
Joint administrators' progress report
from 7 September 2020 to 6 March
2021

Nigel Fredericks Limited
(in administration)

30 March 2021

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
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 1 October 2020.

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 e-mailing harmeet.s.harish@pwc.com or telephoning Harmeet S Harish on 0113 289 4000.

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 reports for full details of each aspect of this work which is not repeated 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.
- We discussed and arranged the assignment, extension and/or surrender of various property leases with the Purchaser and the relevant landlords.
- Up to the date of assignment or surrender, we managed the portfolio of properties, collecting licence fees from the Purchaser and paying rent to the landlords.
- We liaised with the Purchaser and the landlord to expedite the sale of the freehold property at 11a Carlisle Road. Once the sale had been completed, we collected the funds due to the Company into the administration estate.
- We provided reasonable assistance to the Purchaser in the novation of certain agreements and contracts.
- The Company's book debts were assigned to RBS under an invoice finance agreement. We agreed that the Purchaser would collect the book debts and latterly RBS also appointed the debt collection firm Atlantic to monitor and report to RBS on the collection process. At the time of our last report a total of £4.9m has been collected and no further receipts were anticipated. As the collections are less than the amount owing to RBS, there will be no surplus available to the administration estate.
- We liaised with the Purchaser and the DVLA in respect of a number of penalty notices which we received relating to vehicles previously operated by the Company's employees.
- We continued to work with our legal advisors to take steps to recover the remaining assets from the director's loan account.
- We secured a refund of dividends totalling £35k which had been paid to one of the Company's directors in order to reduce their director's loan account at a point when the Company did not have adequate distributable reserves.
- We pursued refunds of business rates and liaised with specialist agents to explore the possibility of securing further rates refunds.
- 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 sought and obtained approval from the secured creditors to fix the basis of our fees and extend the Administration to 6 September 2020. We subsequently obtained consent for a further extension to 6 September 2021 via an application to Court.
- We submitted a Terminal Loss Relief claim for the recovery of corporation tax paid prior to the Company's insolvency.
- We have continued to fulfil 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

Director's loan account

We have continued to work with our solicitors to pursue the remaining director's loan account. As previously reported, discussions remained ongoing with the Company's director and his solicitors regarding proposed options for the recovery of this asset.

During the period of this report, the Court issued a bankruptcy order against the Company's former director, upon a petition by the Company. Insolvency practitioners from Smith and Williamson LLP have been appointed as trustees in the bankruptcy proceedings. We will monitor the progression of the bankruptcy proceedings and update creditors in our next report.

Bank refunds

In the reporting period, the Company received a sum of £1,793 in respect of pre-appointment balances that were held with National Westminster Bank plc. No such further refunds are expected.

Property matters

Beneficial interest in freehold property

As detailed in earlier reports, the Company had a beneficial interest in a property at 11a Carlisle Road, London ("the Property"), which was legally owned by one of the directors, Mr Nigel Tottman. Following the sale of the Property in May 2019, the Company realised £382,200 in respect of its beneficial share and retained £362,202 of the proceeds on behalf of Mr Tottman.

During the reporting period, the Company transferred the amount held on trust for Mr Tottman to the Trustee of Mr Tottman's bankruptcy, minus a sum of £1,677. This amount relates to the VAT element on agent's fees that Mr Tottman should be able to recover, and which should therefore not be borne by the Company. The brought forward figures have been amended to reflect this.

Leasehold properties

As previously reported, all property leases have now been assigned or surrendered. We are currently undertaking a review of the rent account to establish whether there are any outstanding liabilities in respect of leasehold properties.

Rates refunds

In the reporting period, a sum of £687 was received from Brent Council in respect of business rates. We are not aware of any other rates refunds that may be due.

Managing the Company's affairs

VAT

The Company has deregistered for VAT with effect from 1 May 2020. We anticipate submitting a final VAT426 form in the coming months to claim input tax after deregistration.

Tax

We have received additional queries from HMRC in relation to the Company's Terminal Loss Relief claim in the reporting period. These queries relate to the tax treatment of historical transactions entered into the Company in prior reporting periods. We have spent a significant proportion of our time liaising with our tax specialist staff to collect information in order to submit a substantive response to HMRC. At the time of writing this report, we expect to submit the response imminently.

In addition, we also prepared and submitted the Corporation Tax return for the year ended 30 September 2020.

Extension to administration period

An extension was granted by the Court on 26 August 2020 and the administration has been extended to 6 September 2021.

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 September 2020 to 6 March 2021.

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 in future as an administration expense because amounts due will depend on the position at the end of each 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 progress reports.

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 harmeet.s.harish@pwc.com or telephoning Harmeet Harish on 0113 289 4000.

What we still need to do

We remain in office for the following purposes:

- To realise, the remaining director's loan asset;
- To complete any recoveries of tax assets;
- To reach an agreement with the Charge Holders in respect of the most appropriate exit route from the administration;
- To make a distribution to the Charge Holders; and
- To finalise the review of the rent account as detailed above.

Whilst we remain in office as administrators, we will also continue to discharge our regular statutory obligations such as submitting tax returns, dealing with any VAT matters and 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 Harmeet Harish at harmeet.s.harish@pwc.com or on 0113 289 4000.

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 September 2020 (£)	7 September 2020 to 6 March 2021 (£)	Total 7 September 2018 to 6 March 2021 (£)
Fixed charge			
Receipts			
-	-	-	-
Total receipts	-	-	-
Payments			
-	-	-	-
Total payments	-	-	-
Net fixed charge receipts	-	-	-
Floating charge			
Receipts			
20,000 Sale of business	23,033.29	-	23,033.29
20,000 Sale of Property (Company's beneficial share)	382,200.00	-	382,200.00
Insurance claims and refunds	1,068.21	-	1,068.21
Contribution from Purchaser to insurance of properties under LTO	663.52	-	663.52
Sundry debts and refunds	3,950.85	686.72	4,637.57
LTO receipts	237,388.41	-	237,388.41
Bank interest received gross	3,994.30	-	3,994.30
Refund of dividends previously received by director	35,000.00	-	35,000.00
Uncertain Directors' loans	-	-	-
Uncertain Section 455 tax repayable	-	-	-
150,587.38 Prepayments and deposits	-	-	-
Pre-appointment bank accounts	-	1,793.22	1,793.22
Total receipts	687,298.58	2,479.94	689,778.52
Payments			
Statement of affairs cost	1,500.00	-	1,500.00
LTO payments including rent and insurance	223,945.85	-	223,945.85
Property agents' fees in respect of sale of Property	8,384.86	-	8,384.86
Insurance	3,138.56	-	3,138.56
Statutory advertising	75.00	-	75.00
Irrecoverable VAT	0.05	-	0.05
Office holders' fees	100,000.00	-	100,000.00
Office holders' expenses	662.26	-	662.26
Agents' fees	3,107.00	-	3,107.00
Agents' disbursements	1,305.00	-	1,305.00
Legal fees and expenses	13,404.40	42,134.50	55,538.90
Corporation tax	37.81	-	37.81
Total payments	355,560.79	42,134.50	397,695.29
Net floating charge receipts	331,737.79	(39,654.56)	292,083.23
VAT receivable	(24,129.57)	12,550.85	(11,578.72)
Third party funds re sale of Property (N.Tottman's share)	360,525.27	(360,525.27)	-
Balance held in interest bearing current account	668,133.49	(387,628.98)	280,504.51

As mentioned previously, the book debts were being collected by a third party (Atlantic) and these realisations will be covered by RBS's invoice discounting facility. No further collections were made during the period covered by this report.

The figure for 'Third party funds re sale of Property' has been reduced by £1,676.97 from £362,202.24, in the prior period, to £360,525.27. This is because the Company only needed to contribute to the net Agents' fees as N.Tottman was able to recover the VAT element on the fees being £1,676.97. 'Property agents' fees in respect of sale of Property' has therefore been reduced by this amount.

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. Funds currently held may include monies due to HMRC, or exclude monies which may be received in due course from HMRC, depending on the net VAT and tax position for the submitted periods.

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and include our fees but exclude 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 each 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 £	Incurring in the period under review £	Total incurred to 6 March 2021 £	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	72,818.47	52,939.50	125,757.97	8,000.00	133,757.97	12,387.44	121,370.53
Legal disbursements	1,028.22	-	1,028.22	-	1,028.22	328.22	700.00
Mileage	100.00	-	100.00	-	100.00	100.00	-
Travel	58.60	-	58.60	-	58.60	58.60	-
Printing and postage	494.24	-	494.24	961.85	1,456.09	1,456.09	-
Insurance	2,851.35	-	2,851.35	-	2,851.35	4,750.02	(1,898.67)
Bonding	225.00	-	225.00	-	225.00	140.00	85.00
Professional fees including property agents	11,491.86	-	11,491.86	-	11,491.86	8,384.86	3,107.00
Agents' disbursements	1,305.00	-	1,305.00	-	1,305.00	-	1,305.00
Statutory advertising	75.00	-	75.00	75.00	150.00	150.00	-
Bank charges	-	-	-	100.00	100.00	100.00	-
Land Registry fee	9.00	-	9.00	-	9.00	-	9.00
Office holders' fees	489,639.05	69,044.55	558,683.60	35,000.00	593,683.60	394,496.00	199,187.60
Office holders' disbursements excluding mileage, travel, Land Registry, printing and postage	1.83	1.00	2.83	997.17	1,000.00	1,000.00	-
Other expenses	-	-	-	1,000.00	1,000.00	1,000.00	-
Total	581,597.67	121,985.05	703,582.72	46,134.02	749,716.74	425,851.28	323,865.46

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

Professional fees including property agents' have been reduced by £1,676.97 as Company only needed to contribute to the net Agents' fees as N.Tottman was able to recover the VAT element on the fees being £1,676.97.

The estimate for future 'Office holders' fees' is based on there not being a further extension of the administration.

A breakdown of the estimate for future 'Office holders' fees' to be incurred is illustrated below together with detailed narrative on the work to be undertaken is in the next section

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 complexities relating to assigning and surrendering property leases, as well as pursuing director's loan accounts and a number of technical tax matters, have contributed to an increase in our fees compared with our initial estimate. However, this amount does not necessarily reflect the total amount which we will eventually draw as fees.
- The length of time that the above matters involved also meant that the administration had to be extended twice, resulting in further statutory and compliance costs which we had not initially anticipated.
- 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. This increase in property related costs was partially offset by lower insurance costs than originally anticipated.
- 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, we have been incurring further legal costs in pursuing recoveries from the director's loan account and in applying for a second extension of the administration, including longer than expected dealings with the Court due to Covid-19 and more extensive witness statement requirements.

Appendix C: Remuneration update

Our fees were approved on 18 July 2019 on a time costs basis by the Charge Holders. We have not drawn any fees in the period covered by this report.

The time costs incurred in the period covered by this report were £69,044.55. This brings total time costs incurred from 7 September 2018 to 6 March 2021 to £558,683.30. This amount does not necessarily reflect the total amount which we will eventually draw as fees.

Our time costs have exceeded our initial estimate of £394,496 approved by the secured creditors for the reasons detailed further in this section. We are not planning to seek further fee approval as we do not anticipate drawing fees above the initial estimate.

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 September 2020 to 6 March 2021

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

<i>Category of work</i>	<i>Hours incurred 7 September 2020 to 6 March 2021</i>	<i>Time costs incurred 7 September 2020 to 6 March 2021</i>	<i>Average hourly rate (£/hour)</i>
Accounting and Treasury	20.65	7,617	369
Assets	15.65	7,678	491
Creditors	1.25	752	602
Employees and Pensions	3.90	2,377	609
Statutory and Compliance	51.00	20,815	408
Strategy and Planning	22.55	10,766	477
Tax and VAT	41.60	19,040	458
Grand Total	156.60	69,045	441

Total from 7 September 2018 to 6 March 2021

We provide below a summary of all our time costs incurred from our appointment to 6 September 2020 with a comparison to our original fees estimate.

<i>Category of work</i>	<i>Total hours to 6 March 2021</i>	<i>Total cost to 6 March 2021 (£)</i>	<i>Average hourly rate (£/hour)</i>	<i>Estimate of total hours</i>	<i>Estimate of total cost (£)</i>	<i>Estimate of average hourly rate (£/hour)</i>	<i>Variance - hours</i>	<i>Variance - cost (£)</i>
Accounting and treasury	115	30,070	261	83	20,849	253	32	9,221
Assets	262	98,217	374	229	80,961	354	33	17,256
Creditors	151	37,188	247	204	49,073	241	53	11,886
Employees and pensions	32	11,749	372	36	11,785	328	4	36
Investigations	36	9,965	279	47	11,632	245	11	1,667
Statutory and compliance	614	201,959	329	403	127,182	315	211	74,777
Strategy and planning	128	41,579	326	129	44,384	344	1	2,805
Tax and VAT	322	127,957	397	144	48,630	338	178	79,327
Total	1,659	558,683	337	1,275	394,496	310	384	164,187

Our time costs have exceeded our original estimate in some work categories but came under budget in some others. Overall, our time costs have exceeded the estimated budget for the following reasons:

- Extra work in relation to the LTO as a result of the Purchaser going into administration;
- Complexities relating to assigning and surrendering property leases;
- Dealing with a number of legal technicalities in pursuing recoveries from the director’s loan;
- Extra work carried out by our tax specialists assessing a number of options for recovery of tax and dealing with HMRC queries;
- Dealing with a number of unexpected DVLA penalty notices as previously reported; and
- The length of time that the above matters involved also meant that the administration had to be extended twice, resulting in further statutory and compliance costs which we had not initially anticipated.

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 required, 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 by 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 hours). 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 have already worked or who are likely to work on this assignment. In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

	<i>From 1 July 2019 to 30 June 2020</i>	<i>From 1 July 2020 to 30 June 2021</i>
<i>Grade</i>	<i>Maximum rate per hour (£)</i>	<i>Maximum rate per hour (£)</i>
Partner	910	955
Director	595	720
Senior Manager	515	585
Manager	405	475
Senior Associate	310	390
Associate	210	245
Support staff	120	125

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 2019 to 30 June 2020</i>	<i>From 1 July 2020 to 30 June 2021</i>
<i>Grade</i>	<i>Specialist maximum rate per hour (£)</i>	<i>Specialist maximum rate per hour (£)</i>
Partner	1,520	1,600
Director	1,395	1,465
Senior Manager	1,290	1,355
Manager	775	815
Senior Associate	575	605
Associate	305	325
Support staff	250	250

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?
Accounting and treasury	Processing receipts, payments and journals Carrying out periodic bank reconciliations and managing investment of funds	Ensures proper and secure stewardship of funds	Statutory requirement
Assets	Liaising with solicitors in relation to progress matters relating to director's loan recovery Dealing with residual matters relating to sale of property and refunds of business rates	To discharge our duties in respect of the recovery of assets for creditors	Maximising realisations for the creditors
Creditors	Maintaining a record of creditors' claims and contact details Receiving and following up creditor enquiries Keeping the secured creditor informed on the progress of the directors loan account recovery	To ensure correct and efficient processing of creditor claims Keeping creditors informed of the progress of the administration	Statutory requirement
Employees and Pensions	Internal discussions regarding the status of certain claims relating to employees and company pension trustees		
Statutory and compliance	Issuing our fourth progress report to creditors, members and the Registrar Preparing six-monthly case management review documents Filing all case related documents and correspondence Managing case information database Updating case checklists and diary management system Reviewing and allocating incoming post Dealing with Company data stored electronically	Keeping creditors informed of the administration Ensuring effective management of the case	Statutory requirement
Strategy and planning	Monitoring case costs against budgets Holding team meetings regarding progression of matters in the administration Considering exit options from the administration including extension and discussing with Secured Creditor	To ensure the efficient management of the case and deal with any issues arising	Controlling the cost of the administration

Tax and VAT	Internal discussions / email correspondence regarding VAT deregistration.	To discharge our statutory duty as administrators	Statutory requirement
	Preparation, review and submission of post-appointment corporation tax returns		
	Preparing and sending a substantive response to HMRC's queries in relation to our Terminal Loss Relief claim and other corporation tax matters		
	Reviewing correspondence and liaising with HMRC as required		

Our future work

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

Area of work	Anticipated costs (£)	Work undertaken	Why the work is necessary	Any financial benefit to creditors / or required by statute?
Accounting and treasury	3,000	Processing receipts, payments and journals Carrying out periodic bank reconciliations and managing investment of funds Closing the administration bank account	Ensures secure stewardship of funds	Statutory requirement
Assets	4,000	Liaising with the solicitors, bankruptcy trustees and the Secured Creditor in respect of recovering the director's loan account Completing the recovery of the directors' loan account	Recovering value for the administration estate	Maximising realisations for the creditors
Closure	2,500	Obtaining fee clearances from third parties Completing closure checklists Closing down internal systems	To ensure orderly closure of the case	Statutory requirement
Creditors	2,000	Issuing correspondence to creditors and their representatives as necessary Processing and filing proofs of debt 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	Keeping creditors informed of the progress of the administration To ensure correct and efficient processing of creditor claims To discharge our duty as administrators	Statutory requirement Financial benefit to secured creditors
Employees and pensions	1,000	Dealing with any pensions or employee queries, if required Issuing final statutory pensions notices	To discharge our duty as administrators in respect of pensions and employees	Statutory requirement
Investigations	-	Dealing with any matters arising following the submission of the CDDA return, if necessary	To discharge our statutory obligations	Statutory requirement
Statutory and compliance	14,000	Issuing further progress reports to creditors, members and the Registrar, as required Issuing final account to creditors, members and the Registrar Filing all case related documents and correspondence Updating case checklists and diary management system for statutory purposes	Keeping creditors informed of the administration To ensure effective management of the case	Statutory requirement
Strategy and planning	3,000	Monitoring costs against budget Maintaining estimated outcome statement Agreeing strategy with the Secured Creditor for the closure of the administration Holding regular team meetings regarding the progression of the administration Updating checklists and diary management system for case planning purposes	To ensure efficient management of the case	Statutory requirement and to minimise the costs of the administration
Tax and VAT	5,500	Drafting and submitting periodic VAT 426 returns Drafting and submitting annual tax returns Drafting and submitting the final tax return and obtaining corporation tax clearance Agreeing any further claims for recovery of tax assets and submitting those to HMRC, if applicable	To discharge our duties as administrators	Statutory requirement Recovery of tax increases return to secured creditors

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 been approved by the secured creditors where required.

Archiving costs of £1 were incurred in the period covered by this report, as reflected in the table below.

Category	Policy	Costs incurred £
2	Photocopying - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying	-
2	Mileage - at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	-
1	Other expenses – at cost	1.00
Total		1.00

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.

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 • matters related to assignment of leases on properties 	Shoosmiths LLP	Industry knowledge	Time costs
Legal services in relation to: <ul style="list-style-type: none"> • recovery of director's loan account • application to Court to extend the administration 	BDB Pitmans	Industry knowledge	Time costs

Legal Counsel services in relation to: <ul style="list-style-type: none"> • Recovery of director's loan account 	Max Cole of Ely Place Chambers (instructed by BDB Pitmans on our behalf)	Expertise and competitive fees	Fixed fee
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 • issuing heads of terms to relevant parties 	Lambert Smith Hampton Group LLP	Industry knowledge	Fixed fee and percentage of realisations

Our choice of advisors was based on their experience, the complexity and type of work and the basis of the fee arrangement. We're satisfied that the fees charged 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 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 made when the legal advisers have provided us with the finalised invoices.

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 Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Email for contact: harmeet.s.harish@pwc.com
Extensions to the initial period of appointment:	<ul style="list-style-type: none">• Twelve-month extension by creditors' approval to 6 September 2020.• Twelve-month extension granted by the Court to 6 September 2021.
