

Administrator's progress report**2.24B**

Name of Company Sweetmans Select Savouries Limited	Company number 02295948
In the High Court of Justice Cardiff District Registry	Court case number 1029 of 2005

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

I/We (a) Keith R Morgan & Philip James Long, of PKF (UK) LLP, 18 Park Place, Cardiff,
CF10 3PD

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

from

to

(b) Insert dates

(b) 4 November 2005

(b) 9 March 2006

Signed

Keith R Morgan
Joint / Administrator(s)

Dated

4/4/06

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.

Keith R Morgan PKF (UK) LLP	
18 Park Place Cardiff	
CF10 3PD	
	Tel 02920 646200
DX Number	DX Exchange

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





Accountants &
business advisers

Our ref: KRM/AWE/sc/4001388

9 March 2006

Dear Sirs

**Sweetmans Select Savouries Limited – In Administration
Administrator's final report to creditors**

I write to advise that it is now my intention to conclude the above Administration.

The following documentation is attached:

1. The Joint Administrators' final report.
2. Formal notice convening a meeting of creditors.
3. Notice of move from Administration to Creditors' Voluntary Liquidation.
4. Abstract of the Receipts and Payments Account of the Joint Administrators' from 4 November 2005 to 9 March 2006.
5. A Creditors Guide to Administrators Fees.

If you do not wish to attend this meeting, please complete and return the enclosed Proxy form. You will note that the form has been part completed with the relevant resolution for sanction to be confirmed. **Please delete either 'for' or 'against' on the Proxy form and name a Proxy Holder.**

Yours faithfully

Keith R Morgan
Joint Administrator
PKF (UK) LLP

Tel 029 2064 6200 | Fax 029 2064 6201

Email k.morgan@uk.pkf.com | www.pkf.co.uk

PKF (UK) LLP | 18 Park Place | Cardiff | CF10 3PD | DX 50791 Cardiff 2

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**Administrators'
Final Report to Creditors**

**Sweetmans Select Savouries Limited
In Administration**

10 March 2006

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Appendices

1	Receipts and Payments Account to 9 March 2006
2	Analysis of Administrators' Time Costs to 9 March 2006
3	A Creditors Guide to Administrators Fees

1 Administrator's strategy

- 1.1 As previously reported the Administrators continued to trade the business for a very short period in order to facilitate a better realisation of the assets. After extensive communication with prospective purchasers a deal for the sale of the business and assets was concluded on 10 November 2005.
- 1.2 As a consequence of the deal, the debt of £69,371 due to HSBC Asset Finance Limited was adopted by the purchaser. In addition, a gross realisation of £73,000 was made.

2 Assets

Leasehold property

- 2.1 No value was attached to the lease, which has been assigned to the purchaser, Celtic Savouries Limited.

Trade debtors

- 2.2 HSBC Invoice Finance (UK) Limited hold a fixed charge dated 4 November 2004 over the company's book debts as part of their factoring agreement. At the date of our appointment there was a factored sales ledger of £369,351 with a balance of £270,767 due to HSBC Invoice Finance Limited. As at 8 March 2006 HSBC Invoice Finance Limited advise that the amount still outstanding is £159,920 against a sales ledger of £253,920. The extent of the "surplus" is currently unknown as the major debtor balance due has yet to be realised, and control of the book debt collection has not been passed to the Administrators.

Floating charge assets

- 2.3 Realisations with regard to the sale of the assets to Celtic Savouries Limited totalled £73,000.

3 Liabilities

Secured creditors

- 3.1 HSBC Bank plc holds a debenture dated 2 April 2003 creating a fixed and floating charge over the company's assets. The company has also cross guaranteed the borrowing with the other companies within the group. The total group indebtedness due to the bank is £424,985
- 3.2 HSBC Asset Finance Limited holds a chattels mortgage over certain plant and machinery of the company. At the date of our appointment HSBC Asset Finance Limited were still owed the sum of £69,371 from an original loan of £125,000 plus interest. As part of the sale negotiated with Celtic Savouries Limited, the debt was adopted in full.
- 3.3 As explained at point 2.2 HSBC Invoice Finance Limited is currently due the sum of £159,920.

Preferential creditors

- 3.4 As a result of Celtic Savouries Limited acquiring the business of the company pursuant to TUPE regulations all employees liabilities have been transferred to Celtic Savouries Limited.

Unsecured creditors

- 3.6 To date twenty six creditors have submitted their claims with a combined total value of £515,577.68.

4 Receipts and Payments

- 4.1 A receipts and payments account from the date of the Administrators' appointment (4 November 2005) to 9 March 2006 is attached at appendix 1.
- 4.2 At present the Administrators hold a balance of £32,412.

5 Joint Administrators' Remuneration

- 5.1 At the first meeting of creditors it was resolved that the Joint Administrators be paid for their work on a time cost basis.
- 5.2 In accordance with that resolution, fees totalling £50,000 have been drawn to date.
- 5.3 For your information, we have incurred time costs totalling £61,135 at an average hourly rate of £165 for the period to 9 March 2006. An analysis of this time, in accordance with the Statement of Insolvency Practise No.9, is attached as Appendix 2, which also shows the charge out rates utilised by PKF for charging staff time. Also attached as appendix 3 is a copy of the Creditor Guide to Administrators fees.

6 Proposed Exit Route

- 6.1 As previously reported the exit route from Administration is to be by means of a Creditors Voluntary Liquidation.
- 6.2 The following resolution will be considered at a meeting of creditors to be held on 30 March 2006:
- (i) That the Joint Administrators, Keith R Morgan and Philip J Long of PKF (UK) LLP, be appointed as Joint Liquidators of the company.

7 Liquidation

- 7.1 In addition to the statutory requirements of a liquidation the Liquidators' main duties will also be to pursue the remaining book debts should a surplus arise after HSBC Invoice Finance Limited has been settled.

8 Conclusion and Recommendations

- 8.1 It is the Administrators' view that the Administration has been a success and achieved its main aim of safeguarding the company's assets and thereby maximise their realisable value.
- 8.2 The resolution being proposed at the meeting of creditors to be held on 30 March 2006 is that the Joint Administrators Keith R Morgan and Philip J Long of PKF (UK) LLP be appointed as joint liquidators of the company. Creditors have the right to nominate a different person as the proposed liquidator should they wish.

Rule 2.35

Notice of a meeting of Creditors

Name of Company

Sweetmans Select Savouries Limited

Company number

02295948

In the High Court of Justice
Cardiff District Registry

(full name of court)

Court case number
1029 of 2005(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)

Keith R Morgan
PKF (UK) LLP
18 Park Place
Cardiff
CF10 3PDPhilip James Long
PKF (UK) LLP
18 Park Place
Cardiff
CF10 3PD(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)

Sweetmans Select Savouries Limited
18 Park Place
Cardiff
CF10 3PD(c) Insert details of place
of meeting

is to be held at

(c) 18 Park Place, Cardiff, CF10 3PD

(d) Insert date and time
of meeting

on (d) 30 March 2006

at 10.00am

The meeting is:

*Delete as applicable

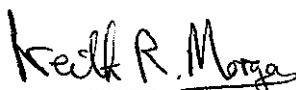
~~*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')~~~~*(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule~~~~*(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule~~~~*(4) a further creditors' meeting under paragraph 56 of the Schedule~~~~*(5) a creditors' meeting under paragraph 62 of the Schedule.~~

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Signed



Joint / Administrator(s)

Dated

19/3/06