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

Nigel Fredericks Limited
(in administration)

2 October 2019

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

Case no. 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)
(the) 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
(the) 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 - Charge Holder
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

Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of the Company in the six months since our last report dated 2 April 2019.

You can still view our earlier reports on our website at 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.

Class of creditor	Current estimate (p in £)	Previous estimate (p in £)
Secured creditors	60	60
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 or you can get one by telephoning Nadia Mann on 0113 289 4208.

Overview of what we've done to date

We set out below a summary of the key areas of work following our appointment on 7 September 2018. Please see our previous report for full details of each aspect of this work which is not covered in this report.

- We completed the sale of the business and assets of the Company for a net consideration of £23k. All employees transferred to the Purchaser.
- We granted the Purchaser a licence to occupy the Company's properties and subsequently assigned or surrendered the leases for these properties.
- We agreed that the Purchaser would collect the book debts and RBS also appointed the debt collection firm Atlantic to monitor and report to RBS on the collection process.
- We have been liaising with the Company's directors to discuss settlement options for the directors' loan account.
- We have been managing the portfolio of properties; in particular the collection of licence fees from the Purchaser and payment of rent to the landlords.
- We reviewed the conduct of the directors prior to the insolvency of the Company and completed the required statutory submissions to The Insolvency Service.
- We provided reasonable assistance to the Purchaser in the novation of certain agreements and contracts.
- We liaised with the Purchaser and the landlord to expedite the sale of the freehold property at 11a Carlisle Road.
- We discussed and arranged the assignment, extension and/or surrender of various property leases with the Purchaser and the relevant landlords.
- We pursued refunds of business rates and liaised with specialist agents to explore the possibility of securing further rates refunds.
- We have sought approval from the secured creditors to fix the basis of our fees and extend the Administration to 6 September 2020.
- We have been fulfilling our statutory and regulatory obligations as administrators of the Company.

Please see later in this report for further details of work done in this period and areas of work that are still ongoing.

Progress since we last reported

Asset realisations

Recovery of dividends

Prior to our appointment, the Company paid dividends to one of its directors to reduce the directors' loan account. This was done at a time when the Company did not have adequate distributable reserves. Having sought legal advice and liaised with the relevant director, we secured a refund of these dividends totalling £35,000.

Directors' loan account

We have agreed a full and final settlement with one director and received payment. We continue to pursue other directors' loan accounts, which are materially large and are seeking legal advice in respect of more formal recovery action.

Book debts owed to RBS

As previously reported, book debts were initially collected by the Purchaser and subsequently by Atlantic. We understand that during the period covered by this report, a further £201k has been collected, bringing total book debt collections to £4.4m. The collection process is ongoing and we will provide a further update to creditors in our next report.

Property matters

Beneficial interest in freehold property

As previously explained, the Company has a beneficial interest in a property at 11a Carlisle Road, London ("Property"), with the remaining part being owned by Mr Nigel Tottman.

The sale of the Property completed on 3 May 2019 and all proceeds were remitted into the administration estate. We are currently holding funds (see below) pending agreement with the director of the quantum of those funds to be allocated against his director's loan account.

We therefore anticipate that only a share of the sale proceeds will ultimately be retained by the Company. The remaining net proceeds are due back to Mr Tottman, however, in agreement with Mr Tottman, his share of the proceeds are currently being held by the administrators pending agreement on the settlement of his loan account.

Leasehold properties

As previously reported, 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 freehold property at 11a Carlisle Road for the same period.

As the Purchaser's negotiations took longer than expected, we granted further LTOs in respect of the various properties until 31 March 2019, with one property being extended to 30 May 2019.

During the period covered by this report, we were to complete an assignment of the leases in respect of three properties. Leases in respect of the remaining properties were all surrendered during the period.

We continued to collect rent from the Purchaser and settle landlords' invoices out of these funds on a monthly basis until the leases were surrendered or assigned.

On 13 June 2019, the Purchaser went into administration and Dow Schofield Watts ("DSW") were appointed administrators. We are liaising with DSW and our solicitors in respect of unsecured claims landlords may have for rent due after the date of surrender and prior to the insolvency of the Purchaser.

Rates refunds

During the period of this report, we applied to Brent Council for a further business rates refund and this is yet to be received. We are not aware of any other refunds that may be due.

Managing the Company's affairs

VAT

We have continued to prepare and submit the Company's periodic VAT returns. The last return we submitted on a monthly basis was for February 2019. From 1 March 2019, we have been submitting VAT returns on a quarterly basis.

Tax

We have drafted pre- and post-appointment tax returns and have been assessing with our tax specialists options for recovery of tax. At the time of writing this report we are expecting to be making an application to HMRC for Terminal Loss Relief which we anticipate will result in a refund to the Company of tax paid pre-appointment. We continue to explore other ways to recover tax assets for the administration.

DVLA penalty notices

We received a number of penalty notices during the period of this report relating to vehicles previously owned by the Company. As all employees transferred to the Purchaser upon our appointment, we liaised with the latter to seek assistance in establishing which employees the notices related to and responded to DVLA accordingly.

Fee approval

During the period of this report we issued our remuneration report to all creditors in order to obtain approval of our fees and other administration related matters. This approval was obtained from the secured creditors (the fee approving body in this administration) on 18 July 2019.

Extension to administration period

On 12 June 2019 we notified the secured creditors that we were seeking to extend the period of the administration by a further 12 months and provided the main reasons for the extension, which are summarised below:

- To realise the directors' loan account;
- To complete the assignment of the remaining property leases to the Purchaser; and
- To pay a dividend to the secured creditors.

The extension was approved on 18 July 2019 and the administration has been extended to 6 September 2020.

Connected party transactions

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

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

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

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.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by e-mailing nadia.mann@pwc.com or telephoning Nadia Mann on 0113 289 4208.

What we still need to do

We remain in office for the following purposes:

- To realise the directors' loan asset;
- To finalise the amount owed to the Company in respect of its interest in the freehold property;
- To deal with any matters which may affect the Company following the administration of the Purchaser;
- To finalise discussions and prepare and submit a claim for Terminal Loss Relief together with the pre-appointment tax returns; and

- To reach an agreement with the Charge Holders in respect of the most appropriate exit route from the administration.

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

Next steps

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 Nadia Mann at nadia.mann@pwc.com or on 0113 289 4208.

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 (£)	7 March 2019 to 6 September 2019 (£)	Total 7 September 2018 to 6 September 2019 (£)
Fixed charge			
Receipts			
-	-	-	-
Total receipts	-	-	-
Payments			
-	-	-	-
Total payments	-	-	-
Net fixed charge receipts	-	-	-
Floating charge			
Receipts			
Sale of business	23,033.29	-	23,033.29
(*) Sale of Property (Company's beneficial share)	-	382,200.00	382,200.00
Insurance claims and refunds	781.00	-	781.00
Contribution from Purchaser to insurance of properties under LTO	663.52	-	663.52
Sundry debts and refunds	3,877.51	73.34	3,950.85
LTO receipts	226,726.84	10,661.57	237,388.41
Bank interest received gross	254.92	1,493.56	1,748.48
Directors' loans	-	-	-
Section 455 tax repayable	-	-	-
Prepayments and deposits	-	-	-
Leasehold and freehold property	-	-	-
Refund of dividends previously received by director	-	35,000.00	35,000.00
Total receipts	255,337.08	429,428.47	684,765.55
Payments			
Statement of affairs cost	1,500.00	-	1,500.00
LTO payments including rent and insurance	164,197.03	59,748.82	223,945.85
Professional fees	-	2,457.00	2,457.00
(*) Property agents' fees in respect of sale of Property	-	10,061.83	10,061.83
Insurance	-	3,138.56	3,138.56
Statutory advertising	-	75.00	75.00
Irrecoverable VAT	0.05	-	0.05
Total payments	165,697.08	75,481.21	241,178.29
Net floating charge receipts	89,640.00	353,947.26	443,587.26
VAT receivable	(3,115.31)	(3,166.27)	(6,281.58)
(*) Third party funds re sale of Property (N.Tottman's share)	-	362,202.24	362,202.24
Balance held in interest bearing current account	86,524.69	712,983.23	799,507.92

(*) Please see the "Property matters" section earlier in this report for details of this sale.

As mentioned previously, the book debts are being collected by a third party (Atlantic) and the realisations will be covered by RBS's invoice discounting facility. During the period covered by this report a total of £200,779 has been collected.

The prescribed part doesn't apply because the realisable assets of the Company are secured in the first instance by the 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.

All figures are net of VAT unless otherwise stated.

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes 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.

	Brought forward from previous period £	Incurred in the period under review £	Total incurred to 6 September 2019 £	Estimated future £	Anticipated total £	Initial estimate £	Variance £
Statement of affairs cost	1,500.00	-	1,500.00	-	1,500.00	1,500.00	-
Irrecoverable VAT	0.05	-	0.05	-	0.05	0.05	-
Legal fees	7,387.44	27,754.63	35,142.07	-	35,142.07	12,387.44	22,754.63
Legal disbursements	328.22	-	328.22	-	328.22	328.22	-
Mileage	100.00	-	100.00	-	100.00	100.00	-
Travel	58.60	-	58.60	-	58.60	58.60	-
Printing and postage	456.09	38.15	494.24	961.85	1,456.09	1,456.09	-
Insurance	2,358.98	779.58	3,138.56	1,611.46	4,750.02	4,750.02	-
Bonding	225.00	-	225.00	-	225.00	140.00	85.00
Professional fees including property agents	-	12,518.83	12,518.83	-	12,518.83	8,384.86	4,133.97
Statutory advertising	-	75.00	75.00	75.00	150.00	150.00	-
Bank charges	-	-	-	100.00	100.00	100.00	-
Land Registry fee	-	6.00	6.00	-	6.00	-	6.00
Office holders' fees (*)	251,447.00	112,427.00	363,874.00	30,622.00	394,496.00	394,496.00	-
Office holders' disbursements excluding mileage, travel, printing and postage	-	-	-	1,000.00	1,000.00	1,000.00	-
Other expenses	-	-	-	1,000.00	1,000.00	1,000.00	-
Total	263,861.38	153,599.19	417,460.57	35,370.31	452,830.88	425,851.28	26,979.60

Rental costs and any associated insurance paid to the landlords have not been included in the above table as these are passthrough costs recharged to the Purchaser under the LTO.

(*) Office holders' fees were not included in the expenses summary of our previous report as at that stage our fee basis had not yet been approved by creditors.

Our expenses to date have exceeded the original estimate provided to all creditors before the basis of our fees was fixed for the following reasons:

- The Company's share of property agents' fees in respect of the sale of the Property was higher than initially anticipated. The fee was calculated as a percentage of sale proceeds which exceeded the initial expectation.
- The increase in total legal costs is due to the Purchaser's insolvency and the associated costs we incurred in dealing with complexities relating to property leases which were yet to be assigned or surrendered. In addition, further legal costs were incurred in pursuing recoveries from the directors' loan accounts.
- The cost of bonding was understated in our remuneration report (£140 vs £225 actual cost incurred).
- We incurred a Land Registry charge while dealing with property related matters.

Appendix C: Remuneration update

Our fees were approved on 18 July 2019 on a time costs basis by the Charge Holders. We are yet to draw any fees in line with the approval given.

The time cost charges incurred in the period covered by this report are £112,427. Time costs incurred in the previous period were £251,447. This brings total time costs incurred from 7 September 2018 to 6 September 2019 to £363,874. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

We think that our time costs will exceed our initial estimate of £394,496 approved by the secured creditors due the complexities introduced by the Purchaser's insolvency and the resulting work we are having to undertake to reach an agreement with the landlords in relation to those leases which had not been assigned to the Purchaser at the time of its insolvency.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements and any subcontracted work.

Our hours and average rates

From 7 March 2019 to 6 September 2019

During the period covered by this report we incurred the following time costs.

<i>Category of work</i>	<i>Hours incurred 7 March 2019 to 6 September 2019</i>	<i>Time costs incurred 7 March 2019 to 6 September 2019 (£k)</i>	<i>Average hourly rate (£/hour)</i>
Statutory and compliance	119	34,709	292
Assets	76	30,901	407
Creditors	14	2,742	192
Tax and VAT	71	27,464	387
Strategy and planning	40	11,715	290
Accounting and treasury	17	4,117	237
Employees and pensions	2	517	313
Investigations	1	262	276
Total	341	112,427	330

From 7 September 2018 to 6 March 2019

At the time of our previous progress report the basis of our fees had not yet been approved, so we did not provide an analysis of time costs incurred in that period. These are provided in the table below.

<i>Category of work</i>	<i>Hours incurred from 7 September 2018 to 6 March 2019</i>	<i>Time costs incurred from 7 September 2018 to 6 March 2019 (£k)</i>	<i>Average hourly rate (£/hour)</i>
Statutory and compliance	304	99,171	326
Assets	155	52,945	341
Creditors	123	30,061	244
Tax and VAT	83	27,399	330
Strategy and planning	43	12,286	284
Accounting and treasury	53	11,288	213
Employees and pensions	26	8,656	336
Investigations	35	9,641	279
Total	823	251,447	306

Total from 7 September 2018 to 6 September 2019

We provide below a summary of all our time costs incurred to date with a comparison to our original fees estimate.

<i>Category of work</i>	<i>Total hours to 6 September 2019</i>	<i>Total cost to 6 September 2019 (£)</i>	<i>Average hourly rate (£/hour)</i>	<i>Estimate of total hours</i>	<i>Estimate of total cost (£k)</i>	<i>Estimate of average hourly rate (£/hour)</i>	<i>Variance - hours</i>	<i>Variance - cost (£k)</i>
Statutory and compliance	423	133,880	316	403	127,182	315	20	6,698
Assets	231	83,846	362	229	80,961	354	2	2,885
Creditors	138	32,803	238	204	49,073	241	-66	-16,270
Tax and VAT	154	54,863	356	144	48,630	338	10	6,233
Strategy and planning	84	24,001	287	129	44,384	344	-45	-20,383
Accounting and treasury	70	15,405	219	83	20,849	253	-13	-5,444
Employees and pensions	27	9,173	335	36	11,785	328	-9	-2,612
Investigations	36	9,903	279	47	11,632	245	-11	-1,729
Total	1,164	363,874	313	1,274	394,496	310	-110	-30,622

Our costs have exceeded our original estimate in three work categories, however, the remaining categories remain under budget and overall our costs to date remain within the estimated budget.

The extra costs were incurred in dealing with a number of DVLA penalty notices as detailed earlier in this report, extra work we had to do in relation to the LTO granted to the Purchaser as a result of the Purchaser going into administration, and extra time incurred by our tax specialists reviewing options for recovery of tax which came to light during the preparation of the first tax returns.

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial

staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

	<i>From 1 July 2018 to 30 June 2019</i>	<i>From 1 July 2019 to 30 June 2020</i>
<i>Grade</i>	<i>Maximum rate per hour (£)</i>	<i>Maximum rate per hour (£)</i>
Partner	640	690
Director	540	595
Senior Manager	465	515
Manager	365	405
Senior Associate	275	310
Associate	180	210
Support staff	95	120

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

	<i>From 1 July 2018 to 30 June 2019</i>	<i>From 1 July 2019 to 30 June 2020</i>
<i>Grade</i>	<i>Specialist maximum rate per hour (£)</i>	<i>Specialist maximum rate per hour (£)</i>
Partner	1,520	1,520
Director	1,390	1,395
Senior Manager	1,230	1,290
Manager	770	775
Senior Associate	570	575
Associate	305	305
Support staff	250	250

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

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

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	Work undertaken	Why the work was necessary	Any financial benefit to creditors / or required by statute?
Strategy and planning	Preparing case budgets and monitoring costs	To ensure the efficient management of the case	Controlling the cost of the administration
	Preparing an estimated outcome statement Holding regular team meetings regarding the status of the administration	To understand the expected financial outcome for creditors and deal with issues arising	Establishing outcome for creditors
	Updating checklists and diary management system		
Creditors	Processing and filing proofs of debt	Keeping creditors informed of the progress of the administration	Statutory requirement
	Maintaining a record of creditors' claims and contact details	To ensure correct and efficient processing of creditor claims	
	Receiving and following up creditor enquiries via telephone, email and post		
Assets	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
	Issuing communications to the Purchaser and the landlords regarding the extension or the surrender of leases	To ensure Company assets are adequately insured	Statutory requirement
	Completing the surrender of a number of leases		
	Liaising with landlords to ensure correct invoicing of rent		
	Liaising with Atlantic 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 the purchasers of the property at 11a Carlisle Road and solicitors		
	Liaising with insurers regarding ongoing insurance of assets		
	Communications with the Purchaser's administrators to understand their administration strategy and any effect on the Company		
Investigations	Liaising with Insolvency Service in relation to their queries	To discharge our statutory obligations	Statutory requirement
Accounting and treasury	Processing receipts, payments and journals	Ensures proper and secure stewardship of funds	Statutory requirement
	Checking landlords' invoices are produced in line with the LTO and liaising with landlords in case of inconsistencies		
	Periodic reconciliation of LTO receipts with payments and dealing with any discrepancies		
	Carrying out periodic bank reconciliations and managing investment of funds		
Statutory and compliance	Drafting and issuing the Administrators' first progress report to creditors, members and the Registrar	Keeping creditors informed of the administration	Statutory requirement
	Completing and issuing our report for the purpose of obtaining approval of our fees and Category 2 disbursements	To enable us to take our fees	
	Seeking Secured Creditors' approval to extend the administration for another 12 months to 6 September 2020	To allow more time to maximise realisations for creditors	
	Filing notice of the extension of the administration with the Registrar of Companies	Ensuring effective management of the case	
	Filing all case related documents and correspondence in case database		
	Updating case checklists and diary management system		
Tax and VAT	Drafting and submitting periodic VAT returns	To discharge our statutory duty as administrators	Statutory requirement
	Drafting pre- and post-appointment tax returns	To maximise realisations for creditors	Tax recoveries increase realisations for creditors
	Holding discussions with tax specialists to assess tax recovery options		
	Seeking further information on pre-appointment tax payments and unsecured claims to establish potential value from a Terminal Loss Relief claim		
Employees and pensions	Processing any employee correspondence received	To discharge our duty as administrators in respect of employees	Statutory requirement
	Liaising with pre-appointment accountants to understand the position in relation to any unpaid pension contributions		

Our previous work

As this progress report is the first to be issued following the approval of the basis of our fees, we include below details of work carried out in the previous reporting period from 7 September 2018 to 6 March 2019.

Area of work	Work undertaken	Why the work was necessary	Any financial benefit to creditors / or required by statute?
Strategy and planning	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		
	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		
	Finalising and documenting tasks related to job acceptance	Compliance with regulatory code of practice	
Creditors	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		
Assets	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		Statutory requirement
	Liaising with debt collectors to monitor the realisation of book debts	To ensure Company assets are adequately insured	
	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		
Investigations	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		
Accounting and treasury	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		

Area of work	Work undertaken	Why the work was necessary	Any financial benefit to creditors / or required by statute?
Statutory and compliance	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		
Tax and VAT	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		
Employees and pensions	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		
	Following up on issues relating to pre-appointment payments issued to employees	Ensuring employees understand their position in the light of the Company's administration	
	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 is necessary	Any financial benefit to creditors / or required by statute?
Strategy and planning	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 progression of the administration	To understand the expected financial outcome for creditors	Establishing outcome for creditors
	Updating checklists and diary management system		
Creditors	Issuing correspondence to creditors and their representatives as necessary	Keeping creditors informed of the progress of the administration	Statutory requirement
	Completing and posting of further confirmation of debt forms received from creditors	To ensure correct and efficient processing of creditor claims	Financial benefit to secured creditors
	Processing and filing proofs of debt	To discharge our duty as administrators	
	Maintaining a record of creditors' details and claims		
	Receiving and following up creditor enquiries via telephone, email and post		
	Liaising with secured creditors in respect of their claims and amounts distributable		
	Paying a distribution to secured creditors		
Assets	Dealing with property matters arising following the administration of the Purchaser which have an impact on the Company's administration	To discharge our duties in respect of the Company's assets	Maximising realisations for the creditors
	Liaising with Atlantic to monitor the realisation of book debts until completion	Recovering value for the administration estate	
	Communication with the director to reach a settlement in respect of the loan account asset		
	Realising the Company's interest from the sale of the property at 11a Carlisle Road		
	Corresponding with insurers regarding ongoing cover requirements and eventual cancellation		
Investigations	Dealing with any matters arising following the submission of the CDDA return, if necessary	To discharge our statutory obligations	Statutory requirement
Accounting and treasury	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		
Statutory and compliance	Issuing further progress reports, if required	Keeping creditors informed of the administration	Statutory requirement
	Issuing final report to creditors, members and the Registrar	To ensure effective management of the case	
	Filing all case related documents and correspondence		
	Updating case checklists and diary management system		
Tax and VAT	Drafting and submitting periodic VAT returns	To discharge our duties as administrators	Statutory requirement
	De-registering the Company for VAT purposes and submitting the final VAT return	To recover tax assets	
	Drafting and submitting periodic tax returns, as required		
	Calculating and submitting a Terminal Loss Relief claim to HMRC		Recovery of tax increases return to secured creditors
	Drafting and submitting the final tax return and obtaining corporation tax clearance		
Employees and pensions	Dealing with any further general pensions issues as required	To discharge our duty as administrators in respect of pensions	Statutory requirement
	Issuing final statutory pensions notices		
Closure	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 and has now been approved by the secured creditors where required.

The following disbursements arose in the period of this report.

Category	Policy	Costs incurred (£)
2	Photocopying - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	17.96
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Postage – at cost	20.19
1	Land Registry fee – at cost	6.00
	Total	44.15

Our relationships

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

Details of subcontracted work

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

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none"> • appointment related matters; • sale of business contract; and • matters related to assignment of leases on properties 	Shoosmiths LLP	Industry knowledge	Time costs
Legal services in relation to recovery of directors' loan asset	BDB Pitmans	Industry knowledge	Time costs
Property agents - work includes: <ul style="list-style-type: none"> • Property valuation; • Marketing the property and arranging viewings; • Reviewing offers received; • Liaising with solicitors and interested parties; and • Issuing heads of terms to relevant parties. 	Lambert Smith Hampton Group LLP	Industry knowledge	Fixed fee and percentage of realisations

Appendix D: Pre-administration costs

The following table summarises costs incurred before our appointment with a view to the Company going into administration, as previously reported.

Nature of costs	Amount (£)
Fees charged by the administrators	77,703.25
Expenses incurred by the administrators, including legal fees, as per our proposals	19,607.40
Fees charged by other persons qualified to act as an insolvency practitioner	-
Expenses incurred by other persons qualified to act as an insolvency practitioner	-
Total	97,310.65

Of the £77,703.25 incurred by us, £27,809 was paid prior to our appointment.

As explained previously, we did not intend to seek approval for our own unpaid costs to be paid as an expense of the administration. However, we did seek approval for the payment of legal fees.

As a result, the legal fees and disbursements of £19,607.40 incurred before our appointment were approved for payment by the secured creditors on 18 July 2019. This payment will be drawn in due course.

Appendix E: Other information

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: nadia.mann@pwc.com
Extension(s) to the initial period of appointment:	Twelve month extension granted to 6 September 2020
