

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
00182442 Limited formerly Sharp & Nickless Limited

Company number
00182442

In the High Court of Justice Chancery Division Manchester District Registry (full name of court)

Court case number
2594 of 2014

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)
Darren Brookes
Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Colin Burke
Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From	To
(b) 30 April 2014	

(b) 29 October 2014

Signed

Joint / Administrator(s)

Dated

6.11.14

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

Darren Brookes
Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

DX Number

0161 927 7788
DX Exchange

SATURDAY



A12 *A3L64SRT* #30
22/11/2014
COMPANIES HOUSE

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Sharp & Nickless Limited- IN ADMINISTRATION

**Joint Administrators'
Progress Report
In accordance with
Rule 2.47 of the Insolvency Act 1986**

**Covering the Period
30 April 2014 to 29 October 2014**

6 November 2014

**Milner Boardman and Partners
The Old Bank
187A Ashley Road
Hale
Cheshire
WA15 9SQ**

**High Court of Justice Chancery Division, Manchester District
Registry
No 2594 of 2014**

Our Ref DTB/AP/2302/8

**Joint Administrators'
Progress Report**



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Sharp & Nickless Limited ("the Company")

1. Statutory Information

- 1 1 I was appointed Joint Administrator of Sharp & Nickless Limited ("the Company") together with Colin Burke on 30 April 2014 in the High Court of Justice, Chancery Division, Manchester District Registry. The application for the appointment of Joint Administrators was made by the director.
- 1 2 The Administration is being handled by Milner Boardman & Partners, situated at The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ.
- 1 3 The Administration is registered in the High Court of Justice, Chancery Division, Manchester District Registry, under reference number 2594 of 2014.
- 1 4 The trading address of the Company was 77 College Street, Long Eaton, Nottingham NG10 4NN.
- 1 5 The registered office of the Company is c/o Milner Boardman & Partners, The Old Bank, 187A Ashley Road, Hale, Cheshire, WA15 9SQ and its registered number is 00182442. The former registered office was 77 College Street, Long Eaton, Nottingham NG10 4NN. The Company was incorporated on 13 June 1922, however had been operating as a family business since 1888.
- 1 6 The principal trading activity of the Company was that of the manufacture of biscuits, particularly specialising in brandy snaps.
- 1 7 The functions of the Joint Administrators may be exercised by either or both, acting jointly or alone.
- 1 8 It is considered that the EC Regulation in Insolvency Proceedings applies to these proceedings which are main proceedings as defined in Article 3 of the EC Regulations.

2 Receipts and Payments

- 2 1 Attached at Appendix 1 is the Joint Administrators' receipts and payments account for the period from 12 June 2014 to 29 October 2014. The amounts shown do not reflect estimated future realisations or costs.
- 2 2 Receipts since our last report dated 12 June 2014 total £24,772.37 and are broken down as follows -

- Plant & Machinery £3,500
- Goodwill, IPR, Trading Name £10,000



• Motor Vehicles	£600
• Stock/raw materials	£6,575 20
• Fixtures & Fittings	£500
• Book Debts	£3,126 70
• Rates refund	£470 47

2 3 Total receipts for the period of the Administration therefore total £28,972 87

2 4 Payments since our last report total £10,638 10 and are broken down as follows -

• Employee's fee	£625
• Pension report fee	£300
• Joint Administrators fees	£5,000
• Court fee	£50
• Agents fees and disbursements	£4,578 50
• Statutory advertising	£84 60

2 5 Total payments for the period of the Administration therefore total £11,993 70

2 6 As the Company was registered for VAT purposes, we confirm that VAT of £2,184 54 is recoverable for the benefit of the insolvent's estate and £2,920 00 is payable in respect of VAT due on the sale of the assets

3 Joint Administrators' Actions Since Appointment

3 1 As previously advised, independent agents Eddisons Commercial Limited ("Eddisons") were instructed to provide an inventory and valuation of assets. Eddisons advised that the assets consisted of plant and machinery, a motor vehicle, goodwill, IPR, trading name, stock and raw materials. Details of the Company's assets and realisations are detailed below.

3 2 **Plant & Machinery** The Company owned a range of baking and packing equipment and ovens which had been valued by Eddisons between £5,000 and £10,000 as a sale as a 'going concern' basis and nil on a restricted marketing basis. Despite initial interest from a number of separate parties, no offers to purchase the business as a going concern were received. However, Eddisons were able to negotiate a sale of the unencumbered plant and equipment as part of a private treaty sale in the sum of £3,200 plus VAT. An additional sale of two pieces of machinery was also agreed to a third party for the sum of £300 plus VAT. The Company's main oven remains fixed at the Company's property as due to its size and age it has not been possible to agree a sale or to remove it from the property. To assist our agents with access arrangements and viewings, one of the former employees of the Company attended site on a number of occasions to supervise the removal of assets accordingly.



- 3 3 **Goodwill, IPR, trading name:** As previously reported a sale of the goodwill, IPR and trading name was completed on 5 June 2014 to Freemans Holdings Limited in the sum of £10,000 plus VAT and this was accepted on agent's advice Eddisons have now accounted to the Joint Administrators for this amount accordingly
- 3 4 **Motor vehicle** The Company owned one vehicle, being a Ford Transit van which was valued by Eddisons A sale of the vehicle for £600 plus VAT was agreed as part of the private treaty sale negotiated with a third party
- 3 5 **Stock/raw materials:** As no offers were received to purchase the business as a going concern, a decision was made to try and sell the stock of brandy snaps, baskets, curls and syrup to avoid the stock going past its best before date The sale of stock and raw materials has resulted in a realisation of £6,575 20
- 3 6 **Book Debts:** According to the statement of affairs, the Company was owed approximately £46,000 from its debtors, however, it was estimated that approximately £5,000 could be recovered in a worst case scenario as many debts were aged The Joint Administrators have continued to pursue the outstanding debts and an amount of £7,327 20 has been recovered to date, with £3,126 70 having been realised during the period of this report The Company's main debtor owes in excess of £20,000, however, it has now become necessary to instruct debt collection agents to pursue this debt as no payment has been forthcoming
- 3 7 **Rates refund** A refund in respect of an overpayment of business rates has been received from Erewash Borough Council in the sum of £470 47
- 3 6 **Freehold Land & Property:** It was understood that the Company owns the bakery and garages behind the residential property at 77 College Street, Long Eaton, however, the specific ownership was unclear until the deeds to the property could be reviewed The deeds to the property were obtained by our solicitors, NJ Goodman & Co, and it was established that the Company owns the land and bakery including the garages at 77 College Street, Long Eaton The site was visited by a property director of Eddisons in order to compare the plans to the site and to advise the Joint Administrators on a marketing strategy in order to achieve the maximum value for the property A meeting was subsequently held to discuss the strategy and the issues surrounding the property

As at the date of this report, no marketing of the site has commenced in order to give time for an interested party to consider their options, however, it is the agent's recommendation that the site be sold by way of an auction should no offer to purchase the site be received At that stage, the agents will provide a guide price for the site accordingly

In order to comply with the insurance stipulations for the property, Eddisons, were instructed to carry out regular fortnightly inspections of the site and to advise on the requirements needed to make the site secure and safe Following their recommendations, the works to clear the site have been carried out accordingly



The Joint Administrators have undertaken to pay the costs of any utilities used at the premises until a sale can be completed, however, it is not anticipated that the costs will be significant as the Company has not traded since Administration

3 7 The Joint Administrators are not aware of any other Company assets

4. Future of the Company

4 1 The strategy adopted by the Joint Administrators was to follow objective b of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) by way of a distribution to unsecured creditors

4 2 It is anticipated that this objective will be achieved as following the sale of the Company's property, it is anticipated that there will be sufficient funds to distribute to unsecured creditors. However, should it not be possible to achieve this objective then purpose c will be achieved as there will be sufficient funds to distribute to preferential creditors

4 3 The Joint Administrators' proposals which have been approved by the creditors stated that the Joint Administrators will arrange for the Company to exit the Administration by way of the Company being placed into Creditors' Voluntary Liquidation in order to distribute the funds and that Darren Brookes and Gary Corbett be appointed Joint Liquidators in order to distribute to unsecured creditors. However, if we do not consider that the Company will have sufficient assets to enable any distribution to the unsecured creditors, then the Company will be dissolved pursuant to paragraph 84 of schedule B1 to the Insolvency Act 1986

4 4 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect

5. Prospects for Creditors

5.1 Secured Claims

5 1 1 According to Companies House, the Company has no current charges over its assets

5.2 Prescribed Part

5 2 1 In accordance with Paragraph 176 (A) of the Insolvency Act 1986, the Joint Administrators are required to set aside a prescribed part of the Company's net property for the benefit of unsecured creditors that would otherwise be available to the secured floating charge holder



5.2.2 There are no charges registered in this case and therefore the prescribed part does not apply

5.3 Preferential Creditors

5.3.1 The Company employed 14 members of staff, who were made redundant upon appointment and have submitted preferential claims to the Redundancy Payments Office ("RPO") in respect of holiday pay due. The statement of affairs estimated that preferential claims could total approximately £211.

5.3.2 The Joint Administrators have received a preferential claim totalling £70.97 from the RPO.

5.3.3 It is estimated that there will be sufficient funds to pay the preferential creditors in full in this case.

5.4 Unsecured Creditors

5.4.1 It is anticipated that there will be sufficient funds to enable a dividend to be paid to unsecured creditors following a sale of the Company's property, however, it is not possible to advise on the quantum of any dividend until a sale has been agreed.

5.4.2 The statement of affairs included an amount of £4,636 owed to HM Revenue & Customs ("HMRC") in respect of PAYE. A final claim of £4,636.77 has been received from HMRC relating to PAYE.

5.4.3 Other unsecured non preferential creditors were estimated on the statement of affairs to be approximately £458,368 including trade and expense suppliers, employee claims relating to notice pay and redundancy, the estate of Mr J Holbrook and HSBC Bank Plc. I can advise that claims have been received from the RPO in respect of employee claims totalling £61,306.33, the estate of Mr Holbrook in the sum of £372,078, HSBC Bank Plc of £1,344.63 and trade and expense creditors of £11,810. Total unsecured claims received to date are £446,538.

6. Investigations into the Affairs of the Company

6.1 We undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

6.2 This investigation necessitated an examination of the books and records maintained by the Company, together with Company correspondence either retained by the Company or provided to me subsequently by creditors.



- 6 3 We have also examined the conduct of the individuals concerned in the management of the Company and have, where necessary, interviewed the directors of the Company
- 6 4 We have complied with our statutory duty under the Company Directors Disqualification Act 1986 by submitting an appropriate return to the Secretary of State

7. Joint Administrators' Remuneration

7 1 Pre- Administration Costs

On 30 June 2014 the following pre-appointment costs were approved by the creditors

Pre-appointment fees charged £2,661 50

Pre-appointment expenses incurred £702 plus VAT and £39 disbursements

7 2 Post-appt costs

The creditors have approved that the basis of the Joint Administrator's fees be fixed by reference to the time properly spent by them and their staff in managing the Administration on 30 June 2014

- 7 3 The Joint Administrators' time costs at 29 October 2014 are £41,352 00 This represents 159 60 hours at a rate of £259 09 per hour Attached at Appendix 2 is a time analysis which provides details of the activity costs incurred by staff grade during this period To date, fees of £5,000 have been drawn

- 7 4 Attached at Appendix 3 are details of creditors' rights in relation to the Joint Administrators' remuneration and also to request information on the Joint Administrators' remuneration and expenses. A copy of "A Creditors Guide to Administrators' Fees" published by the Association of Business Recovery Professionals is available to download at www.insolvencypractitioners.org.uk. A hard copy of the guide can be obtained on request from this office.

- 7 5 Please note that from November 2011 Milner Boardman & Partners record time in 6 minute units

- 7 6 The main areas where time costs have been incurred are 'Administration and Planning' 'Investigations' 'Realisation of Assets' and 'Dealing with Creditors' These areas are discussed in more detail below

7.7 Administration and Planning

- 7 7 1 A total of £22,751 50 has been spent on administration and planning This includes time spent on meetings with company management and accountants, case planning and administration, complying with our statutory duties, reporting to creditors, dealing with matters relating to the Company pension scheme, cashiering, preparing the required documentation, maintaining physical case files and electronic case files, reviews, dealing

with routine correspondence and general administrative work. Additionally, the time includes work carried out with respect to advising the employees concerning their redundancy claims and dealing with their queries.

7.8 Investigations

- 7.8.1 A total of £430 has been spent on investigations to date in respect of Company assets and director conduct including reviewing books and records and preparing a return pursuant to the Company Directors Disqualification Act.

7.9 Realisation of Assets

- 7.9.1 A total of £12,258.50 has been spent on dealing with realisation of the assets including liaising with the agents concerning the sale of assets, pursuing the outstanding book debts and dealing with matters relating to the Company's property.

7.10 Creditors

- 7.10.1 A total of £5,912.00 has been spent on dealing with creditors. Work carried out relates to HMRC, trade creditors, and preferential creditors and includes advising creditors of our appointment, dealing with and processing their claims and dealing with correspondence and telephone calls.

8. Joint Administrators' Disbursements

- 8.1 Where disbursements are covered in respect of precise sums expended to third parties, there is no requirement for these costs to be authorised. These are known as Category 1 disbursements.
- 8.2 We therefore report that since our last report, Category 1 disbursements totalling £5,638.10 have been paid in relation to the employee's fee, pension report fee, court fee, agents' fees and disbursements and statutory advertising. Further costs have been incurred but not yet paid in relation to the statement of affairs fee (approximately £2,000), legal fees, costs for clearing the site and garages and complying with insurance requirements (approximately £5,000), inspection visits (£40 per fortnight) and insurance of assets.
- 8.3 Category 2 disbursements require creditor authorisation before they can be drawn and include staff mileage costs. Milner Boardman & Partners do not intend to charge Category 2 disbursements in this matter.
- 8.4 The choice of professionals was based on their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement. The agents used in this case were as follows and they were paid on a fixed fee basis. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of the case.



Eddisons – independent valuers and agents who carried out initial valuations and dealt with the disposal of all company's chattel assets and property including attending the premises on a number of occasions when required. Eddisons are also instructed to carry out regular site inspections and comply with insurance requirements.

TLL Accountants – as the Company's former accountants they were instructed to assist the director with the preparation of the statement of affairs, given her limited involvement with the financial aspect of the business. TLL Accountants have yet to submit their fee in this matter but it is expected to be agreed in the region of £2,000 plus VAT.

NJ Goodman & Co Solicitors – Instructed to deal with the appointment formalities and to provide advice concerning ownership of the property and land. Further legal work will be required in relation to the sale of property in due course.

ERA Solutions – instructed to handle all employee claims, attended site to advise employees regarding their claims following their redundancy and to liaise with the Redundancy Payments Office in respect of all claims.

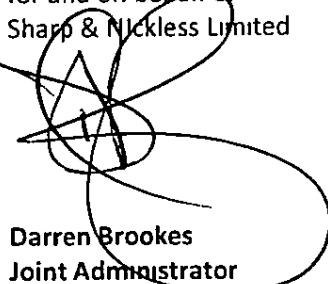
20 20 Trustees Services Limited – instructed to carry out a review of the Company's pension scheme and advise on the Joint Administrators requirements concerning the scheme.

9. Conclusion

9.1 This concludes the Joint Administrators' progress report for the six month period to 29 October 2014. The next progress report is due within 1 month of the end of the next six month period i.e. before 29 November 2014, or earlier if the Administration has been finalised. The Administration will remain open until a sale of the Company's property has been finalised and all realisable debts due to the Company have been received. Once these matters have been finalised, we anticipate that the Administration will cease.

9.2 Should you require further information please contact this office on 0161 927 7788.

Yours faithfully
for and on behalf of
Sharp & Nickless Limited



Darren Brookes
Joint Administrator



MILLER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 1 Receipts and Payments Account

**00182442 Limited formerly known as Sharp & Nickless Limited
(In Administration)**

Summary of Receipts & Payments

RECEIPTS	Statement of Affairs (£)	From 30/04/2014 To 12/06/2014 (£)	From 13/06/2014 To 29/10/2014 (£)	Total (£)
Plant & Machinery	3,200 00	0 00	3,500 00	3,500 00
Goodwill, IPR, trading name	10,000 00	0 00	10,000 00	10,000 00
Motor Vehicles	600 00	0 00	600 00	600 00
Stock/raw materials	6,875 00	0 00	6,575 20	6,575 20
Fixtures & Fittings	500 00	0 00	500 00	500 00
Book Debts	5,000 00	4,200 50	3,126 70	7,327 20
Rates refund		0 00	470 47	470 47
		4,200 50	24,772.37	28,972 87
PAYMENTS				
Specific Bond		396 00	0 00	396 00
Employee's fee		0 00	625 00	625 00
Pension report fee		0 00	300 00	300 00
Office Holders Fees		0 00	5,000 00	5,000 00
Court fee		0 00	50 00	50 00
Agents fees and disbursements		0 00	4,578 50	4,578 50
ERA Work		875 00	0 00	875 00
Statutory Advertising		84 60	84 60	169 20
		1,355 60	10,638 10	11,993 70
Net Receipts/(Payments)		2,844 90	14,134 27	16,979 17

MADE UP AS FOLLOWS

Current Account	2,652 98	14,326 19	16,979 17
	2,652 98	14,326 19	16,979 17


Darren Terence Brookes
Joint Administrator



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 2

Milner Boardman & Partners' Time Analysis

Milner Boardman & Partners

TIME & CHARGEOUT SUMMARIES

Sharp & Nickless Limited

To 29 Oct 2014

HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	29 00	57 10	0 00	3 00	89 10	22,751 50	255 35
Investigations	0 00	2 00	0 00	0 00	2 00	430 00	215 00
Realisation of Assets	26 80	15 50	0 00	0 00	42 30	12,258 50	289 80
Creditors	1 80	24 40	0 00	0 00	26 20	5,912 00	225 65
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	19,542 00	21,285 00	0 00	525 00		41,352 00	
Total Hours	57 60	99 00	0 00	3 00	159 60		
Average Rate	339 27	215 00	0 00	175 00			



MILNER BOARDMAN
& PARTNERS
Corporate Recovery

Appendix 3

Creditor's Rights in relation to Administrator's Remuneration

MILNER BOARDMAN & PARTNERS – INFORMATION SHEET FOR CREDITORS

What if a creditor is dissatisfied with administration remuneration?

If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses *in question* is first reported. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

Creditors rights to information on the administration remuneration and expenses

Within 21 days of receipt of this progress report a creditor may request that the Joint Administrators provide further information about the remuneration and expenses set out in the report. Any request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

The Joint Administrators must provide the requested information within 14 days, unless they consider that

- The time involved in preparing the information would be excessive, or
- Disclosure would be prejudicial to the conduct of the Administration or might reasonably be expected to lead to violence against any person, or
- The Joint Administrators are subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days if the Joint Administrators refuse to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

If any creditors have any queries please contact 0161 927 7788



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Appendix 4 Form 2.24b