

**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986**

To the Registrar of Companies

Company Number

01536367

Name of Company

Medicentres (UK) Limited

+/ We
Situl Devji Raithatha
38 De Montfort Street
Leicester
LE1 7GS

Robert Cundy
Hayes House
6 Hayes Road
Bromley
Kent
BR2 9AA

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 11/11/2011 to 10/11/2012

Signed _____

Date

08/01/2013

Springfields
38 De Montfort Street
Leicester
LE1 7GS

Ref ME1435/SDR/DRR/PA

THURSDAY



A21

A1ZRGR9T

10/01/2013

#267

COMPANIES HOUSE

**TO ALL KNOWN SHAREHOLDERS &
CREDITORS**

Our ref ME1435/PA/3B
Your ref
Date 3 January 2013

When telephoning please ask for
Peter Anderson
Direct Dial 0116 249 2012

Dear Sir / Madam

Medicentres (UK) Limited - In Creditors' Voluntary Liquidation ("the Company")

We write following the end of the first anniversary of the Liquidation. We detail below our report on the progress of the Liquidation for the period 11 November 2011 to 10 November 2012 and this should be read in conjunction with the previous Administration reports.

1. Company and Liquidators' details

Company Name	Medicentres (UK) Limited
Company Registered number	01536367
Registered Office	38 De Montfort Street Leicester LE1 7GS
Name of Liquidators	Situl Devji Raithatha, Licensed Insolvency Practitioner of Springfields Business Recovery & Insolvency Ltd 38 De Montfort Street Leicester LE1 7GS Robert Cundy Licensed Insolvency Practitioner of RJC Financial Management Ltd 6 Hayes Road Bromley Kent BR2 9AA
Date of Appointment	11 November 2011

2. Receipts and payments & the Liquidators' actions since appointment

We enclose a summary of our receipts and payments account ("R&P") for the period from 11 November 2011 to 10 November 2012. Please note that the receipts and payments are shown exclusive of VAT.

Rent was collected from the purchaser of the business in respect to occupying the Company's leasehold premises after the date of Administration until the assignment of the lease. The appropriate payments have been made to the landlords in respect of this and is labelled "Rent & Property Expenses Payable" on the R&P.

Rent deposits totalling £26,450.53 have been recovered from landlords.

The deposit held by solicitors relates to funds which solicitors had been holding at the date of Administration in respect of a proposed rental of a leasehold premises. In the event the lease was not taken on but the deposit funds remained with the solicitors.

Bank of Scotland funds relates to funds held in the Company's bank account. These funds were all received after the sale of the business during the Administration period. These funds were transferred to the purchaser and included in the payment listed as "Third Party Funds" on the R&P.

The receipt in respect of third party funds relates to a payment from the card processing company from payments received by the purchaser of the business prior to being able to set up their own card processing facilities. These funds have been passed to the purchaser in full.

The payment labelled "Third Party Funds" relates to funds received which were due to the purchaser and duly passed on including funds received in the Company's bank account and from the card payment processing company detailed above and also funds due to the purchaser received during the Administration period.

We trust that you will find the remaining receipts and payments self-explanatory.

3. Investigations

We have reviewed the records of the Company, consisting of numerous boxes and electronic records, with a view to determining whether there might be any transactions or activity that may be challenged or where it may be possible to improve the asset position for creditors.

Specifically we have focused on whether there were any instances of wrongful trading on the part of the directors. This matter is still being reviewed and we are continuing to seek legal advice and liaising with the directors of the Company.

We can confirm that the appropriate report on the conduct of the directors has been prepared and issued to the Insolvency Service on 31 July 2012. Both the contents of this report and further details on the on-going investigation are confidential and cannot be disclosed to the general body of creditors, as this may impact any potential recovery or

further action that may be considered. We are, however, continuing to communicate on this issue with H M Revenue and Customs, as the main creditor of the Company.

4. Outcome for creditors

Secured Creditors

There are no known secured creditors of the Company.

Preferential Creditors

The preferential claims are limited to employees' claims for unpaid wages and salaries (subject to statutory limits) and accrued holiday pay, which may be subrogated to the Secretary of State following payment by the RPO.

All the employees of the Company at the date of Administration transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations on 25 July 2011. Accordingly it is not anticipated that there will be any preferential claims and, to date, no claims have been received.

Prescribed Part

Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003, a prescribed part of the Company's net property shall be made available to non-preferential unsecured creditors.

As there are no secured creditors of the Company the Prescribed Part does not apply in this instance.

Non-Preferential Unsecured Creditors

Based on the financial information provided by the Company's management, the total non-preferential unsecured creditor claims amount to £1,961,647.

In addition to these claims and following the failure of the Company Voluntary Arrangement ("CVA"), the unpaid CVA creditors may be entitled to make a claim against the Company in Liquidation. The Joint Liquidators have been seeking legal advice and liaising with the CVA Supervisors to clarify the position of these CVA creditors. A breakdown of the CVA creditors is shown below.

	Claim (£)	No. of Creditors
CVA - HMRC	1,242,429	1
CVA – Creditors excluded	11,654	57
CVA – Other creditors	619,789	63
Total	1,873,872	121

The initial advice received was that if a creditor had been paid their agreed portion of the CVA funds, they would not be entitled to claim in the Liquidation. Where a creditor had not received a dividend, they may be entitled to make a claim. We have been evaluating this matter further, however, no conclusion has yet been reached.

It is likely that it will be possible to make a distribution to the non-preferential unsecured creditors, however, for the reasons detailed above, the timing and amount of such a distribution is uncertain at this time.

5. Liquidators' remuneration

By way of a postal resolution dated 22 March 2012 our remuneration was agreed on a time costs basis. We enclose breakdowns summarising our time costs for the period 11 November 2011 to 10 November 2012, subject to the posting of timesheets. We also enclose schedules of our firms current charge out rates for your information.

The Liquidators remuneration listed on the R&P relates to a payment to Springfields. A payment for £30,000 plus VAT has been made to RJC Financial Management since the anniversary date.

A description of the routine work undertaken in the liquidation to date is as follows.

- 1 Administration and Planning
 - Preparing the documentation and dealing with the formalities of appointment
 - Statutory notifications and advertising
 - Preparing documentation required
 - Dealing with all routine correspondence
 - Maintaining physical case files and electronic case details on appropriate software
 - Review and storage
 - Case bordereau
 - Case planning and administration
 - Preparing reports to members and creditors
 - Convening and holding meetings of members and creditors.
- 2 Cashiering
 - Maintaining and managing the liquidator's cashbook and bank account
 - Ensuring statutory lodgements and tax lodgement obligations are met
3. Creditors
 - Dealing with creditor correspondence and telephone conversations
 - Preparing reports to creditors
 - Maintaining creditor information on IPS
 - Reviewing proofs of debt received from creditors
- 4 Investigations
 - Review and storage of books and records

- Prepare a return pursuant to the Company Directors Disqualification Act.
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with landlords to collect rent deposits
- Liaising with the company's bank regarding the closure of the account
- Collecting rent from the purchaser of the business
- Liaising with solicitor holding deposit

6. **Liquidation Expenses**

Our expenses to 10 November 2012 amount to £34,331 35. As detailed on the enclosed R&P, expenses totalling £33,125 95 were drawn up to 10 November 2012. The following expenses had not been drawn at 10 November 2012

	£
Meeting room hire	77 70
Statutory advertising	76 50
Specific penalty bond	924.00
Software expenses	110 00
Travel costs	17 20
Total	<u>1,205 40</u>

Moon Beaver Solicitors LLP have been advising on legal matters during the Administration and Liquidation periods. Their costs have been agreed on a time cost basis. Their costs relating to the Administration period and the Liquidation period till 10 November 2012 have been paid in full and are shown on the R&P. There are further costs incurred but not paid in respect of legal costs of Lawrence Graham LLP who are assisting with the investigations into the conduct of the directors.

7. **Creditors' Rights**

An unsecured creditor may, with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

8. Summary

The Liquidation will remain open until the investigations into the conduct of the directors has been finalised and the correct treatment of the CVA creditors clarified. Once these issues have been dealt with, the Liquidation will be finalised and we will progress to close our files.

Dated: 3 January 2013



Situl Devji Raithatha
Joint Liquidator



Robert Cundy
Joint Liquidator

Robert Cundy is licensed to act as an insolvency practitioner in the UK by the Association of Chartered Certified Accountants

Medicentres (UK) Limited
(In Liquidation)
Joint Liquidator's Abstract of Receipts & Payments
To 10/11/2012

S of A £	£	£
ASSET REALISATIONS		
Transfer from Administration	504,890 96	
Rent	84,096 42	
Rent Deposit	26,450 53	
Deposit held by Solicitor	1,527 00	
Bank Interest Gross	1,636 05	
Bank of Scotland funds	12,528 72	
Third Party Funds	79,705 55	
		710,835 23
COST OF REALISATIONS		
Liquidator's Remuneration	30,000 00	
Rent & Property Expenses Payable	8,024 57	
Legal Fees (1)	14,142 25	
Administration Legal Fees	10,946 49	
Postage	586 65	
Travel Costs	725 63	
Storage Costs	2,524 93	
Bank Charges	30 00	
Third Party Funds	150,015 73	
		(216,996 25)
		493,838.98
REPRESENTED BY		
Vat Receivable		11,847 39
Current A/c - Bank 1		497,287 27
Vat Payable		(15,295 68)
		493,838 98

SPRINGFIELDS

Time Entry - SIP9 Time & Cost Summary

ME1435 - Medicentres (UK) Limited
Project Code POST
To 10/11/2012

Classification of Work Function	Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & Planning	2.40	68.20	6.30	0.00	76.90	15,729.00	204.54
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	4.30	34.90	0.00	0.00	39.20	8,404.50	214.40
Investigations	0.40	2.80	0.00	0.00	3.20	714.50	223.28
Realisation of Assets	1.80	62.20	0.00	0.00	63.80	12,980.50	203.46
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	8.70	168.10	6.30	0.00	183.10	37,828.50	206.60
Total Fees Claimed						30,000.00	
Total Disbursements Claimed						0.00	

Charge out rates and disbursements policy for Insolvency Department

With effect from 1st August 2012 (subject to annual review)

Hourly Rate effective 1 August

Grade	2012	2011 (comparative)
	(£)	(£)
Director	360	340
Manager	205 – 265	195 – 250
Administrator	115 – 180	110 – 170

Time is recorded in units of 6 minutes (prior to 08/01/2007 this was 15 minutes)

Disbursements policy

Disbursements incurred in the course of an appointment are recharged to the case in accordance with SIP 9 on all insolvency appointments. These fall into two categories:

Category 1 disbursements are costs which comprise external supplies and are paid to an independent third party. These generally include, for instance, advertising, bond, travel expenses (excluding mileage) and external storage of records

Category 2 disbursements are costs which are directly referable to the appointment but not a payment to an independent third party. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, e.g. business mileage. Category 2 disbursements require approval by creditors before they can be drawn

Category 2 disbursements

Photocopying / printing	10p per sheet
Internal storage of books and records	Initial £6.10 per box, £4.80 per box per annum
Internal room hire	£100 per statutory meeting
Mileage (own car usage)	45p per mile

Creditors' Guide to Fees

(Produced by the Association of Business Recovery Professionals)

Creditors should note that a copy of the appropriate Creditors' Guide to Fees is available on request from this office or a copy can be accessed on the Insolvency Practitioners Association website www.insolvency-practitioners.org.uk under the heading 'Regulation and Guidance' and then by following the link to 'Creditors' Guide to Fees'

All amounts detailed above are shown exclusive of VAT, which will be charged at the prevailing rate



RSC FINANCIAL MANAGEMENT

Post Appointment Remuneration Schedule

Medicentres (UK) Ltd

Between 11 November 2011 and 10 November 2012

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	8 50	0 70	2 80	0 00	12.00	2,608 00	217 33
Investigations	129 50	0 00	9 10	0 00	138 60	33,512 50	241.79
Realisation of Assets	2 00	0 00	0 50	0 00	2 50	562 50	225 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0.00
Creditors	1 50	0 00	0 00	0 00	1 50	375 00	250.00
Case Specific Matters	0 20	0 00	2 30	1.70	4 20	439 50	104.64
Statutory and compliance	0 70	0 00	0 00	0.00	0 70	175 00	250 00
Total hours	142 40	0 70	14 70	1.70	159 50		
Time costs	35,600 00	133 00	1,837 50	102.00	37,672 50		
Average hourly rate	250 00	190 00	125 00	60 00	236.19		

Description	Total Incurred £	Total Recovered £
Statutory Advertising	76 50	76 50
Bordereaux	924 00	924 00
Meeting Room Hire	77 70	77 70
Insolv System Set Up	110 00	110 00
Travel costs	17 20	17 20
Totals	1,205.40	1,205.40

Summary of Fees

Time spent in administering the Assignment	Hours	159 50
Total value of time spent to 10 November 2012	£	37,672 50
Total Post Appointment fees charged to 10 November 2012	£	0 00

RJC Financial Management

Accountants and Insolvency Practitioners

Charge out rates as at 1 April 2011

Staff grade	Rate £/hr
Partner / Principal	250
Manager	190
Administrator	125
Support	60

Time charging policy

- Time is charged in units of 6 minutes
- The above rates exclude VAT
- Rates are subject to change on an annual basis

Disbursements policy

- The majority of disbursements charged relate to amounts directly incurred
- In cases with fewer than 100 creditors and shareholders, no additional cost is charged in respect of postage and associated printing. However, in cases with in excess of this number, we reserve the right to charge £1 50 per creditor / shareholder in respect of the associated outlay costs of communicating with creditors and shareholders
- Mileage expenses incurred on client business are charged at 40p per mile

A copy of the relevant extracts from SIP 9 "Creditors Guide to Fees" may be found on our website at www.rjcfm.co.uk or is available on request by writing to the below address. No charge will be incurred for the provision of this information

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Hayes House, 6 Hayes Road, Bromley, Kent BR2 9AA

Tel 020 8315 7430 Fax 020 8315 7431

Email info@rjcfm.co.uk

RJC Financial Management Limited Registered in England No 7673673 Registered Office as above

RJC Financial Management

Accountants and Insolvency Practitioners

Charge out rates as at 1 January 2013

Staff grade	Rate £/hr
Partner / Principal	330
Manager	240
Senior Administrator	150
Administrator	120
Support	75

Time charging policy

- Time is charged in units of 6 minutes
- The above rates exclude VAT
- Rates are subject to change on an annual basis

Disbursements policy

- The majority of disbursements charged relate to amounts directly incurred
- In cases with fewer than 100 creditors and shareholders, no additional cost is charged in respect of postage and associated printing. However, in cases with in excess of this number, we reserve the right to charge £1.50 per creditor / shareholder in respect of the associated outlay costs of communicating with creditors and shareholders
- Mileage expenses incurred on client business are charged at 40p per mile
- Where boxes are stored in our own storage facilities, these are charged at normal commercial rates

A copy of the relevant extracts from SIP 9 "Creditors Guide to Fees" may be found on our website at www.rjcfm.co.uk or is available on request by writing to the below address. No charge will be incurred for the provision of this information.

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Hayes House, 6 Hayes Road, Bromley, Kent BR2 9AA

Tel **020 8315 7430** Fax **020 8315 7431**

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