from this asset for the administration.

In particular, we have been holding regular discussions with the directors over the past few months to reach an agreement to settle the directors' loan account. However, due to the complexities surrounding the recovery of this asset, these discussions are ongoing. We will update creditors on progress in our next report.

We also understand that the Company has incurred c£500k of tax charges in relation to the directors' loan account, which may be recoverable from HMRC on repayment of the loan. We are continuing our investigations to obtain more clarity in respect of the exact amounts paid and establish whether any of this tax can be recovered.

## *Property matters*

### **Beneficial interest in freehold property**

We understand that the Company has a beneficial interest in the freehold property at 11a Carlisle Road, London. The property is being marketed and we are continuing discussions with the Purchaser and the landlord to expedite the sale of this asset. We anticipate that the sale will be concluded over the next few weeks.

As the Company only has a beneficial interest in this property, we anticipate that only a share of the ultimate sale proceeds would be remitted into the administration estate. The remaining net proceeds are due back to the landlord, however, as the property is owned by one of the Company's directors, in agreement with the director we will hold these proceeds pending agreement on the settlement of the director's loan account.

### **Leasehold properties**

We granted the Purchaser a licence to occupy the Company's seven leasehold premises until 28 February 2019 whilst it arranged assignment of the leases with the relevant landlords. We also granted a licence to occupy the property in which the Company has a freehold interest for the same period.

During the period covered by this report we have been liaising with the Purchaser and monitoring its progress on negotiations with the landlords to secure an assignment of the leases. These negotiations have taken longer than expected and, as a result, a further licence was issued until 31 March 2019, with one property extended until 31 May 2019.

At the time of writing, a further extension until the end of June 2019 has been granted in respect of two of the leased properties.

Under the terms of the licence, we've collected rent from the Purchaser and settled landlords' invoices out of these funds on a monthly basis. Managing the property portfolio has been one of the more time consuming areas of our work during the period.

### **Rates refunds**

We pursued refunds of business rates directly with Brent Council and some £3,878 has been recovered to date, as shown on the receipts and payments account. We also liaised with specialist agents to explore the possibility of securing further rates refunds. This work is ongoing and we will provide an update in our next report.

## *Managing the Company's affairs*

### **VAT**

Another area of work has been managing the Company's VAT affairs, with time spent in the following areas:

- Gathering initial VAT information and review of the Company's VAT position;
- Dealing with 'options to tax' matters in respect of the property portfolio, including correspondence with HMRC;
- Preparing and submitting the Company's monthly VAT returns (these will be submitted on a quarterly basis following the February 2019 return already submitted); and
- VAT related work and advice on accounting for transactions connected to the property portfolio.

### **Creditor enquiries**

We have received a large volume and variety of enquiries from the Company's creditors. Many of these relate to creditors requesting confirmation of their debt for insurance purposes and we have responded to these to the extent possible from the information available to us.

We have received a small number of RoT claims from creditors. We reviewed the supporting evidence in respect of these claims and liaised with the suppliers and the Purchaser as necessary in relation to the assets claimed. Some claims have not been progressed by the claimants and a small number are still ongoing.

We have also maintained contact with the secured creditors, to provide updates as appropriate for them in the circumstances of the case.

### **Data capture / preservation**

As part of the sale of the business and assets, the Purchaser took possession of the Company's books and records, subject to reasonable rights of access available to us, should that be necessary. In addition, as is common in such situations, we arranged for our Forensics Technology specialists to capture (or take copies of)

certain electronic data records in anticipation of such records potentially being required for the purpose of the administration, including our review into the Company's affairs and to support asset realisations.

## *Fulfilling our statutory and regulatory obligations*

As administrators, we have a number of obligations to fulfil throughout the period of the administration. In the first six months of our appointment, the key areas of work were as follows:

- Issuing all immediate letters and notices required as a consequence of the Company entering an insolvency process;
- Finalising and issuing our SIP16 report to creditors on the pre-packaged sale of the business;
- Preparing and circulating to creditors and members (at the same time as our SIP16 report), our Proposals for achieving the objective of the administration;
- Opening a new bank account for the purpose of the administration and maintaining regularly reconciled records of our receipts and payments;
- Giving the required statutory notices to the relevant pension authorities, including the Pension Protection Fund, and subsequently assessing the amount of any unpaid pension contributions; and
- Ensuring adequate insurance cover remained in place for all post-appointment insurable risks.

In all areas of our work in the administration, it is our policy to delegate tasks to appropriate members of staff considering their level of experience and any 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 the administrators personally.

The time we spend on the administration is regularly reviewed to ensure that our strategy remains appropriate and that work is being performed in the most cost effective manner.

## *Connected party transactions*

We confirm that we have not undertaken a sale of any assets to connected parties and none are expected.

## *Approval of our proposals*

On 14 September 2018, we issued to creditors our Proposals for achieving the purpose of administration. We said in our Proposals that we thought the Company does not have enough assets to pay a dividend to unsecured creditors.

This meant that we did not have to seek a decision from creditors regarding the approval of our Proposals and our Proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request that a decision be sought, our Proposals were treated as approved on 27 September 2018.

## *Investigations and actions*

During the period covered by this report, we fulfilled our duties under the CDDA and Statement of Insolvency Practice No.2; and made the required submissions to The Insolvency Service.

The content of our submission to The Insolvency Service is confidential and therefore we are unable to provide any further information in that regard. We will continue to comply with our duties under the CDDA, including responding to any requests from The Insolvency Service (or other authorities) as and when required.

## *Our receipts and payments account*

We set out in Appendix A an account of our receipts and payments in the administration from 7 September 2018 to 6 March 2019.



## *Our expenses*

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes our fees as the basis for these has not yet been agreed, and any potential tax liabilities that we may need to pay as an administration expense in due course, because amounts due will depend on the position at the end of the tax accounting period.

## *Our fees*

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

## *Pre-administration costs*

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our Proposals.

## *Creditors' rights*

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

[https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Administrators\\_fees\\_April\\_2017.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_fees_April_2017.pdf)

You can also get a copy free of charge by telephoning Callum Inksetter on 0113 289 4257.

## *What we still need to do*

We still need to realise the directors' loan asset, realise the Company's interest in the freehold property and ensure the assignment of the leases of the remaining properties to the Purchaser. If considered beneficial or necessary for completing this work and achieving the purpose of the administration, we may ask the secured creditors to extend the period of the administration beyond the statutory period of one year.

Whilst we remain in office as administrators, we also need to continue discharging our statutory obligations such as submitting tax and VAT returns, as well as issuing further progress reports to creditors every six months.

## *Next steps*

We are currently considering the best strategy for extending or ending the administration, taking into account the work that we still have to do. We'll provide an update on this in our next report.

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you have any questions, please get in touch with Callum Inksetter on 0113 289 4257.

Yours faithfully  
For and on behalf of the Company



Rachael Wilkinson  
Joint administrator

*Rachael Maria Wilkinson and Zelf Hussain have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents without personal liability. They are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:  
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>*

*The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.*

# Appendix A: Receipts and payments

Directors' statement of affairs (£)	7 September 2018 to 6 March 2019 (£)
<b>Fixed charge</b>	
<b>Receipts</b>	
-	-
<b>Total receipts</b>	-
<b>Payments</b>	
-	-
<b>Total payments</b>	-
<b>Net fixed charge receipts</b>	-
<b>Floating charge</b>	
<b>Receipts</b>	
(*) Sale of business	23,033.29
Insurance claims and refunds	781.00
Contribution from Purchaser to insurance of properties under LTO	663.52
Sundry debts and refunds	3,877.51
LTO receipts	226,726.84
Bank interest received gross	254.92
Directors' loans	-
Section 455 tax repayable	-
Prepayments and deposits	-
Leasehold and freehold property	-
<b>Total receipts</b>	<b>255,337.08</b>
<b>Payments</b>	
Statement of affairs cost	1,500.00
Rent	164,197.03
Irrecoverable VAT	0.05
<b>Total payments</b>	<b>165,697.08</b>
<b>Net floating charge receipts</b>	<b>89,640.00</b>
VAT receivable	(3,115.31)
<b>Balance held in interest bearing current account</b>	<b>86,524.69</b>

(\*) These proceeds are the net balance of £750k realised from plant, equipment and goodwill, less a deduction for stock supplied to the business by the Purchaser pre-appointment (£578k) and arrears of wages paid by the Purchaser up to 7 September 2018 (£149k). The Statement of Affairs value for plant, machinery and goodwill was £750k.

As mentioned earlier in this report, the book debts are being collected by a third party and the realisations will be covered by RBS's invoice discounting facility. During the period covered by this report a total of £4.22m has been collected.

The prescribed part doesn't apply because the realisable assets of the Company are secured in the first instance by floating charges registered against the Company before 15 September 2003. There are no assets to be captured by the charge registered after 15 September 2003 and so there are no assets from which to ring-fence the prescribed part.

## Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate, and exclude distributions to creditors. The table also excludes our fees as the basis of these has not yet been agreed by the secured creditors, as well as any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

	<b>Incurring in the period under review £</b>	<b>Estimated future £</b>	<b>Anticipated total £</b>
Statement of affairs cost	1,500.00	-	1,500.00
Irrecoverable VAT	0.05	-	0.05
Legal fees	7,387.44	5,000.00	12,387.44
Legal disbursements	328.22	-	328.22
Mileage	100.00	-	100.00
Travel	58.60	-	58.60
Printing and postage	456.09	1,000.00	1,456.09
Insurance	2,358.98	1,900.00	4,258.98
Bonding	225.00	-	225.00
Statutory advertising	-	140.00	140.00
Bank charges	-	100.00	100.00
Office holders' disbursements	-	500.00	500.00
Other	-	1,000.00	1,000.00
<b>Total</b>	<b>12,414.38</b>	<b>9,640.00</b>	<b>22,054.38</b>

Rental costs have not been included in the above estimate as it is a passthrough cost recharged to the Purchaser under the LTO.

# Appendix C: Remuneration update

In the circumstances of this case, it is for the secured creditors to approve the basis of our remuneration and certain categories of our expenses. We have not yet sought such approval, but will do so at the appropriate time and provide an update to creditors in the first report after such approval is obtained.

## Our work in the period

In the following table we provide more detail on the key areas of work we've undertaken during the period of this report.

Area of work	Work undertaken	Why the work was necessary	Any financial benefit to creditors / or required by statute?
<b>Strategy and planning</b>	Preparing case budgets and monitoring costs	To ensure the efficient management of the case	Minimising the cost of the administration
	Drafting an estimated outcome statement	To understand the expected financial outcome for creditors	Establishing outcome for creditors
	Holding regular team meetings regarding the status of the administration		
	Updating checklists and diary management system	Compliance with regulatory code of practice	
Finalising and documenting tasks related to job acceptance			
<b>Creditors</b>	Setting up a dedicated website for delivering initial and ongoing communications to creditors	Keeping creditors informed of the progress of the administration	Minimising the cost of creditor communications
	Issuing correspondence to creditors and their representatives	To ensure correct and efficient processing of creditor claims	Statutory requirement
	Completing and posting confirmation of debt forms received from creditors		
	Processing and filing proofs of debt		
	Maintaining a record of creditors' claims		
Receiving and following up creditor enquiries via telephone, email and post			
<b>Assets</b>	Liaising with the Purchaser to progress the assignment of the property leases	To discharge our duties in respect of the Company's assets	Maximising realisations for the creditors
	Liaising with landlords to ensure correct invoicing of rent	To ensure Company assets are adequately insured	Statutory requirement
	Liaising with debt collectors to monitor the realisation of book debts		
	Ongoing communication with the directors to reach a settlement in respect of the loan account asset		
	Liaising with potential purchasers of the property at 11a Carlisle Road and solicitors	To address suppliers' queries in relation to assets previously supplied to the Company	
	Completing the pre-packaged sale of the business		
	Identifying all aspects requiring the attention of insurance providers		
	Corresponding with insurers regarding the initial and ongoing cover requirements		
	Arranging site visits by insurers		
	Reviewing RoT claims and liaising with the Purchaser and suppliers to agree settlement		
<b>Investigations</b>	Reviewing Company records for the purpose of CDDA	To discharge our statutory obligations	Statutory requirement
	Reviewing specific transactions and liaising with directors to obtain further information		
	Issuing and chasing directors' questionnaires and reviewing information provided		
	Collating CDDA information in a file and review of the file by senior staff		
	Completing the online report on directors' conduct and submitting to the Insolvency Service		
	Liaising with Insolvency Service to address further queries		
<b>Accounting and treasury</b>	Opening administration bank account	Ensures proper and secure stewardship of funds	Statutory requirement
	Processing receipts, payments and journals		
	Carrying out periodic bank reconciliations and managing investment of funds		

<b>Statutory and compliance</b>	Preparing and issuing all necessary initial letters and notices regarding our appointment to stakeholders	Keeping creditors informed of the administration	Statutory requirement			
	Drafting and issuing our report on the pre-packaged sale of the business in accordance with SIP 16	Ensuring effective management of the case				
	Regular communications with the directors to ensure a statement of affairs is produced					
	Drafting and issuing the Administrators' proposals to creditors, members and the Registrar					
	Circulating notice of approval of our proposals to creditors, members and the Registrar					
	Drafting report for the purpose of obtaining approval of our fees and Category 2 disbursements					
	Filing all case related documents and correspondence					
	Updating case checklists and diary management system					
	<b>Tax and VAT</b>			Obtaining initial VAT information	To discharge our statutory duty as administrators	Statutory requirement
				Holding meetings with VAT specialists to discuss the Option to Tax on different properties		
	Drafting and submitting periodic VAT returns					
	Obtaining initial corporation tax information and carrying out an initial tax review					
<b>Employees and pensions</b>	Issuing initial letters and notices to employees	To discharge our duty as administrators in respect of employees	Statutory requirement			
	Dealing with redundancy related documents such as RP14		Ensuring employees have been correctly compensated			
	Reviewing communications relating to leavers	Ensuring employees understand their position in the light of the Company's administration				
	Following up on issues relating to pre-appointment payments issued to employees					
	Dealing with issues relating to incorrect PAYE references for transferred employees					
	Dealing with any employee enquiries via telephone, post and email					
	Reviewing pensions position in relation to transferred employees					
	Carrying out initial pensions checks					
	Reviewing position in relation to the pre-appointment pensions contributions					
	Issuing statutory pensions notices					
Dealing with general pensions issues and the Pension Protection Fund						

## Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work undertaken	Why the work was necessary	Any financial benefit to creditors / or required by statute?
<b>Strategy and planning</b>	Monitoring costs against budget	To ensure the efficient management of the case	Minimising the cost of the administration
	Maintaining estimated outcome statement		
	Holding regular team meetings regarding the status of the administration	To understand the expected financial outcome for creditors	Establishing outcome for creditors
	Updating checklists and diary management system		
<b>Creditors</b>	Issuing correspondence to creditors and their representatives	Keeping creditors informed of the progress of the administration	Minimising the cost of creditor communications
	Completing and posting and further confirmation of debt forms received from creditors		
	Processing and filing proofs of debt	To ensure correct and efficient processing of creditor claims	Paying a dividend to secured creditors
	Maintaining a record of creditors' details and claims		
	Receiving and following up creditor enquiries via telephone, email and post		Statutory requirement
	Liaising with secured creditors in respect of their claims and amounts distributable Paying a distribution to secured creditors		
<b>Assets</b>	Completing the assignment of the property leases	To discharge our duties in respect of the Company's assets	Maximising realisations for the creditors
	Liaising with landlords to ensure correct invoicing of rent		
	Liaising with debt collectors to monitor the realisation of book debts	Recovering value for the administration estate from the property	Statutory requirement
	Communication with the directors to reach a settlement in respect of the loan account asset		
	Establishing legal title to the Company's share in the property at 11a Carlisle Road	To ensure Company assets are adequately insured	
	Realising the Company's interest from the sale of the property at 11a Carlisle Road		
	Corresponding with insurers regarding ongoing cover requirements		
<b>Investigations</b>	Dealing with any matters arising following the submission of the CDDA return	To discharge our statutory obligations	Statutory requirement
<b>Accounting and treasury</b>	Processing receipts, payments and journals	Ensures secure stewardship of funds	Statutory requirement
	Carrying out periodic bank reconciliations and managing investment of funds		
	Closing the administration bank account		
<b>Statutory and compliance</b>	Completing and issuing remuneration report for the purpose of obtaining approval of our fees and Category 2 disbursements	Keeping creditors informed of the administration	To maximise realisations for creditors
	Arranging an extension of the administration, if necessary		
	Issuing further progress reports, if required	To be able to draw our administrators' fees	Statutory requirement
	Issuing final report to creditors, members and the Registrar		
<b>Tax and VAT</b>	Filing all case related documents and correspondence	To ensure effective management of the case	
	Updating case checklists and diary management system		
	Drafting and submitting periodic VAT returns	To discharge our statutory duty as administrators	Statutory requirement
	De-registering the Company for VAT purposes and submitting the final VAT return		
<b>Employees and pensions</b>	Drafting and submitting periodic tax returns, as required		
	Drafting and submitting the final tax return and obtaining corporation tax clearance		
	Dealing with any further general pensions issues and the Pension Protection Fund	To discharge our duty as administrators in respect of pensions	Statutory requirement
<b>Closure</b>	Issuing final statutory pensions notices		
	Obtaining fee clearances from third parties	To ensure orderly closure of the case	Statutory requirement
	Completing closure checklists Closing down internal systems		

## Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration, but it has not yet been approved by the secured creditors where required. The following disbursements arose in the period of this report.

<b>Category</b>	<b>Policy</b>	<b>Costs incurred £</b>
2	<b>Photocopying</b> - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	456.09
2	<b>Mileage</b> - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	100.00
1	<b>Travel</b>	58.60
<b>Total</b>		<b>614.69</b>

## *Our relationships*

We have no business or personal relationships with the parties who will approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## *Payments to associates*

We have not made any payments to associates during the period covered by this report. No payments to associates are expected in future.

## *Details of subcontracted work*

Whilst we have not subcontracted any work directly, RBS has appointed the debt collection firm Atlantic to collect book debts on its behalf, as they are subject to RBS's invoice discounting facility. We liaise with Atlantic to monitor these collections for the purposes of the administration.

## *Legal and other professional firms*

The following professionals have been instructed on this case:

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal services, including: <ul style="list-style-type: none"> <li>• appointment related matters;</li> <li>• sale of business contract; and</li> <li>• matters related to assignment of leases on properties</li> </ul>	Shoosmiths LLP	Industry knowledge	Time costs
Legal services in relation to recovery of directors' loan asset	BDB Pitmans	Industry knowledge	Time costs

Our choice in respect of the professionals appointed is based on their experience, the complexity and type of work required and the basis of the fee arrangement.

We are satisfied that the fees charged by the advisers are reasonable in the circumstances of the case.



## **Appendix D: Pre-administration costs**

The following table summarises costs incurred before our appointment with a view to the Company going into administration, as reported in our Proposals. These costs have not yet been approved for payment as an expense of the administration. As for our remuneration, approval must be sought from the secured creditors.

<b>Nature of costs</b>	<b>Amount (£)</b>
Fees charged by the administrators	77,703.25
Expenses incurred by the administrators, including legal fees, as per our proposals (*)	18,700.00
Fees charged by other persons qualified to act as an insolvency practitioner	-
Expenses incurred by other persons qualified to act as an insolvency practitioner	-
<b>Total</b>	<b>96,403.25</b>

*(\*)Please note that since we issued our Proposals it has been confirmed that the pre-administration legal costs and disbursements totalled £19,553.50 (plus VAT) and £50 (no VAT) / £3.90 (plus VAT), respectively.*

Of the £77,703.25 incurred by us, some £27,809 was paid prior to our appointment. As mentioned in our Proposals, we do not envisage at the present time that we will be seeking approval for our unpaid costs to be paid as an expense of the administration. However, we do expect to seek approval for the payment of legal fees.

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## ***Appendix E: Other information***

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Court details for the administration:	High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD) Case number 7347 of 2018
Company's registered name:	Nigel Fredericks Limited
Trading name:	Nigel Fredericks Limited
Registered number:	00375784
Registered address:	Central Square, 29 Wellington Street, Leeds, West Yorkshire, LS1 4DL
Date of the joint administrators' appointment:	7 September 2018
Joint administrators' names, addresses and contact details:	Rachael Maria Wilkinson of PricewaterhouseCoopers LLP, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH and Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT  Email for contact: <a href="mailto:nadia.mann@pwc.com">nadia.mann@pwc.com</a>

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