

The Insolvency Act 1986

# Notice of result of meeting of creditors

# 2.23B

Name of Company  
Accura Animal Health plc (in Administration)

Company number  
05760530

In the  
High Court of Justice

[full name of court]

Court case number  
21942 of 2009

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

I / We (a) ) Lane Bednash and Mark Reynolds of Valentine & Co , 4 Dancastle Court, 14 Arcadia Avenue,  
London N3 2HS

\*Delete as applicable

hereby report that \*a meeting / ~~an adjourned meeting~~ of the creditors of the above company was held at

(b) Insert place of meeting

(b) Valentine & Co , 4 Dancastle Court, 14 Arcadia Avenue, London N3 2HS

(c) Insert date of meeting

on (c) 23 February 2010 at which

\*Delete as applicable

\*1 Proposals / ~~revised proposals~~ were approved

~~\*2 Proposals / revised proposals were modified and approved~~

(d) Give details of the  
modifications (if any)

~~The modifications made to the proposals are as follows-~~

(d) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(e) Insert time and date of  
adjourned meeting

~~\*3 The proposals were rejected~~

~~\*4 The meeting was adjourned to (e) \_\_\_\_\_~~

(f) Details of other resolutions  
passed

~~\*5 Other resolutions (f) \_\_\_\_\_~~

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MONDAY



\*RUT1AIBI\*

RM

15/03/2010

351

COMPANIES HOUSE

The revised date for automatic end to administration is \_\_\_\_\_

\*Delete as applicable

A creditors' committee ~~\*was / was not~~ formed

Signed

Joint / Administrator(s)

Dated \_\_\_\_\_

\*Delete as applicable

A copy of the \*original proposals ~~/ modified proposals / revised proposals~~ is attached for those who did not receive such documents prior to the meeting

### 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.

	Tel
DX Number	DX Exchange

you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ      DN 33050 Cardiff

COMPANIES HOUSE

**Joint Administrators' Report  
and Statement of Proposals**

**Accura Animal Health plc  
- In Administration**

**3 February 2010**

# **Accura Animal Health plc - In Administration**

## **CONTENTS**

- 1 Statutory Information
- 2 Background to the Administration
- 3 Administration Strategy
- 4 Joint Administrators' Receipts and Payments
- 5 Financial Position of the Company
- 6 Statutory Purpose and Proposals
- 7 Joint Administrators' Remuneration
- 8 Estimated Outcome
- 9 Next Report
- 10 Meeting of Creditors

## **APPENDICES**

- A Summary of the Estimated Statement of Affairs of the Company as at 15 December 2009
- B Time Analysis for the period from 15 December 2009 to 3 February 2010
- C Additional Information in relation to Administrators' fees pursuant to Statement of Insolvency Practice No 9

## THE JOINT ADMINISTRATORS' REPORT AND STATEMENT OF PROPOSALS

### 1 Statutory information

- 1 1 The Administration commenced on 15 December 2009 by appointment of the debenture holder, RIC High Yield Limited (formerly SBI Bioventures Limited)
- 1 2 The Court reference number is High Court of Justice, 21942 of 2009
- 1 3 The Company's registered number is 05760530
- 1 4 The registered office of the Company is at Lower Ground Floor, Norfolk House, 31 St James's Square, London, SW1J 4JR

- 1 5 Details of the Company's directors and secretary are as follows

<b>Director</b>	<b>Appointed</b>	<b>Resigned</b>
Robert James Barker	Upon Incorporation	-
Kevin Ronald Leech	28 May 2009	-
Kevin George Bilyard	27 June 2006	28 May 2009
Donald Selwyn Davies	12 February 2008	28 May 2009
Alan John Reade	5 February 2008	28 May 2009
Bernard Ross	Upon Incorporation	28 May 2009
Richard James Cave	29 March 2007	23 March 2009
Kevin Ronald Leech	28 February 2007	21 February 2008
<b>Company Secretary</b>	<b>Appointed</b>	<b>Resigned</b>
Cargill Management Services Limited	27 February 2008	8 December 2009
City Tower Secretarial Services Limited	27 June 2006	27 February 2008
Coltane Limited	Upon Incorporation	27 June 2006

### Share Capital

**Authorised** 500,000,000 Ordinary 1p Shares

**Issued and fully paid** 114,826,348 Ordinary 1p Shares

<b>Shareholders (Top 3)</b>	<b>Name</b>	<b>No. of Shares</b>
	Kingsleigh Limited	15,000,000
	Pavas Investments Limited	7,500,000
	Asturian Holdings Limited	7,500,000

## **Accura Animal Health plc - In Administration**

### **2 Background to the Administration**

- 2 1 The Company operates as a holding company which owns subsidiary companies, Tridelta Plc ("Tridelta"), Gamma Pharma Limited ("Gamma") and Anvet Pharma Limited ("Anvet") The Group is focused on the development and commercialisation of pharmaceutical and diagnostic products to improve the health, welfare and quality of life of animals All group trading was carried out through the subsidiaries, however Gamma remains dormant
- 2 2 The Company was incorporated on 29 March 2006 under the name Accura Pharma plc The Company changed its name by special resolution to its present name on 12 October 2007
- 2 3 On 29 March 2006, the Company appointed Mr Bernard Ross as Managing Director The current directors are Robert James Barker and Kevin Ronald Leech
- 2 4 The Company was initially established to act as a biopharmaceutical holding company, acquiring, developing and commercialising new therapies for the human and animal health markets It was intended that the products would be sold or licensed to larger pharmaceutical companies, thereby capitalising upon significant market opportunities The opportunities arose from the needs of larger pharmaceutical companies to fill their depleting product pipelines, as a significant number of pharmaceutical products were coming off patent with insufficient new patent protected drugs replacing them
- 2 5 The Company is administered from premises located at Lower Ground Floor, Norfolk House, 31 St James's Square, London, SW1J 4JR
- 2 6 In March 2006, the Company 'temporarily' acquired Accura Therapeutics Limited ("Therapeutics") to facilitate an entry into the US\$14.5 billion animal health products market In December 2005, Therapeutics acquired Anvet and in April 2006 acquired Cain Biotech Limited ("Cain"), a UK company which held investments in various biotechnology companies At this time, the Therapeutics group had interests in both human and animal therapeutics

## **Accura Animal Health plc - In Administration**

- 2 7      The Company was initially funded by a long term loan facility. The business plan was to raise further capital in the market to provide additional funds for acquiring and developing a portfolio of products.
- 2 8      The Company was admitted to the PLUS (An international stock exchange based in London) market during September 2006 with the intention of obtaining a listing on the AIM (Alternative Investment Market of The London Stock Exchange) market in the future.
- 2 9      In July 2007, the Company acquired Tridelta plc, an Irish listed company. This acquisition provided the Group with existing revenues derived from diagnostic products (focused on the laboratory testing market) and gave the Company significant potential in the companion animal markets.
- 2 10     On 12 October 2007, the human therapeutics division of the Company was demerged. To achieve this, Therapeutics and Cain were removed from the Group to become subsidiaries of Reform Pharma plc, whilst Anvet became a wholly owned subsidiary of the Company. Also, on 12 October 2007, Accura Pharma plc changed its name to Accura Animal Health plc.
- 2 11     Following the demerger, The Company concentrated on its animal therapeutics and diagnostic divisions with the main focus on the companion animal market.
- 2 12     In early 2008, Blomfield Corporate Finance Limited ("Blomfield") was engaged to raise funds for the Company prior to listing on the AIM market. In August 2008, Blomfield gave notice that they were to abort their fundraising activities for the Company. Shortly thereafter, a further fundraising project was embarked upon. However, with the onset of the global economic downturn, the project ran into difficulties and was not completed.
- 2 13     With no immediate funding in place, the management explored other alternatives, including selling the business. Negotiations began for the sale of the Group to a corporation in the USA.
-

## **Accura Animal Health plc - In Administration**

- 2 14 In August 2009, the Company sought a payment plan with its creditors to facilitate the planned sale of the business. Despite this, one significant creditor was not prepared to become part of any CVA. Subsequently, a winding-up petition was issued on 26 November 2009. As a result of the petition, the USA acquiring party withdrew from negotiations.
- 2 15 In the meantime, the Company had insufficient funds to complete its financial statements for the year ended 30 April 2009 and could not file its accounts with the PLUS market in time. As a result, the Company was suspended from trading on PLUS on 2 November 2009.
- 2 16 Following the issue of the winding-up petition, the Directors and RIC High Yield Limited (the debenture holder) jointly approached Lane Bednash, Licensed Insolvency Practitioner, on 3 December 2009. The Directors were advised to seek an adjournment of the forthcoming petition hearing and propose a Company Voluntary Arrangement ("CVA"). To expedite matters, and on the basis that a petition existed, the Debenture Holder sought the immediate appointment of joint administrators.
- 2 17 On 15 December 2009, Lane Bednash and Mark Reynolds of Valentine & Co, 4 Dancastle Court, 14 Arcadia Avenue, London, N3 2HS, were appointed Joint Administrators of Accura Animal Health PLC ("the Company") by the debenture holder.
- 2 18 The Company's main centre of operations is based in the United Kingdom. The EC Regulation on Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company's centre of main interest is within the UK.
- 2 19 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- 2 20 Rescuing the Company as a going concern, or
- 2 21 Achieving 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



## **Accura Animal Health plc - In Administration**

- 2 22 Realising property in order to make a distribution to one or more secured or preferential creditors
- 2 23 Further information on the pursuance of the above objectives is detailed in the next section

### **3 Administration strategy**

- 3 1 Since the appointment of the Joint Administrators, the Company has not traded. However, the Joint Administrators have had to deal with assets such as investments in subsidiary companies (Tridelta plc and Anvet Pharma Limited) and loans to associated companies (Tridelta Developments Limited and Anvet Pharma Limited)
- 3 2 The Joint Administrators have made enquiries into the financial statuses of Tridelta plc, Anvet Pharma Limited and Tridelta Developments Limited. The enquiries reveal that both Tridelta plc and Anvet Pharma Limited have a negative balance sheet. Tridelta Developments Limited and Anvet Pharma Limited are currently insolvent and, in the event of liquidation, there would be insufficient assets to enable a distribution to the Company.
- 3 3 Therefore, a compromise agreement, subject to contract, has been entered into whereby the shareholding in Tridelta plc is to be assigned and the loan due from Tridelta Developments Limited is to be forgiven, for a total consideration of €20,000 (c. £16,000).
- 3 4 The debenture holder has expressed its wish to invest further in the Company following the approval of the CVA. According to the debenture holder, there is an US organisation that is keen to exploit the opportunities that Accura has developed since incorporation and has expressed willingness to work with the debenture holder to take Accura forwards. However, it has been made clear by the US organisation that no major investment will be made until the successful implementation of a Company Voluntary Arrangement ("CVA").

---

## **Accura Animal Health plc - In Administration**

- 3 5 For this reason, the Joint Administrators are of the opinion that a CVA would be of benefit to the creditors of the Company because it is proposed that unsecured creditors will receive newly issued shares in Accura. This will facilitate the survival of the Company and provide creditors with an opportunity to receive a return on their debt. Any other formal insolvency proceeding is unlikely to generate a return to unsecured creditors.

### **4 Joint Administrators' receipts and payments**

- 4 1 To date, the only receipt has been cash at bank in the sum of £416 76 which has been transferred to the Administrator.

### **5 Financial position of the Company as at 15 December 2009**

- 5 1 Attached as Appendix A is a summary of the Estimated Statement of Affairs of the Company as at the date of the appointment of the Joint Administrators.
- 5 2 This has been updated to reflect more accurate information received by the Joint Administrators since their appointment. In particular, the value of the investment in Tridelta plc and the loan to Tridelta Development Limited is based on a compromise agreement, subject to contract, entered into whereby the shareholding in Tridelta plc is to be assigned and the loan due from Tridelta Developments Limited is to be forgiven, for a total consideration of €20,000 (c. £16,000).
- 5 3 Additionally, the figure for unsecured creditors' claims has been revised in light of claims received.

### **6 Statutory Purpose and Proposals**

- 6 1 The statutory purpose of the Administration is to rescue the Company as a going concern.
-

## **Accura Animal Health plc - In Administration**

- 6 2 The Joint Administrators have considered the various options available to the Company for achieving the purpose of the Administration. On the basis of information received and the alternative options available to creditors, it would appear that a Company Voluntary Arrangement (CVA), if accepted by creditors, will also give a greater return to creditors generally than any of the other options available, such as selling the Company's assets as a going concern or if this is not successful, moving on to selling the assets on a break-up forced sale basis.
- 6 3 A CVA is a formal procedure introduced by Part 1 of the Insolvency Act 1986 which enables a company to agree with its creditors how their debts should be dealt with and in what proportions. It requires the approval of a majority in excess of 75% in value of the creditors voting on the resolution in proxy or in person.
- 6 4 Once approved, it binds all creditors who received notice of the meeting and were entitled to vote at it, whether they actually did vote or not. There are special provisions for valuing the votes of creditors who are connected with the Company.
- 6 5 The Company shall issue new 1p shares at par to each unsecured creditor for each 1p owed, in full settlement of their indebtedness.
- 6 6 Additionally, on the approval of the CVA, the debenture holder has agreed to relinquish a proportion of its security. Currently the debenture holder is owed £1,725,340.09. The sum to be relinquished, £500,000, will rank *pari passu* with the unsecured creditors.
- 6 7 The debenture holder is prepared to relinquish part of its secured claim to enhance the potential returns to the remaining unsecured creditors and, at the same time, enhance the likelihood of future investment from established interested parties.
- 6 8 The debenture holder's unsecured claim (£500,000) will be discharged by the issue of 50,000,000 Ordinary 1p Shares (i.e. at par and *pari passu* with other unsecured creditors). The balance of the claim, being £1,225,340 will remain secured by the debenture.

---

## **Accura Animal Health plc - In Administration**

- 6 9 The Joint Administrators continue to manage the affairs of the Company in order to achieve the intended objective(s)
- 6 10 The Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they considers desirable or expedient to achieve the statutory purpose of the Administration
- 6 11 The creditors to consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction any proposed act on the part of the Joint Administrators without the need to report back to a further meeting of creditors generally, to include making any decision about the most appropriate exit route from the Administration
- 6 12 Other than in their capacity as Nominees of a Company Voluntary Arrangement, the Joint Administrators will not be charging a fee per se The fees of the Nominees are set out in the Proposals for the Company Voluntary Arrangement
- 6 13 In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised to draw remuneration as and when funds are available on account of his time costs
- 6 14 The Joint Administrators be authorised to be paid for disbursements properly incurred in the course of the Administration in accordance with Appendix C
- 6 15 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect

### **7 Joint Administrators' remuneration**

- 7 1 It is proposed that the remuneration of the Joint Administrators will be fixed by reference to time spent and capped at £10,000 These fees are to be paid initially by the debenture holder The debenture holder is to seek an indemnity out of the realisation of assets
-

## **Accura Animal Health plc - In Administration**

7 2 The Joint Administrators' time costs at 3 February 2010 are £13,970. This represents 56.25 hours at an average hourly rate of £248.36. Attached as Appendix B is a Time Analysis in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade to the above date. I propose to draw fees in accordance with the proposals outlined above.

7 3 Attached as Appendix C is additional information in relation to our policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

### **8 Estimated outcome**

8 1 Realisations in the Administration are estimated at £416.76 from cash at bank and the assignment of the shareholding in Tridelta plc and the loan due from Tridelta Developments Limited for a total consideration of €20,000 (c. £16,000). The costs of the Administration are expected to exceed any realisations made and it is therefore anticipated that no distribution will be made to creditors through the Administration. Distribution to unsecured creditors is to be via the issue of new shares through a Company Voluntary Arrangement (see 6.10 above).

### **9 Next report**

9 1 As Joint Administrators, we are required to provide a progress report within one month of the end of the first six months of the Administration.

9 2 The Joint Administrators anticipate that they will be seeking their release within the next 30 days, following the acceptance of the CVA Proposals. A final report will be issued shortly thereafter.

### **10 Meeting of creditors**

10 1 An initial meeting of the Company's creditors is being convened to approve the Joint Administrators' proposals. The meeting will be held on 23 February 2010 at 10.30 am at Valentine & Co, 4 Dancastle Court, 14 Arcadia Avenue, London, N3 2HS.

## **Accura Animal Health plc - In Administration**

For and on behalf of  
Accura Animal Health plc



**Lane Bednash**  
Joint Administrator

Lane Bednash is regulated by the Institute of Chartered Accountants of England and Wales. Mark Reynolds is regulated by the Insolvency Practitioners Association. The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of Accura Animal Health plc and contract on behalf of Ticket Tout Limited without personal liability.

## Appendix A

### ESTIMATED STATEMENT OF AFFAIRS AT 31 JANUARY 2010

	Book Value (£)	Estimated To Realise (£)
<b>Assets</b>		
Investment in Anvet Pharma Limited	700,000	Nil
Investment in Tridelta plc	2,356,487	16,000
Due from Tridelta Development s Limited	206,672	Nil
Due from Anvet Pharma Limited	526,869	Nil
Cash at Bank	416	416
		<u>16,416</u>
<b>Preferential creditors</b>		
None		(0)
		<u>16,416</u>
<b>Floating charge holder</b>		
RIC High Yield Limited		(1,725,340)
		<u>(1,708,924)</u>
<b>Unsecured Creditors</b>		
Trade & Expense Creditors	(1,271,974)	
HM Revenue & Customs – PAYE/NIC	(49,287)	
HM Revenue & Customs – VAT	(3,964)	
		<u>(1,325,225)</u>
Deficit to unsecured creditors		(3,034,149)
Issued & Called Up Capital – 11,826,348 Ordinary Shares at £0.01 each		(1,148,263)
Deficit to members		<u>(4,182,412)</u>

## **Accura Animal Health plc - In Administration**

### **Appendix B**

#### **TIME ANALYSIS - 15 DECEMBER 2009 TO 3 FEBRUARY 2010**

<b>Administration &amp; Planning</b>	Includes case planning, statutory returns, maintenance of bank accounts and estate records, matters relating to tax, general correspondence, legal advice, meetings, employee matters, Court application for extension, legal advice regarding Agency issues
<b>Investigations</b>	Includes Statutory duty of investigation into Company's affairs under Statement of Insolvency Practice (SIP2)
<b>Realisation of Assets</b>	Includes dealing with the sale of the business and the assets of the Company, dealing with Solicitors, collecting book debts
<b>Creditors</b>	Includes correspondence with preferential and unsecured creditors, pensions and employees
<b>Trading</b>	Includes time on site, dealing with matters arising relating to ordering and the supply of goods, completion of WIP, supervision of staff



# Valentine & Co

## TIME & CHARGEOUT SUMMARIES

Accura Animal Health Plc

From 15 Dec 2009 to 3 Feb 2010

### HOURS

Classification Of work Function	Partner	Manager	Other Senior Professional	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	19 00	0 00	22 25	0 00	41 25	9,865 00	239 15
Realisation of Assets	13 00	0 00	2 00	0 00	15 00	4,105 00	273 67
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Fees Claimed £	9,120 00	0 00	4,850 00	0 00		13,970 00	
Total Hours	32 00	0 00	24 25	0 00	56 25		
Average Rate	285 00	0 00	200 00	0 00			

## Appendix C

### ADDITIONAL INFORMATION IN RELATION TO ADMINISTRATORS' FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

#### 1 Policy

Detailed below is Valentine & Co policy regarding

- Staff allocation and the use of subcontractors
- Professional advisors
- Disbursements

##### 1 1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The team will usually consist of a Partner, Manager, Senior and Assistant  
The exact constitution of the case team will depend on the anticipated size and complexity of the assignment

With regard to support staff, time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard.

We have not utilised the services of any subcontractors in this case.

##### 1 2 Professional advisors

We have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Locktons (insurance)	Set scale on estimated realisations

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

### 1 3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement are generally external supplies and incidental services specifically identifiable such as postage, advertising, travel, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements include an element of shared overhead. These are charged as follows. Disbursements are charged as follows - Post appointment creditors circulars including proposal, creditor questionnaire and claims forms £2.25 each, Meeting circulars £1.75 each, Periodic Reports/circulars £1.75 each. Other letters are charged at £1.00 each to include print, postage and stationery. Where postage costs exceed 75p per letter, a charge per letter of £1.00 plus the postage shall be applied. Meeting room hire, where applicable £50.00 per meeting.

Travel charges, where any staff or the office holder utilises their own vehicle, are charged at 40 pence per mile. Other travel charges are recharged at 100% of the fare/cost incurred by the office holder or his staff. Subsistence and any other miscellaneous disbursements, are charged/recharged at 100% of the cost incurred by the office holder or his staff. All of the above costs and rates are exclusive of VAT. Valentine & Co reserve the right to alter their charge-out and disbursement rates without notice from time to time.