

# 2.17B

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company
Medical Finance (Retail) Limited

Company number
3223145

In the High Court of Justice, Chancery Division, Companies Court
(full name of court)

Court case number
13472 of 2009

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

We (a)  
T J Binyon  
Tenon Recovery  
Sherlock House,  
73 Baker Street,  
London,  
W1U 6RD

C D Wilson  
Tenon Recovery  
Sherlock House,  
73 Baker Street,  
London,  
W1U 6RD

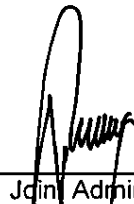
\*Delete as  
applicable

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 8 June 2009

Signed

  
John Administrator

Dated

9 JUNE 2009

### 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 researchers of the public record

Andrew McCormick  
Sherlock House,  
73 Baker Street,  
London,  
W1U 6RD

DX Number

+44 (0) 207 935 5566

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

WEDNESDAY



\*PEG16ALL\*

PC3

10/06/2009

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COMPANIES HOUSE

# Tenon recovery

To all known creditors

Our ref: ASM/AI/TJB/5004372/ADM.106  
Your ref:  
Date: 8 June 2009  
Email: andrew.mccormick@tenongroup.com  
Tel: +44 (0) 207 935 5566

Dear Sirs

## Medical Finance (Retail) Limited ("the Company") – In Administration

This report to creditors and the proposals enclosed, together set out the information required by and to discharge the Joint Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and Rule 2.33(1) and (2) of the Insolvency Rules 1986 (as amended) ("the Rules").

### 1. Statutory Details

Attached as **Appendix I** are the statutory details of the Company and information regarding the appointment of Administrators.

### 2. Circumstances leading to the appointment of Joint Administrators

Medical Finance Limited ("MFL") was formed in August 1996 by Glaxo Wellcome ("Glaxo"). MFL was originally set up to finance projects within the General Practitioner sector and as a funder to other Glaxo owned companies. William Earley was recruited as Managing Director to take the company forward.

In 1997, MFL approached AAH Pharmaceuticals ("AAH"), UK's leading distributor of pharmaceutical and healthcare products and services to pharmacies, hospitals and doctors, with the view to provide a lending service to the retail pharmacy market

MFL offered loans at 1 per-cent over the Bank of England ("BOE") base rate exclusively to AAH customers at a time when the banks were offering typical rates of 1.25 per cent over BOE base rate. MFL took the decision that once AAH had agreed to provide a guarantee to the loan, it was not necessary for MFL to go through the same lengthy checks on pharmacies as would the high street banks. This meant MFL were able to provide the quickest method of finance in the market.

Once the parameters of the above scheme were agreed with AAH, a new company MFR was set up to act as the vehicle for lending. An initial credit line of £7 million was agreed with Allied Irish Bank plc ("Allied Irish") and the first loan was issued in September 1998.

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Email: bakerstreet@tenongroup.com  
www.tenongroup.com

Tenon Recovery is a trading name of Tenon Limited.  
Registered Office 66 Chiltern Street, London, W1U 4GB. Registered no: 04066924 England  
A member of Tenon Group PLC

When the scheme was launched, AAH specifically targeted key accounts of their main competitor. Within 3 months, £4 million was lent to the healthcare sector and the Company's credit line with Allied Irish was increased to £15 million to accommodate AAH's projected new business for the next 6 months.

For competitive reasons Glaxo decided to sell their interest to the managing director, Mr Earley in 2000. Over the past 10 years, Mr Earley has acquired the remaining shareholdings so that he is now 100% shareholder of both MFR and the Medical Finance Group of companies.

As Medical Finance specialises only in the pharmaceutical market, it was able to provide a tailored service to the independent pharmacies which high street banks were unable to rival. Without the assistance provided by Medical Finance to independent pharmacies, many individual pharmacies would have been bought by the multiples thereby reducing the choice of service to the British public.

In recent months, the disarray of the money markets has resulted in a large differential between the BOE base rate (currently at 0.5%) and the London Interbank Offer Rate ("Libor"). Traditionally under pre-credit crunch conditions, the three-month Libor rate tracked at between 10 or 20 basis points higher than the base rate, however in March following the 0.5 point BOE rate cut the Libor rate tracked at 145 points higher.

The Company charged customers at a rate linked to the BOE base rate, whilst the banks adopt the Libor as a measure for interbank lending. The current differentials have resulted in the Company having to pay more for its finance than it was charging its customers.

As a result of the above, the Company wrote to all customers under the terms of the loan agreements to notify them of a proposed increase in its lending rate. This change was accepted by all customers apart from one. The dissident customer controls several companies who have loans across MFG, all of which have defaulted under the terms of the credit agreements. Consequently MFG has called in all of the loans. The customer has subsequently refused to pay on the basis of disputing the case.

The above has had a significant detrimental impact upon the Company's cashflow and consequently the director, Mr Earley sought professional advice on how to proceed.

On 27 April 2009, T J Binyon and C D Wilson of Tenon Recovery were appointed as Joint Administrators pursuant to Paragraph 12(1)(b) of Schedule B1 of the Act. The appointment provided that any act required or authorised under any enactment to be done by an Administrators may be done by either or both of the Administrators acting jointly or alone.

## **2.1. Summary of recent performance**

A summary of the recent trading position is shown overleaf:

	Year Ended 03-Jan-07	Year Ended 03-Jan-08	Year Ended 03-Jan-09
Turnover	588,701	587,849	272,440
Cost of sales	(511,873)	(537,083)	(239,982)
Gross profit	76,828	50,766	32,458
Gross profit %	13%	9%	12%
Overheads	(85,532)	(36,023)	(16,047)
Net profit after tax	(8,704)	14,743	16,411

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the business's true trading position.

### 3. Objectives of administration and strategy for achievement by the Joint Administrators

The objective of the Administration process is to:-

- (a) rescue the company as a going concern; or
- (b) achieve 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); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

The first objective for the Administration could not be met. Without an immediate injection of replacement funding the Company could not be rescued as a going concern. No such funding was available.

The strategy for the Administration is therefore to achieve a better result for the Company's creditors than would be achieved should the Company be wound up.

### 4. Management of Business by the Joint Administrators following appointment

The employee contracts are held with the MFG and not the Company, therefore there are no employees.

The only realisable asset of the Company is its current loan book. The Administrators are continuing to trade to collect in the monthly loan book repayments which are due to the secured creditor Allied Irish Bank.

The Administrators are actively pursuing a sale of the loan book with interested parties. At this stage the Administrators are unable to comment further so as not to prejudice the ongoing negotiations.

## **5. Proposed Exit Route of Administration**

It is proposed that the Administration will end with the Company being placed into either Creditors Voluntary Liquidation ("CVL") pursuant to paragraph 83 of schedule B1 to the Act, or into Compulsory Liquidation pursuant to a petition being presented to the court by the Joint Administrators.

Enclosed with this report are the Joint Administrators proposals, which include at proposal (c) that, T J Binyon and C D Wilson be the proposed liquidators of the Company.

If the Joint Administrators consider it appropriate to exit into a CVL, then pursuant to paragraph 83(7) of Schedule B1 to the Act and rule 2.117(3) of the Rules, the creditors may nominate a different person(s) as the proposed liquidator(s) provided that the nomination(s) is made after the receipt of the proposals but before the proposals are approved. If the Company exits into compulsory liquidation, the Joint Administrators propose to take the appointment as Joint Liquidators pursuant to section 140(1) of the Act

## **6. Statement of Affairs**

The directors' Statement of Affairs ("S of A") is currently in the process of being finalised. A copy of the directors' S of A will be filed with the Registrar of Companies once received. In the interim, the Administrators attach a copy of their summary S of A to this report as **Appendix II**.

### **6.1. Customer Loans**

The Company's loan book has a par value of £3,574,000 as at the date of appointment. As discussed at section 4, the Administrators are continuing to collect in the monthly loan repayments.

### **6.2. Inter-Company Debtors**

The inter-company debt in respect of Medical Finance (Property) Limited and Medical Finance (UK) Limited (In Administration) relates to an apportionment of tax for the prior periods.

It is currently uncertain whether the Company is entitled to reclaim these monies in respect of the apportionment of tax. Notwithstanding this, Medical Finance (UK) Limited has been placed into Administration and any future recoveries are unlikely.

### **6.3. Cash at Bank**

The cash at bank of £38K is held at the Company's pre-appointment bank account with AIB.

## **7. Joint Administrators' Receipts and Payments Account**

I attach at **Appendix IV** a summary of the Joint Administrators' Receipts and Payments account to the date of this report. Realisations to date in respect of the monthly loan repayments have been remitted into the Company's pre-appointment bank account at AIB and are not shown in the Administrators' Receipts and Payments account. No payments have been made to date.

## **8. Joint Administrators' Proposals**

Pursuant to Paragraph 49 of Schedule B1 of the Act, enclosed with this report are the Joint Administrators' proposals for achieving the purpose of the Administration as set out in Section 3 of this report.

## **9. The Prescribed Part**

A debenture was granted in favour of Allied Irish Bank plc on 21 May 1998. Since this charge pre-dates the commencement of the provisions of Section 176A of the Act, the Joint Administrators are not required to set aside a "Prescribed Part" fund specifically for unsecured creditors.

## **10. Joint Administrators' Remuneration**

The Administrators are proposing to be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company. The Joint Administrators will be seeking agreement for such remuneration from the secured creditor pursuant to Rule 2.106(5A) of the Rules.

## **11. Meeting of Creditors**

The Joint Administrators propose that there will be no meeting of creditors under Paragraph 51(1) of Schedule B1 of the Act because the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act.

Creditors may cause the Joint Administrators to summon an initial creditors meeting as follows:-

- i At the least 10% of the creditors, measured against the Company's total debts, must request this meeting; and
- ii The request must be made on Form 2.21B (available upon request) and made within 12 days of the date of this document. It must also include a list of the creditors concurring with the request, showing the amounts of their respective debts, and confirmation of concurrence.

Please note that the expenses of summoning and holding the meeting shall be paid by that person, in advance of the meeting.

## **12. Joint Administrators' Investigations**

Under the insolvency legislation, I have a duty to consider the conduct of those who have been directors of the Company at any time within three years preceding the Administration. I am also required to consider whether any civil proceedings should be taken. Please let me know, using the attached form, if there is any matter of which you believe I should be aware when considering the directors' conduct. I would stress that this request for information forms part of my usual investigation proceedings.

### **13. EC Regulation on Insolvency Proceedings 2000**

For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. If it does apply, these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom.

### **14. Further Information**

Should you require any further information, please do not hesitate to contact Andrew McCormick on the telephone number shown at the head of this report.

Yours faithfully  
**For and on behalf of**  
**Medical Finance (Retail) Ltd**

  
**T J Binyon**  
Joint Administrator

*Licensed to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants*

**Company Information**

Company Name: Medical Finance (Retail) Limited

Previous Name: Visiondecide Limited

Company Number: 3223145

Date of Incorporation: 11 July 1996

Trading Address: Charter House, The Square, Lower Bristol Road, Bath, Somerset BA2 3BH

Registered Office: Sherlock House, 73 Baker Street, London, W1U 6RD

Principal Activity: Provision of finance for the healthcare market

**Appointment details**

Date of Appointment: 27 April 2009

Appointment made by: Directors

Court Address: High Court of Justice, Chancery Division, Companies Court

Court Reference: 13472/2009

Administrators Appointed: T J Binyon IP Number: 9285  
C D Wilson IP Number: 9478

**Directors and Shareholders**

Company Directors: William Gordon Earley

Company Secretary: Anthony John Morris

Shareholders: Medical Finance Limited 2 Ordinary  
2 Ordinary

**Share Capital**

<b>Authorised</b>	<b>Allotted, called up and fully paid</b>
1,000 ordinary shares £1 each	2 ordinary shares of £1 each

**Charges**

Mortgage Debenture dated 21 May 1998 in favour of Allied Irish Bank Group (UK) PLC

Assignment of Guarantee dated 21 May 1998 in favour of Allied Irish Bank Group (UK) PLC



## **Appendix II**

### **Joint Administrators' Summary Statement of Affairs**

**MEDICAL FINANCE (RETAIL) LIMITED  
IN ADMINISTRATION**

**Appendix II**

**ESTIMATED STATEMENT OF AFFAIRS AS AT 27 APRIL 2009**

	Note	Book Value £'000	Estimated to realise £'000
<b>ASSETS SUBJECT TO FIXED CHARGE</b>			
N/A		Nil	Nil
		Nil	Nil
<b>ASSETS SUBJECT TO FLOATING CHARGE</b>			
Loans made to customers	2	3,574	3,574
Inter-company debtor - Medical Finance (Property) Limited		32	Uncertain
Inter-company debtor - Medical Finance (UK) Limited (In Administration)		7	Nil
Cash at bank		38	38
<b>ESTIMATED ASSETS AVAILABLE TO PREFERENTIAL CREDITORS</b>	3	3,651	3,612
N/A			Nil
<b>ESTIMATED SURPLUS/(DEFICIENCY) AS REGARDS PREFERENTIAL CREDITORS (NET PROPERTY)</b>			3,612
Debts secured by floating charges			(3,616)
<b>ESTIMATED SURPLUS/(DEFICIENCY) AS REGARDS FLOATING CHARGEHOLDER</b>			<u>(4)</u>
<b>ESTIMATED SURPLUS/(DEFICIENCY) AS REGARDS UNSECURED CREDITORS</b>			
Medical Finance Limited			(5)
<b>ESTIMATED (DEFICIENCY) AS REGARDS UNSECURED CREDITORS</b>			<u>(9)</u>

**Note:**

- Please note that this statement should be read in conjunction with the report dated 8 June 2009.
- The estimated to realise value of the loan book is at par value and it should be noted that a formal valuation has not been undertaken.
- The figures and valuations provided are best estimates based on information provided by the directors of the Company and available information.
- Please note that the above statement does not include costs of realisations.

**Appendix III**

**Information relating to  
Joint Administrators' Remuneration**

## Office Holder Remuneration

Case Name	Medical Finance (Retail) Ltd	
Court	High Court of Justice, Chancery Division, Companies Court	
Court reference	13472/2009	
Office Holders	T J Binyon	IP Number: 9285
	C D Wilson	IP Number: 9478
Firm	Tenon Recovery	
Address	Sherlock House, 73 Baker Street, London, W1U 6RD	
Type of Appointment	Administration	
Date of Appointment	27 April 2009	

### 1. Overview of Case

#### 1.1. Appointment

We were appointed Joint Administrators on 27 April 2009 following an application by the Directors.

#### 1.2. Strategy

Please refer to the main body of my report.

#### 1.3. Staffing

Staff were involved in the various activities depending on the experience required.

#### 1.4. Existing fee arrangements

There are no existing fee arrangements.

The Administrators are proposing to be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company. The Joint Administrators will be seeking agreement for such remuneration from the secured creditor pursuant to Rule 2.106(5A) of the Rules.

#### 1.5. Anticipated return to creditors

The Administrators anticipate that following repayment of the secured creditor under its floating charge, there will be insufficient assets for the preferential and unsecured creditors of the Company.

## **2.1 Explanation of office-holders charging and disbursement recovery policies**

### **2.2. Time recording**

For your information, a breakdown of our current charge out rates are detailed below:

<b>Grade</b>	<b>Current £</b>
Director and Licensed Insolvency Practitioners	475
Associate Director	380
Senior Manager	335
Manager	285-335
Administrator	180-235
Assistants and Support Staff	120-175

### **2.3. Disbursement recovery**

Certain costs may be incurred in relation to a case and in the first instance, paid by Tenon Recovery, and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and subsistence, archiving and storage costs.

Other costs which may be charged to the case are room hire for meetings held at the offices of Tenon Recovery and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.

The current level of costs recharged are detailed below:

Room hire	£60.00
Envelope	4.2p
Paper (photocopies per sheet)	7p
Postage (depending on weight)	31p
Storage of archive box for one month	32p
Travel (per mile)	40p

## **3.1 Description of work carried out**

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

### **3.2. Administration and planning**

The following activities have been undertaken:

Statutory duties associated with the appointment including the filing of relevant notices;  
Notification of the appointment to creditors, members, employees and other interested parties;  
Setting up case files;  
Reviewing available information to determine appropriate strategy;  
Setting up and maintaining bank accounts;

Staff of different levels were involved in the above activities depending upon the experience required.

### **3.3. Investigations**

The time spent comprises:

Corresponding with the former directors and management;  
Review of questionnaires and comments provided by interested parties;  
Review of company documentation;

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff.

### 3.4. Realisation of assets

Please see the main body of my report.

### 3.5. Creditors

The time spent includes the following matters:-

Recording and maintaining the list of creditors;  
Dealing with employee related matters;  
Dealing with reservation of title claims;  
Recording creditor claims  
Reporting to creditors; and  
Dealing with creditor queries.

## 4. Time and chargeout summary

To date a total of 70.29 hours have been spent at an average charge out rate of £318.91 bringing the total cost to date to £22,415.91.

A summary table is shown below:

Classification of work function	Insolvency Practitioner/ Director/ Associate Director	Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	4.00	0.00	7.00	0.00	11.00	2,945.00	267.73
Creditors	1.50	0.00	16.67	0.00	18.17	4,295.83	236.42
Realisation of assets	26.50	0.00	7.62	0.00	34.12	11,850.08	347.31
Trading	7.00	0.00	0.00	0.00	7.00	3,235.00	475.00
Total hours	39.00	0.00	31.29	0.00	70.29		
Total fees claimed £	15,770.00	0.00	6,645.91	0.00		22,415.91	318.91

The above costs exclude VAT.

## 5. Disbursements

### 5.1. Category 1

No Category 1 disbursements have been charged to this matter.

### 5.2. Category 2 disbursements

No Category 2 disbursements have been charged to this matter.

## **Appendix IV**

### **Joint Administrators' Abstract of Receipts and Payments**

**MEDICAL FINANCE (RETAIL) LIMITED - IN ADMINISTRATION**

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS  
FROM 27 APRIL 2009 (DATE OF APPOINTMENT) TO 8 JUNE 2009**

	Note	Estimated to Realise Director's Statement of Affairs	Receipts/ Payments Between 27 Apr 2009 to 08 Jun 09	Total Receipts/ Payments To Date
<b>FIXED CHARGE RECEIPTS</b>		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
		Nil	Nil	Nil
<b>FIXED CHARGE PAYMENTS</b>			£	
			Nil	Nil
			Nil	Nil
<b>FIXED CHARGE DISTRIBUTIONS</b>				
			Nil	Nil
<b>Balance (Receipts Less Payments)</b>	1		Nil	Nil
			Nil	Nil
<b>FLOATING CHARGE RECEIPTS</b>		<b>£</b>	<b>£</b>	<b>£</b>
Debtor receipts	3	3,574	Nil	Nil
		3,574	Nil	Nil
<b>FLOATING CHARGE PAYMENTS</b>			£	£
			Nil	Nil
			Nil	Nil
<b>Balance (Receipts Less Payments)</b>	1		Nil	Nil
			Nil	Nil

**Notes**

- 1 The balance of funds shown is held on an interest bearing current account held at Allied Irish Bank plc
- 2 The above statement is shown exclusive of VAT.
- 3 Debtor loan repayments are remitted directly to Allied Irish Bank plc under their Floating Charge
- 4 This summary should be read in conjunction with the joint administrators' report dated 8 June 2009.

**T J Binyon & C D Wilson**  
**Joint Administrators**  
**8 June 2009**



CREDITORS QUESTIONNAIRE  
INVESTIGATION INTO THE AFFAIRS OF  
MEDICAL FINANCE (RETAIL) LTD  
IN ADMINISTRATION

Creditor's name and address	
1	Estimated Claim
2	If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?
3	Please provide details of any comfort, security or assurance given to you to allow continuance of credit.
4	When were you first aware that there were difficulties in getting payment and what was the evidence of this? e.g. extended credit, lump sum payments, dishonoured cheques.

5	Please provide details of any cheques which were dishonoured, including dates and amounts.
6	Please provide details, including dates, of any writs, summons, decrees or other legal action you took to recover your debt.
7	Are there any particular matters you feel should be reviewed? If so, please provide brief details.
Name	
Signature	
Position	
Date	

*Should there be insufficient space on this form, please use a separate piece of paper clearly indicating which question the continuation sheet refers to.*

## Rule 2.72

## PROOF OF DEBT - GENERAL FORM

**In the matter of Medical Finance (Retail) Ltd  
In Administration  
and in the matter of The Insolvency Act 1986**

Appointment Date – 27 April 2009

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:-  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category  Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	
	Date:	

## **Medical Finance (Retail) Ltd – In Administration**

### **Statement of Joint Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), T J Binyon and C D Wilson the Joint Administrators ("Administrators") of Medical Finance (Retail) Ltd ("the Company"), make the following proposals for achieving the purpose of the Administration.

These proposals and the attached report to creditors together set out the information required by and discharge the Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules.

An initial meeting of creditors has not been summoned pursuant to Paragraph 52(1)(b) since the Administrators consider that the company has insufficient property to enable a distribution to be made to unsecured creditors.


### **Proposals**

The Administrators propose that:

- (a) They continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that:
  - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient;
  - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company.
  - (ii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals; and
- (a) The Administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the Administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined below. If necessary, the Administrators propose to seek an extension of their appointment as Administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act.
- (b) If the Administrators consider that there will be no distribution to creditors who are neither secured nor preferential, and if they also consider that an exit from the Administration into compulsory liquidation is not appropriate, then the Administrators be authorised to take the necessary procedural steps to bring about the end of the Administration and move the Company into dissolution pursuant to paragraph 84 of Schedule B1 to the Act.
- (c) In the event that the Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, whether compulsory or voluntary, the Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. In either circumstance, it is

proposed that the Joint Administrators would take the appointment as joint liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117 (3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved.

- (d) Upon the Company either proceeding into Creditors Voluntary Liquidation or dissolution as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution.
- (e) They be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Administrators' statutory duties.
- (f) The Administrators shall be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the Administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors the Administrators' remuneration will be agreed with the secured creditors and, if appropriate, the preferential creditors.
- (g) They consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Administrators.

  
\_\_\_\_\_  
T J Binyon  
Joint Administrator

8 June 2009

## Rule 2.37

## Creditor's request for a meeting

Name of Company Medical Finance (Retail) Limited	Company number 3223145
In the In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 13472 of 2009

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of (b)  
Medical Finance (Retail) Limited  
Sherlock House, 73 Baker Street, London, W1U 6RD,

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
requesting creditor's  
claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence.

(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

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Dated

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