

# 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

04494032

Name of Company

Nucleus Healthcare Limited

I / We

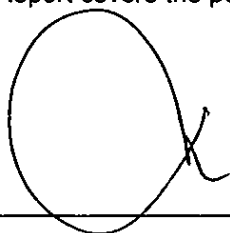
Andrew Pear, 82 St John Street, London, EC1M 4JN

Michael Solomons, 82 St John Street, London, EC1M 4JN

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 01/05/2015 to 30/04/2016

Signed



Date

17/05/2016

BM Advisory  
82 St John Street  
London  
EC1M 4JN

Ref NUC003AP/AJP/MSES/JT/CL/AK

WEDNESDAY



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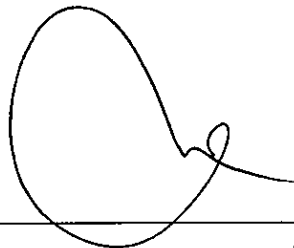
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COMPANIES HOUSE

**Nucleus Healthcare Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 01/05/2015 To 30/04/2016	From 01/05/2013 To 30/04/2016
<b>SECURED ASSETS</b>		
Fixed charge realisations from adminis	NIL	10,000 00
	NIL	10,000 00
<b>SECURED CREDITORS</b>		
Palm European Investments LLC	NIL	10,000 00
	NIL	(10,000 00)
<b>ASSET REALISATIONS</b>		
Funds from Administration	NIL	32,485 08
Book Debts	NIL	5,053 13
Cash at Bank	NIL	3,500 00
Bank Interest Gross	14 03	14 03
	14 03	41,052 24
<b>COST OF REALISATIONS</b>		
Joint Administrators' Fees	NIL	15,000 00
Joint Liquidators' Fees	5,000 00	5,000 00
Joint Liquidators' Expenses	442 62	2,039 67
Legal Fees	NIL	8,702 82
VAT - Irrecoverable	1,423 50	6,415 70
Debt Collection Agent's Commission	NIL	386 01
Agent's Fees - Investigatory Services	NIL	950 00
	(6,866 12)	(38,494 20)
	<b>(6,852 09)</b>	<b>2,558 04</b>
<b>REPRESENTED BY</b>		
Estate bank account - interest bearing		2,558 04
		<b>2,558.04</b>

Note

  
 Andrew Pear  
 Joint Liquidator

**NUCLEUS HEALTHCARE LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION  
JOINT LIQUIDATORS' PROGRESS REPORT TO MEMBERS AND CREDITORS  
FOR THE PERIOD 1 MAY 2015 TO 30 APRIL 2016**

**STATUTORY INFORMATION**

Company name: Nucleus Healthcare Limited

Registered office: 82 St John Street, London, EC1M 4JN

Former registered office: 5<sup>th</sup> Floor, 15 Whitehall, London, SW1A 2DD

Former trading address: Celtic Springs Clinic, Spooner Close, Celtic Springs, Newport, NP10 8FZ

Registered number: 04494032

Joint Liquidators' names: Andrew Pear and Michael Solomons

Joint Liquidators' address: 82 St John Street, London, EC1M 4JN

Joint Liquidators' date of appointment: 1 May 2013

The Joint Liquidators have acted jointly and severally in all matters relating to the Liquidation. There have been no changes in the office holders since my last report.

This report should be read in conjunction with my previous reports, copies of which are available on request. Further information can also be found at [www.creditorinsolvencyguide.co.uk](http://www.creditorinsolvencyguide.co.uk) which is designed to provide creditors with a step by step guide to the insolvency process.

**CONDUCT OF LIQUIDATION**

I was appointed Joint Liquidator of Nucleus Healthcare Limited ("the Company") on 1 May 2013, following the Company's conversion from Administration to Liquidation.

During the period I have attended to the statutory matters incumbent upon liquidators generally, including (but not limited to) circularising a copy of my annual report to members and creditors, submitting statutory returns to the Registrar of Companies, and submitting tax returns to HM Revenue & Customs.

A significant amount of time has been spent finalising my investigations into the pre appointment trading activity of the Company. This is discussed in greater detail in the "Joint Liquidators' investigations" section of this report.

**RECEIPTS AND PAYMENTS ACCOUNT**

A receipts and payments account for the period from 1 May 2015 to 30 April 2016, and the whole period of the Liquidation, is attached as **Appendix I** and shows a balance on hand of £2,558. Estate funds were banked into a designated interest bearing estate account at a UK bank and accordingly there is no account held by the Secretary of State to reconcile the attached account

**ASSETS**

All of the Company's assets have been realised, save for future receipts from the former Company director in respect of a settlement agreement executed by him in favour of the Joint Liquidators. Please refer to the section of this report entitled "Joint Liquidators' investigations" for further details.

## **LIABILITIES**

### **Secured creditors**

An examination of the Company's mortgage register, held by the Registrar of Companies, showed that the Company granted the following charges, which remain outstanding:

Palm European Investments LLC ("PEI")  
Debenture (fixed and floating charge) - £3,052,581 owed as at 1 May 2013  
Created: 02/05/2012  
Registered: 05/05/2012

Finance Wales Investments (6) Limited ("FWI")  
Debenture (fixed and floating charge) - £360,000 owed as at 1 May 2013  
Created: 01/09/2010  
Registered: 07/09/2010

There is a ranking agreement in place whereby the security in favour of FWI is subrogated to the security in favour of PEI unless and until the sums owing to PEI have been paid in full.

A security review has been undertaken and I am satisfied as to the validity of both debentures.

### **Preferential creditors**

There are no residual preferential creditors in the Liquidation. A dividend of 100p in the £ was paid to preferential creditors by the Joint Administrators prior to the conversion to Liquidation.

### **Unsecured Creditors – trade and expense creditors**

It is not currently anticipated that there will be a dividend available for unsecured creditors. Therefore, I have not taken steps to adjudicate claims received from trade and expense creditors.

### **Unsecured creditors – Crown creditors**

As stated above, it is not currently anticipated that there will be a dividend available for unsecured creditors. Therefore, I have not taken steps to adjudicate the claim received from HM Revenue & Customs of £16,872, relating to unpaid PAYE and National Insurance Contributions

## **DIVIDENDS**

Under rule 11.7 of the Insolvency Rules 1986, notice is given that no further distribution will be made to the secured creditor, and no dividend is available to preferential or unsecured creditors in this matter because net asset realisations will be insufficient to cover the costs and expenses of the Liquidation

The following distribution was made to PEI, the secured creditor, in accordance with the terms of their security.

<b>Date</b>	<b>Amount of Distribution</b>	<b>Rate of Distribution</b>
7 May 2013	£10,000	0.003 pence in the £

### **PRESCRIBED PART**

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Insolvency Act 1986, as long as the floating charge was registered later than 15 September 2003.

There is no net floating charge property, as the costs and expenses of the Liquidation will be greater than asset realisations. Therefore, there will be no distribution of the prescribed part

### **JOINT LIQUIDATORS' INVESTIGATIONS**

Under the insolvency legislation, the Liquidators have a duty to consider the conduct of those persons who have

been directors of the Company, shadow directors or de facto directors at any time within three years preceding the Liquidation and consider whether any civil proceedings should be taken

I 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 into account public interest and the potential recoveries and costs involved

As previously reported, a number of transactions were identified involving the Company and a former director which required further investigation. During this reporting period, I instructed Fletcher Day LLP, solicitors, to issue a letter before action to the director in question, requesting the repayment of sums totalling £67,854 inclusive of interest accrued to date.

A response to this letter was received from the former director's solicitor, denying that any sums were due by his client to the Company. Nonetheless, an offer of £20,000 to settle all and any issues arising from the Joint Liquidators' alleged claims against the former director was made. Settlement was to be paid by an immediate lump sum of £10,000, with the remaining £10,000 being paid within six months from the date of any agreement.

Having considered this offer, and deemed it unacceptable, a period of negotiation between the Joint Liquidators and the former director led to an offer to settle of £27,000 being accepted on 14 April 2016. £15,000 was payable immediately upon completion, and has already been paid directly to Fletcher Day LLP, with the remaining £12,000 payable over 10 months. The first instalment of £1,200 has also been received by Fletcher Day LLP. It is anticipated that the final payment of £1,200 will be made no later than 31 January 2017.

Within six months of my appointment as Liquidator, I was required to submit a confidential report to the Secretary of State to include any matters which came to my attention during the course of my work, which may have indicated that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted

#### **PRE-APPOINTMENT REMUNERATION**

The Joint Liquidators were appointed following the Company's conversion from Administration to Liquidation. The sum of £15,000 was paid from the Liquidation in respect of the Joint Administrators' unpaid time costs, in accordance with the agreement of the secured creditor, PEI.

#### **JOINT LIQUIDATORS' REMUNERATION**

The Joint Liquidators' remuneration is fixed on the same basis as the preceding Joint Administrators, in accordance with Rule 4.127(5A) of the Insolvency Rules 1986. Accordingly, as agreed by the secured creditor, PEI, the Joint Liquidators are to be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Liquidation of the Company.

The total amount which could be recovered by the Joint Liquidators in respect of their remuneration was previously subject to a capped limit which was reached during a previous reporting period. Therefore, the Joint Liquidators obtained further approval from PEI during this reporting period that the previous cap be removed, in order to incur additional time costs to recover the sums from the former director.

A total of 50.55 hours have been spent during this reporting period, at a cost of £14,846, resulting in an average hourly charge out rate of £294. A summary of my time costs for this reporting period, my time costs for the whole period of the Liquidation and BM Advisory's policy on fees is attached at **Appendix II**.

I have drawn £5,000 plus VAT to date, all of which was drawn in this reporting period.

#### **Administration and planning**

- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on insolvency case management software.
- Case planning, administration and ongoing strategy reviews.
- Maintaining and managing the Liquidators' cashbook and bank account.

#### **Realisation of assets**

- Instruction of specialist agent to conduct a review of business rates paid by the Company, and the rateable value of the Company's leasehold premises, to identify whether or not a refund was available.

#### **Creditors**

- Dealing with creditor correspondence and telephone calls
- Maintaining creditor information on insolvency case management software, including proof of debts received from creditors.
- Various correspondence with PEI regarding the removal of the previous fee cap.

#### **Investigations / Legal and Litigation**

- Conduct a review of the Company's books and records to identify the whereabouts of patient records.
- Instruction of Fletcher Day LLP to prepare and issue a letter before action to the director.
- Review of initial response and settlement proposal.
- Liaison with Fletcher Day LLP regarding various counter proposals.
- Acceptance of settlement offer of £27,000.

#### **Statutory compliance and reporting**

- Statutory notifications and advertising.
- Preparation and issue of reports to members and creditors.
- Case bordereau.
- Ensuring statutory lodgements are submitted and tax lodgement obligations are met.

A copy of 'A Guide to Liquidators' Fees' can be located on the following website which provides information relating to Liquidators' remuneration: [www.r3.org.uk/index.cfm?page=1591](http://www.r3.org.uk/index.cfm?page=1591). A hard copy is available on request

#### **JOINT LIQUIDATORS' DISBURSEMENTS**

The Joint Liquidators' disbursements are fixed on the same basis as the preceding Joint Administrators, in accordance with Rule 4.127(5A) of the Insolvency Rules 1986. Previously, it has been reported that Category 2 disbursements were agreed by creditors. However, Category 2 disbursements were in fact agreed by the secured creditor, PEI, and are as detailed in my firm's policy on fees. Category 1 disbursements do not need approval and can be drawn at the Liquidators discretion without authority.

During this reporting period, I have incurred disbursements of £157, a breakdown of which is detailed below. I have drawn £443 plus VAT in this period, all of which relates to disbursements incurred and reported in previous reporting periods. Therefore, the balance of £157 remains outstanding and will be drawn in due course.

	£	
Creditor portal report upload	10	Category 1
Postage and Printing	147	Category 1 & 2
<b>Total</b>	<b>157</b>	

During the forthcoming reporting period, I expect to incur further disbursements of £314 in respect of the costs of issuing my annual and final reports to creditors. I also expect to incur disbursements of £72 in respect of the London Gazette notice advertising the final meetings of the Company's members and creditors

The following agents or professional advisors were engaged in this Liquidation and details of the payments made to them are reported in my receipts and payments account:

<b>Professional/Agent</b>	<b>Nature of work</b>	<b>Fee arrangement</b>
Fletcher Day LLP	Legal assistance pursuing director settlement	Time costs + conditional success fee
Capa	Review of business rates paid and payable	% of recoveries

The choice of professional advisors was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

Please note that a secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), may request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report.

Furthermore, a secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), may apply to Court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report.

## **PROVISION OF SERVICES REGULATIONS**

In accordance with the disclosure requirements of the Provision of Services Regulations 2009, our insolvency partners, directors and consultants are recorded on the register of insolvency practitioners.

Our professional indemnity insurer is Market International Insurance Company Limited, 49 Leadenhall Street, London EC3A 2EA. The territorial coverage is worldwide, excluding professional business carried out from an office in the United States of America or Canada and excludes any action for a claim brought in any court in the United States of America or Canada.

## **COMPLAINTS PROCEDURE**

BM Advisory strives to provide a first class service to all of its clients and we are committed to a process of continuous improvement. As such should you have any comments or complaints regarding this matter you should contact me in the first place at the address on the front of this letter.

Should you consider that we have not dealt with your comments appropriately you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within BM Advisory not involved in the assignment and would be co-ordinated by the Complaints Partner, Paul Ashton, who is contactable at this office.

If you do not receive a satisfactory response then you may be able to make a complaint to my regulatory body, via the complaints Gateway operated by The Insolvency Service. The contact details for the Gateway are by email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk), by phone 0300 678 0015 (call charges apply) or by post at The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA. To make an online submission or for further information please visit <https://www.gov.uk/complain-about-insolvency-practitioner>

## **SUMMARY**

I shall report again on the next anniversary of my appointment, or the closure of the Liquidation, whichever is sooner.

Should you have any queries regarding this report, please contact Calum Leslie on 020 7549 8009 or email [calum.leslie@bm-advisory.com](mailto:calum.leslie@bm-advisory.com).



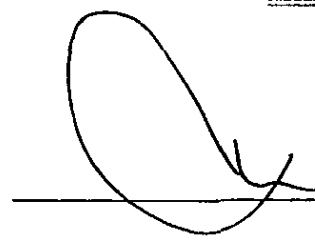
**Andrew Pear**  
Joint Liquidator

17 May 2016

**Nucleus Healthcare Limited  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 01/05/2015 To 30/04/2016	From 01/05/2013 To 30/04/2016
<b>SECURED ASSETS</b>		
Fixed charge realisations from adminis	NIL	10,000.00
	NIL	10,000.00
<b>SECURED CREDITORS</b>		
Palm European Investments LLC	NIL	10,000.00
	NIL	(10,000.00)
<b>ASSET REALISATIONS</b>		
Funds from Administration	NIL	32,485.08
Book Debts	NIL	5,053.13
Cash at Bank	NIL	3,500.00
Bank Interest Gross	14.03	14.03
	14.03	41,052.24
<b>COST OF REALISATIONS</b>		
Joint Administrators' Fees	NIL	15,000.00
Joint Liquidators' Fees	5,000.00	5,000.00
Joint Liquidators' Expenses	442.62	2,039.67
Legal Fees	NIL	8,702.82
VAT - Irrecoverable	1,423.50	6,415.70
Debt Collection Agent's Commission	NIL	386.01
Agent's Fees - Investigatory Services	NIL	950.00
	(6,866.12)	(38,494.20)
	<b>(6,852.09)</b>	<b>2,558.04</b>
<b>REPRESENTED BY</b>		
Estate bank account - interest bearing		2,558.04
		<b>2,558.04</b>

Note:

  
\_\_\_\_\_  
Andrew Pear  
Joint Liquidator



**Joint Liquidators' time costs  
For the period  
1 May 2015 to 30 April 2016**

		Hours by Staff Grade								
Classification of Work	Work Analysis	Junior						Grand Total	Total Cost £	Average Hrly Rate £
		Partner	Administrator	Administrator	Cashier	Associate Director	Assistant Manager			
Administration and Planning	Bill	0.00	0.00	0.00	0.00	0.10	0.30	0.40	121.50	303.75
	Case Accounting	0.00	0.20	0.00	0.25	0.30	1.10	4.65	802.00	172.47
	Partner Review	1.60	0.00	0.00	0.00	0.00	0.00	1.60	688.00	430.00
	Strategy and Planning	0.00	0.00	0.00	0.00	1.40	6.10	7.50	2,242.50	299.00
Asset Realisation	Asset Realisation (other)	0.00	0.00	0.00	0.00	0.00	0.10	0.10	28.50	285.00
Creditors	Unsecured Creditors	0.20	0.00	0.20	0.00	0.00	0.20	0.60	191.00	318.33
	Secured Creditors	2.70	0.00	0.00	0.00	0.20	2.30	5.20	1,888.50	363.17
Investigation	Investigatory Work	0.00	0.00	0.00	0.00	0.00	1.60	1.60	456.00	285.00
Legal and Litigation	Legal / Litigation (other)	0.80	0.00	0.00	0.00	0.00	7.10	7.90	2,367.50	299.68
	Legal / Litigation (floating)	1.90	0.00	0.00	0.00	0.00	4.60	6.50	2,128.00	327.38
Statutory Compliance	Statutory Compliance	0.00	0.40	0.00	0.00	1.40	5.00	6.80	1,985.00	291.91
	Statutory Reporting	0.00	0.00	0.00	1.50	0.70	5.20	7.40	1,861.50	251.55
	Tax & VAT	0.00	0.00	0.00	0.00	0.00	0.30	0.30	85.50	285.00
Grand Total		7.20	0.60	0.20	1.75	4.10	33.90	50.55	14,845.50	293.68

**Joint Liquidators' time costs  
For the period  
1 May 2013 to 30 April 2016**

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## BM ADVISORY

### STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

#### Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3)

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following -

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership  
Trustee in Bankruptcy  
Supervisor of an Individual, Company or Partnership Voluntary Arrangement  
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 ("the Act") require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below

#### Policy on fees

In accordance with the Act, the Office Holder may seek approval of their remuneration either on a fixed fee basis, on a percentage basis or on a time costs basis. When an Office Holder's fees are charged by reference to time costs, they will be charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1<sup>st</sup> March 2014 the rates applicable are

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator 1	185
Administrator 2	155
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees at [www.r3.org.uk/index.cfm?page=1591](http://www.r3.org.uk/index.cfm?page=1591)

#### Disbursements

Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the case or BM Advisory, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the case. These disbursements are recoverable in full from the case without the prior approval of creditors either by a direct payment from the case or, where BM Advisory has made payment on behalf of the case, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage and specific bond insurance.

Category 2 expenses are incurred by BM Advisory and recharged to the case, they are not attributed to the case by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the case, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of Category 2 disbursements are photocopying, internal room hire and internal storage.

It is proposed that the following Category 2 disbursements are recovered

Meeting room hire	Up to £200
Creditor portal (operated within BM Advisory website)	£10 (per report)
Postage	£0.51 - £2.25
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

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.