

# 2.24B

The Insolvency Act 1986

## Administrator's progress report

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

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

I/We (a)  
T J Binyon  
Tenon Recovery, ,  
66 Chiltern Street,  
London,  
W1U 4JT

C D Wilson  
Tenon Recovery,  
66 Chiltern Street,  
London,  
W1U 4JT

administrators of the above company attach a progress report for the period

(b) Insert date	From (b) 27 October 2010	To (b) 26 April 2011
	Signed Joint Administrator	
	Dated 26/5/2011	

### 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

T J Binyon  
RSM Tenon ,  
66 Chiltern Street,  
London,  
W1U 4JT

DX Number

+44 (0) 0203 075 2550  
DX Exchange

FRIDAY



A58

\*AB7XMUHM\*

27/05/2011

92

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**

## To All Known Creditors

RSM Tenon Recovery  
66 Chiltern Street, London, W1U 4JT  
T +44 (0) 20 3 075 2550  
F +44 (0) 20 3 075 2666  
www.rsmtenon.com

Our ref AZB/ANM/TJD/5004338  
Your ref 601335 86874071  
26 May 2011

When telephoning or emailing please contact Alexander Duffy on 0203 075 2677 alex.duffy@rsmtenon.COM

Dear Sirs

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

In accordance with Rule 2.47, I write to provide you with a progress report on the Administration to date following my reports to creditors dated 27 October 2010, 18 May 2010 and 24 November 2009

#### Administrators' accounts

Attached as **Appendix II** is the Joint Administrators' account for the 6 month period 27 October 2010 to 26 April 2011. I would comment specifically as follows

##### 1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**

##### 2. Action taken by Joint Administrators since Last Report

Since we last reported we have been regularly collecting the outstanding payments from the debtors and reducing the overall loan amount owed to AAH. There are continuing discussions regarding an alternative funder purchasing the loan book and we will continue to follow the progress of this, however this does not directly affect the unsecured creditors.

##### 3. Joint Administration Receipts and Payments Account

Attached as **Appendix II** is the Joint Administrators' account for the 6 month period of 27 October 2010 to 26 April 2011.

A58

27/05/2011  
COMPANIES HOUSE

93

Recovery and insolvency services are provided through RSM Tenon Limited and our Insolvency Practitioners are authorised to act in this capacity by their individual licensing bodies. RSM Tenon Limited is a subsidiary of RSM Tenon Group PLC. Directors and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability.

RSM Tenon Limited is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Tenon Limited (No 4066824) is registered in England and Wales, Registered Office 66 Chiltern Street, London W1U 4GB, England.

### **3.1. Customer Loans**

The Company loan book stood at £3,574,000 as at the date of appointment

Since my previous report the Administrators have realised £227,930.49 of loan repayments

The Administrators are continuing to actively pursue a sale of the loan book with interested parties. The potential realisations from the sale of the customer loan book are currently uncertain.

### **3.2. Inter-Company Debtors**

As previously advised, 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.

## **4. Administrators' Proposals**

I can confirm that creditors approved the Administrators' proposals previously circulated in accordance with Rule 2.33(5) of the Insolvency Rules 1986.

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

The purpose of the Administration is currently being achieved since the Administration has allowed for the ongoing collection of the loan book whilst the Joint Administrators continue to pursue a sale of the loan book which is anticipated to achieve higher realisations than would have likely been achieved through a sale of assets on a break-up basis.

It should also be noted that the proceeds from the realisation of Company assets to date have been utilised to discharge part of the debt of the secured creditors.

## **5. Future Actions of the Joint Administration**

The strategy for the next six months is to continue to collect the outstanding loan repayments. In the event the loan book is not bought from the Company by a financial institution, we will be forced to put the Company into liquidation, as the Administration period will expire by 26 October 2011.

## **6. Dividend Prospects**

### **Secured Creditors**

On 1 July 2009, Allied Irish Bank Group (UK) plc assigned all of its security and indebtedness in respect of the Company to AAH Pharmaceuticals Limited ("AAH")

The secured creditor, AAH has a first ranking fixed and floating charge over the assets of the Company

The Joint Administrators previously made an interim distribution totalling £400,000 to AAH under their floating charge

A further interim distribution of £250,000 was transferred to AAH's bank account under their floating charge on 28 April 2010

### **Preferential creditors**

The Company did not have any employees and as such I have not received any preferential claims against the Company and nor do I anticipate receiving such

### **Unsecured creditors**

The unsecured creditors of the Company total £4,797 in accordance with the Director's Statement of Affairs. To date I have not received any proof of debt forms from the unsecured creditors

I do not currently anticipate that there will be sufficient funds to enable a distribution to the unsecured creditors

### **Prescribed Part**

A debenture was granted in favour of Allied Irish Bank plc on 21 May 1998, this security was assigned to AAH on 1 July 2009, which was discussed earlier. 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

## **7. Extension of the Period of Administration**

In accordance with Paragraph 76(1) of Schedule B1 of the Act, the Administration is deemed to end automatically on 26 April 2010. This period can be extended in accordance with Paragraph 76(2) of Schedule B1 of the Act either by

i) an application to the Court, or

ii) with the consent of the requisite majority of the Company's creditors, for a maximum period not exceeding 6 months

In order to minimise the costs and expenses associated with any application to Court for an extension to the administration, the Joint Administrators sought and obtained the consent of the secured creditor, AAH to an extension of the period of administration for a period of 6 months from 27 April 2010 in accordance with Paragraphs 76(2)(b) and 78(2)(a) of Schedule B1 of the Act, this has now expired

The extension was sought in order to provide additional time for the Joint Administrators to continue in their attempts to sell the customer loan book, the ongoing collection of the loan book and to distribute funds to the secured creditors, as this exercise was not possible to complete before the expiry of the administration

The Administration period for the Company ends on the 26 October 2011

An extension will provide the administrators with sufficient time to

- Enable a sale of the customer loan book,
- Continue the monthly loan book collections,
- Complete the distributions to secured creditors,
- Discharge the costs of administration/ realisation,

## 8 Investigations

The Administrator has a duty under the Company Directors' Disqualification Act 1986 and the Insolvent Companies (Reports on Conduct of Directors) Rules 1996 to submit confidential reports or returns to the Department of Business, Innovations and Skill unit on the conduct of those persons who have acted as directors of the Company. I can confirm that I have complied with my duties in this regard and my report was submitted on the 14 August 2009

## 9. Remuneration

The Administrators' time costs to date amount to £129,009.66 plus disbursements of £1218.90. In accordance with Statement of Insolvency Practice 9 I have attached at **Appendix III** a breakdown of these time costs. Of these costs £100,561.86 remuneration and £660.70 disbursements have been drawn to date.

The secured creditor, AAH has approved the basis of the Joint Administrators' remuneration and disbursements as these have previously been capped.

For further information please go to [www.rsmtenon.com](http://www.rsmtenon.com) and click on "creditors guides" if you require further information relating to Administrators' remuneration. Alternatively a copy is available free of charge upon request from the address at the top of the letterhead.

Creditors may also request further information under R2.48A within 21 days of receiving this progress report if they can satisfy the following requirements:

- I They are a secured creditor
- II They are an unsecured creditor within the concurrence of at least 5% in value of the unsecured creditors (including creditor in questions), or
- III With the permission of the court on application made within the period of 21 days

Any creditor with either the agreement of at least 10% in the value of the unsecured creditor (including that creditor) or with the permission of the court may apply to court to challenge the Joint Administrators remuneration and expenses under R2 109 of the Insolvency Rules 1986, if they believe they are excessive

Should you have any queries please do not hesitate to contact Alexander Duffy on 0203 075 2677

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*  
*Acting as agents for the Company and without personal liability*

Enclosure

---

## **Appendix I – Statutory Information**

### **Company Information**

Company Name	Medical Finance (Retail) Ltd
Company Number	3223145
Registered Office	66 Chiltern Street, London, W1U 4JT,
Trading Address	Charter House, The Square, Lower Bristol Road, Bath, Somerset BA2 3BH

### **Appointment details**

Administrators	T J Binyon and C D Wilson of Tenon Recovery
Administrators' address	RSM Tenon, 66 Chiltern Street, London, W1U 4JT
Date of appointment	27 April, 2009
Court	High Court of Justice, Chancery Division, Companies Court
Court Reference	13472 / 2009
Appointed by	Directors
Functions	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone
EC Regulations	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 and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation as
Extensions	The Administrators have been granted an extension of 6 months to the period defined by Paragraph 76(1) of Schedule B1 of the Act that provides for the automatic end of the Administration after 12 months from the date of appointment

## Appendix III – Information relating to 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 and C D Wilson	IP Number 9285 IP Number 9478
Firm	RSM Tenon	
Address	66 Chiltern Street, London, W1U 4JT	
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

The Administrators have previously sought remuneration by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company 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. Explanation of office-holders charging and disbursement recovery policies

##### 2.1 Time recording

For your information, breakdowns of our current charge out rates are detailed below

Grade	Current £
Director and Licensed Insolvency Practitioners	475
Associate Director	350
Senior Manager	335
Manager	335
Other Senior Staff	250
Assistants and Support Staff	210



## **2.2. 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 levels 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. 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:

### **3.1. 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,

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

### **3.2. 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.

### **3.3. Realisation of assets**

Please see the main body of my report.

### **3.4. Creditors**

The time spent includes the following matters -

- Reporting to creditors, and
- Dealing with creditor queries.

#### 4. Time and charge out summary

To date a total of 522 hours have been spent at an average charge out rate of £246 20 bringing the total cost to date to £129,009 66

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	19 10	7 50	36 00	42 00	104 80	22,860 00	273 12
Realisation of assets	38 50	2 00	101 72	0 00	142 22	38,116 58	253 52
Investigation	0 00	0 00	11 00	0 00	11 00	2,365 00	215 00
Trading	30 05	9 00	78 80	0 00	118 30	29,704 50	251 09
Creditors	17 25	24 50	104 52	0 00	146 27	35,963 58	238 79
Total hours	105 35	43 00	332 04	42 00	522 59		276 20
Total fees claimed £						129,009 66	

The above costs exclude VAT

#### 5. Disbursements

##### 5.1. Category 1

Category 1 disbursements incurred are outlined below

	Incurred £	Paid £
Travel	42 40	Nil
Company telephone	233 80	233 80
Bordereau	36 00	36 00
Total	312 20	269 80

The above costs exclude VAT

##### 5.2. Category 2 disbursements

There have been no category 2 disbursements