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### 1 Company details

Company number 0 5 8 7 8 6 1 2

Company name in full Atlantic Healthcare Plc

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Patrick

Surname Lannagan

### 3 Administrator's address

Building name/number One St Peters Square

Street

Post town Manchester

County/Region

Postcode M 2 3 D E

Country

### 4 Administrator's name ①

Full forename(s) Conrad Alexander

Surname Pearson

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number One St Peters Square

Street

Post town Manchester

County/Region

Postcode M 2 3 D E

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
To date	<sup>d</sup> 3	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3

### 7 Progress report

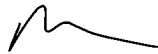
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 3	<sup>d</sup> 0	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Victoria Stewart**

Company name **Mazars LLP**

Address **One St Peters Square**

Post town **Manchester**

County/Region

Postcode **M 2 3 D E**

Country

DX

Telephone **+44 (0)161 238 9200**

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- ☐ You have attached the required documents.
- ☐ You have signed the form.

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## Atlantic Healthcare Plc - In Administration

Joint Administrators' progress report covering the period from 1 May 2023 to 31  
October 2023

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## **Atlantic Healthcare Plc - In Administration ('the Company')**

Joint Administrators' progress report covering the period from 1 May 2023 to 31 October 2023

### **To all known creditors**

#### **1. Introduction**

- 1.1. This report is prepared pursuant to Rule 18.3 and 18.6 of the Insolvency Rules (England and Wales) 2016, the purpose of which is to provide creditors with details of the progress of the Administration covering the six-month period of Administration from 1 May 2023 to 31 October 2023 ('the current period').
- 1.2. Patrick Alexander Lannagan was appointed Joint Administrator of the Company, together with Conrad Alexander Pearson, on 1 November 2022. Mr Lannagan is authorised to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales and Mr Pearson is authorised in the UK by the Insolvency Practitioners Association.
- 1.3. The report should be read in conjunction with the Joint Administrators' proposals issued to creditors on 17 November 2022 and our previous report issued to creditors on 31 May 2023.
- 1.4. The purpose of the Administration is to achieve a better result of the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 1.5. The initial period of Administration was extended by 12 months to 31 October 2024 with consent from the creditors.
- 1.6. The Company is the parent in a group of companies collectively known as the Atlantic Healthcare Group. The subsidiaries include Atlantic Pharmaceuticals Limited ('APL'), Atlantic Clinica Limited, Atlantic Pharmaceuticals (Holdings) Limited and Atlantic Healthcare Europe BV. It should be noted that with the exception of Atlantic Pharmaceuticals Limited, none of the other Group companies have entered into an insolvency process.
- 1.7. Identification details regarding the Company and the Administrators are attached at Appendix A.

#### **2. Joint Administrators' Receipts and Payments**

- 2.1. A summary of receipts and payments covering the period from 1 May 2023 to 31 October 2023 is provided at Appendix B. The receipts and payments account also covers the cumulative period from the date of appointment to 31 October 2023. A comparison of the estimates provided in the Directors' Statement of Affairs to actual realisations made to date is also provided.
- 2.2. There is currently a balance in hand of £29,785.30 and recoverable VAT of £17,107.05; these funds are held at Lloyds Bank plc in an interest-bearing account.
- 2.3. Further details of the realisations and expenses paid is provided below.

## 3. Asset Realisations and Details of Progress

### 3.1. Connected Party Transactions – Sales of Investment Assets

3.1.1. Creditors will recall from previous reports that through its two wholly owned subsidiaries, Atlantic Pharmaceuticals (Holdings) Limited ('Holdings') and Atlantic Clinica Limited ('Clinica'), early and mid-stage biotech development companies (together "the Investment Assets"), Atlantic Healthcare Plc owns the global rights to Alicaforsen and we understand that Clinica entered into an agreement with which they acquired the rights to the pharmaceutical product containing Renzapride and associated pre-clinical and clinical development data.

3.1.2. The Administrators commenced a marketing process in relation to the shares in these Investment Assets with support from their solicitors, Gateley plc ('Gateley'), and former employees and directors of the Company in view of their detailed knowledge as previously reported.

#### 3.1.3. *Alicaforsen*

Alicaforsen was initially developed for the treatment of Gastro-Intestinal and Inflammatory Bowel Disease and has since been re-positioned to exploit significant new opportunities for the treatment of Checkpoint Inhibitor Induced Colitis (CICM). Extensive work had been undertaken on the development of clinical IP and safety data for this drug.

The Administrators marketed the opportunity to acquire the shares in Holdings, the subsidiary which holds the rights to Alicaforsen. During the current period, the Administrators received one offer for the Company's shares in Holdings from Bensen Pharma Limited ('Bensen') (CRN: 14844370) whose registered office is at Ruffles Barn, Brookside, Dalham, Newmarket, Suffolk, CB8 8TG. Bensen is a connected party pursuant to sections 249 and 435 of the Insolvency Act 1986 as the sole director and shareholder of Bensen, Andrew Boyce is a former director and a shareholder of the Company.

The sale of the entire issued share capital of Holdings to Bensen was completed on 8 June 2023. The consideration payable by Bensen comprises an initial payment of £53,800 on completion with a further deferred amount of £200,000 becoming payable if certain conditions relating to the completion of successful trials and additional fund-raising are satisfied by Bensen within a period of 24 months of completion.

The initial sum of £53,800 was received into Gateley's client account on completion, and subsequently transferred into the Administration estate on 9 June 2023. Bensen has also paid a contribution of £4,587 towards patent attorney advisor costs associated with Holdings and this amount was also received on completion.

In accordance with Statement of Insolvency Practice 13, when a connected party sale is being considered, the Administrators are required to consult with a creditors' committee where one has been appointed. As no committee has been formed, this was not possible. The Administrators proceeded with the connected party sale as no other offers were received or were anticipated to be received from the interest generated, on the basis that it provides the best outcome for the benefit of the Administration estate.

Gateley were instructed to assist with the drafting of the agreement and liaising with the Company's patent attorney advisors. Gateley were instructed as they are experienced both in

insolvency matters and in dealing with life sciences intellectual property. Their fees have been agreed on a time cost basis. Further details are provided in Appendix D.

#### 3.1.4. *Renzapride*

Renzapride has been developed to treat gastro-intestinal motility disorders and carries the potential to move into new clinical indications where GI side effects are prevalent (cystic fibrosis, Parkinson's gastroparesis, and systemic scleroderma).

The Administrators marketed the opportunity to acquire the shares in Clinica, the subsidiary which holds the rights to Renzapride. During the current period, the Administrators received one offer for the Company's shares in Clinica from Parker Davies Investments Limited ('Parker') (CRN: 14877442) whose registered office is at c/o Ashcroft LLP, Stone Cross, Trumpington Street, Trumpington, Cambridge, CB2 9SU. Parker is a connected party pursuant to sections 249 and 435 of the Insolvency Act 1986 as the sole director and shareholder of Parker, Tobias Wilson Waterworth is a former director of the Company.

The Company acting by its Administrators entered into an option agreement ('OA') with Parker on 9 June 2023 for the potential sale to Parker of the entire issued share capital of Clinica. In accordance with the OA, the consideration of £1 was paid to the Administrators to secure a 12-month period of exclusivity in which Parker has the option to purchase Clinica's shares. If Parker exercises its option to purchase Clinica's shares within this period, then the Company acting by its Administrators will enter into a sale agreement with Parker and further consideration will be payable to the Administration estate. If the option is not exercised, the agreement will be terminated.

In accordance with Statement of Insolvency Practice 13, when a connected party sale is being considered, the Administrators are required to consult with a creditors' committee where one has been appointed. As no committee has been formed, this was not possible. The Administrators proceeded with the connected party transaction as no other offers have been received or are anticipated, on the basis that if the option is exercised, it provides the best outcome for the benefit of the Administration estate.

Gateley were also instructed to assist with the preparation of the OA. Gateley were instructed as they are experienced in insolvency matters and in dealing with life sciences intellectual property. Their fees have been agreed on a time cost basis. Further details are provided in Appendix D.

### 3.2 **Unconnected Party Transactions**

The following asset realisations have been progressed.

#### 3.3. **Cash at Bank**

- 3.3.1. As previously reported, the Company operated a bank account with NatWest Bank plc ('NatWest') and the sum of £35,197 was remitted to the Administration estate in the previous period. Following a review of the Company's records, it transpired that the sum of £32,687 relating to a pre-appointment VAT refund due to the Group (further details are noted below) was included in the amount transferred to the Administration estate; accordingly, we have re-allocated these funds to the pre-appointment VAT refund asset.

#### 3.4. **Pre-Appointment VAT Refund**

3.4.1. The Company is part of a VAT Group registration of which the Company is the representative member. As noted in 3.3 above, the sum of £32,687 was received by the Company prior to our appointment and transferred to the Administration estate from NatWest as cash at bank. These funds relate to the Group's final VAT quarter to 30 September 2022. Of the refund transferred to the Administration, the sum of £28,304 is due to the Company and the remaining amount of £4,382 is due to APL, another VAT Group member. This sum has been transferred to the Liquidation estate of APL on 1 September 2023.

3.4.2. Additionally, in the final period to the date of the Administration, there is a further net VAT refund in the sum of £1,241 due to the Company. During the current period, the Group's final VAT return for the period of 1 October 2023 to 31 October 2023 was submitted to HM Revenue & Customs ('HMRC'); no funds have been received to date.

## 3.5. **Tangible Assets**

3.5.1. There are some items of IT equipment, comprising laptops and mobile phones, which are currently held by former employees of the Company. The Administrators instructed JPS Chartered Surveyors ('JPS') to prepare a valuation of the Company's IT equipment and collectively, this is confirmed at £1,450.

3.5.2. As previously reported, the Joint Administrators required the assistance from some former employees with locating electronic records from the Company's IT equipment to assist with the sales of the Investment Assets. As the sales have now completed and no further assistance is required, the Joint Administrators have instructed JPS to coordinate the collection of the IT equipment from the former employees.

3.5.3. During the current period, no assets have been collected from former employees. An update will be provided in the next report.

## 4. **Assets still to be realised**

Assets still to be realised comprise:

### 4.1. **Investment Assets**

#### 4.1.1. *Alicaforsen*

As noted in section 3.1.3, the sale of the Company's shares in Holdings completed to Bensen under an agreement dated 8 June 2023. Creditors will note that a further deferred amount of £200,000 is payable by Bensen to the Joint Administrators if certain conditions relating to the completion of successful trials and additional fund-raising are satisfied by Bensen within a period of 24 months of completion. An update will be provided regarding this matter in future reports to creditors.

#### 4.1.2. *Renzapride*

As noted in section 3.1.4, the OA with Parker dated 9 June 2023 allows a 12-month period of exclusivity for a potential sale to Parker of Clinica's shares held by the Company. If Parker exercises its option and proceeds to purchase Clinica's shares, then the Company acting by its Administrators will enter into a sale agreement with Parker and further consideration will be payable to the Administration estate. Further details regarding this matter will be provided in future reports to creditors.



## **4.2. Pre-Appointment VAT Refund**

- 4.2.1. As noted in section 3.4, the Company is due a VAT refund totalling £1,241 for the pre-appointment period covering 1 October 2023 to 31 October 2023. An update will be provided in the next report to creditors.

## **4.3. Tangible Assets**

- 4.3.1. As noted in section 3.5, JPS are assisting in coordinating the collection of the IT equipment from former employees. Since the end of the reporting period, JPS has collected in a number of mobile phones from the former employees.
- 4.3.2. The collection of the remaining IT equipment from the former employees will continue with a view to realising these for the benefit of the Administration estate. Further details will be provided in the next report to creditors.

## **5. Estimated Outcome Statement ('EOS')**

- 5.1. An estimate of the outcome of the Administration is attached at Appendix C.
- 5.2. Although the EOS reflects an uncertain outcome, based on expected realisations and payments, it is anticipated that there will be sufficient realisations to pay a distribution to preferential creditors. The outcome to unsecured creditors is dependent on the level of future realisations achieved from the sale of the Investment Assets, which is conditional on certain external factors as noted earlier in this report. An update will be provided in our future reports to creditors.
- 5.3. Further details on the expected outcome for each class of creditor is provided below.

## **6. Liabilities**

### **6.1. Secured Creditors**

- 6.1.1. As far as the Administrators are aware, the Company has not granted any form of security over its assets, thus there are no secured creditors in this matter.

### **6.2. Preferential Creditors**

- 6.2.1. Preferential claims arise from arrears of wages and accrued, unpaid holiday pay due to the former employees of the Company who did not receive their full entitlements on redundancy, prior to the Administration.
- 6.2.2. In the period prior to Administration, the Company had two employees remaining on the Company payroll, one of whom was a non-executive director receiving remuneration under a service agreement and holds no preferential claim in the Administration. The other employee was made redundant prior to the Administration.
- 6.2.3. Preferential claims are estimated to be in the region £2,660 and include unpaid wages totalling £572 and accrued unpaid holiday pay totalling £2,088. The employee has submitted their claim for these entitlements to the Redundancy Payments Service ('RPS') for payment in the first instance from the National Insurance Fund up to the statutory limit of £571 per week. The RPS will have a subrogated preferential claim in the Administration for the claims its

discharges. The employee may have claims for unpaid wages and holiday pay in excess of this statutory limit paid by the RPS.

6.2.4. The Company operated a pension scheme with Royal London. As previously advised, the Administrators instructed pension advisors, SP Insolvency Limited to assist in complying with any statutory or reporting requirements and to assess the level of pre-Administration arrears of contributions. Following a period of investigation and reconciliation, an RP15 claim was submitted to the RPS in respect of the unpaid contributions due to the pension scheme with Royal London. The claim to Royal London comprises of employer's contributions only and is therefore not a preferential claim.

6.2.5. Although the quantum of future realisations relating to the investment assets is uncertain, it is anticipated that there will be a return available to preferential creditors. At this stage, the Administrators are not able to estimate the level of return and an update will be provided in future reports to creditors.

## 6.3. **Secondary Preferential Creditor – HM Revenue & Customs**

6.3.1. Under the Finance Act 2020, where a Company enters into a formal insolvency procedure on or after 1 December 2020, HMRC will be entitled to preferential status as a creditor in respect of claims for outstanding VAT, PAYE, Employee NICs, student loan deductions and CIS scheme deductions. These claims will have secondary preferential status and will sit behind the preferential claims of employees. HMRC claims in respect of Corporation Tax and Employers' NICs continue to comprise unsecured claims.

6.3.2. According to the Directors' Statement of Affairs, it is estimated that £182 is owed to HMRC in respect of their preferential status; however, no claim has been received from HMRC to date. It is possible that this claim will be discharged by Crown set-off against the pre-appointment VAT refund due.

6.3.3. Although the quantum of future realisations relating to the investment assets is uncertain, it is anticipated that there will be a return to HMRC in respect of its preferential claim in the event that it is not settled by Crown set-off. An update will be provided in future reports to creditors.

## 6.4. **Unsecured Creditors**

6.4.1. According to the Directors' Statement of Affairs, the Company had 14 unsecured creditors with debts totalling £304,041. Claims received to date total £279,818 from 8 creditors.

6.4.2. As set out above, the outcome to unsecured creditors is uncertain as this is dependent on the level of future realisations achieved from the sale of the Investment Assets. An update will be provided in future reports to creditors.

## 7. **Prescribed Part**

7.1. In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £800,000, where the first ranking floating charge was created on or after 6 April 2020 (£600,000 if created before then). Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

7.2. As there is no floating charge, the Prescribed Part does not apply in this instance.

## 8. Investigations

8.1. As advised in our previous reports, under the Company Directors Disqualification Act 1986, the Joint Administrators are required to investigate the affairs of the Company and the conduct of the directors during the three years prior to the Administration. The Joint Administrators can confirm that this obligation has been complied with and a confidential report was submitted to the Insolvency Service on 31 January 2023.

8.2. In accordance with Statement of Insolvency Practice 2, the Joint Administrators also carried out an initial assessment to identify any actions which may lead to recoveries in the Administration and to consider any further investigations which may be required. Following our detailed review, no further assets or actions were identified which would lead to a recovery for creditors.

8.3. Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations or be aware of any matters which they believe should be brought to the attention of the Administrators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

## 9. Pre-Administration Costs

9.1. The pre-Administration costs incurred total £3,806.20 plus VAT. These costs were incurred before the Company entered Administration but with a view to it doing so. Confirmation and approval to pay these costs as an expense of the Administration was obtained from creditors on 21 June 2023.

9.2. A summary of the costs incurred split by firm and paid in the current period is provided in the table below:

Recipient	Amount incurred (£)	Amount paid (£)	Outstanding Costs (£)
Mazars LLP:			
- Fees	1,256.20	1,256.20	Nil
Gateley Plc:			
- Fees	2,500.00	2,500.00	Nil
- Disbursements	50.00	Nil	50.00
<b>Total</b>	<b>3,806.20</b>	<b>3,756.20</b>	<b>50.00</b>

9.3. A detailed narrative in relation to the pre-Administration costs incurred was included in the Joint Administrators' Proposals and is not replicated here.

## 10. Joint Administrators' Remuneration

10.1. A decision was made by the creditors by correspondence on 21 June 2023, enabling the Joint Administrators to draw remuneration by reference to the time properly spent by the

Administrators and their staff in dealing with the matters arising during the Administration, subject to the Fees Estimate of £240,858.76 plus VAT, issued to creditors on 31 May 2023.

- 10.2. Appendix E1 provides a comparison of the Joint Administrators' Fees Estimate to actual time costs in the current period which total £57,008.16 plus VAT representing 157.60 hours at an average hourly rate of £361.73. The Joint Administrators' cumulative time costs since appointment to 31 October 2023 total £204,691.92 plus VAT, representing 576.50 hours at an average hourly rate of £355.06.
- 10.3. Appendix E2 provides a narrative summary of the Joint Administrators' time costs, which (in addition to section 3) provides further information on the work carried out during the current reporting period, why the work was necessary and whether the work has provided a financial benefit to creditors. The charge out rates relevant to the current period are set out at Appendix E3 in the firm's Rates and Expenses policy.
- 10.4. As at 31 October 2023, an amount of £20,000 plus VAT has been drawn against the Joint Administrators' time costs in respect of the Administration, all of which has been drawn during the current period.
- 10.5. Based on the current level of time costs and expected future work for the completion of the Administration, it is expected that the Joint Administrators' total time costs will exceed the approved Fees Estimate of £240,858.76 plus VAT. However, at this stage, the Joint Administrators do not propose to seek approval for any amounts in excess of the Fees Estimate.
- 10.6. Details of the future work anticipated to be carried out by the Joint Administrators includes:
  - Realisation of the remaining assets as detailed in section 4 of the report;
  - Obtaining HMRC's claim in the Administration;
  - Adjudication of preferential claims and the payment of a dividend;
  - Applying to Court for an Extension Order to further extend the period of Administration;
  - Seeking approval from creditors in respect of the Joint Administrators' discharge from liability;
  - Reporting and statutory and compliance functions;
  - Tax and VAT compliance, including preparing tax computations and returns in respect of the Administration period and seeking final tax clearance prior to closure; and
  - Closure of the Administration.

## 11. Expenses

- 11.1. Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.
- 11.2. Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).
  - **Category 1 expenses:** These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.

- **Category 2 expenses:** These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- 11.3. Details of all expenses incurred during the period of the report and likely future expenses are provided in the Expenses Statement at Appendix D. This also includes details of the Initial Expenses Estimate, for comparison purposes. For an explanation as to why the expenses have been or will be incurred, creditors may refer to our previous report in which this level of detail is set out.
- 11.4. Further details of expenses paid during the period of the report are shown in the receipts and payments account at Appendix B.
- 11.5. The Joint Administrators have reviewed the expenses incurred to date and they are satisfied that they are fair and reasonable and proportionate in the circumstances of the case.
- 11.6. **Category 2 Expenses**
- 11.6.1. As noted above, Category 2 Expenses require approval in the same manner as an office holder's remuneration before being paid.
- 11.6.2. A decision was made on 21 June 2023 by creditors in agreement of the anticipated Category 2 expenses. Details of the expenses incurred in the period is available in the attached Expenses Estimate. There have been no Category 2 expenses incurred or paid during the current reporting period.

## 12. Creditors' Rights

### 12.1. Further Information

- 12.1.1. Pursuant to Rule 18.9 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the Court, may, within 21 days of receipt of this progress report, ask the Administrators for further information about the remuneration and expenses set out in this progress report.

### 12.2. Apply to Court

- 12.2.1. Additionally, pursuant to Rule 18.34 of the Insolvency (England and Wales) Rules 2016, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the Court may, within 8 weeks of the receipt of this progress report, apply to the Court on one or more of the following grounds:
- a. That the remuneration charged by the Joint Administrators, or
  - b. That the basis fixed for the Joint Administrators' remuneration, or
  - c. That the expenses incurred by the Joint Administrators,
- is in all of the circumstances, excessive or inappropriate.

### 12.3. Further Guidance

- 12.3.1. Creditors can find additional information on their rights relating to Administrators' fees in a copy of the publication "Administration: A Guide for Creditors on Insolvency Practitioner

Fees", which is available to download from <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/> or alternatively will be provided free of charge upon written request to this office.

## 13. Data Protection

- 13.1. Where the Administrators hold or require personal data they will only do so in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: [www.mazars.co.uk/Legal-and-privacy](http://www.mazars.co.uk/Legal-and-privacy).

## 14. Ending the Administration

- 14.1. The appointment of the Joint Administrators shall cease to have effect at the end of the period of one year beginning with the date of their appointment. However, pursuant to para 76 of Schedule B1 of the Insolvency Act, 1986 this may be extended by either:
- an application to Court for a specified period, or
  - by consent of the creditors for a specified period not exceeding one year.
- 14.2. The period of Administration has already been extended to 31 October 2024 by the approval of creditors on 5 October 2023. Due to the uncertain timescale that may be required to complete the future realisations of the Investment Assets, the Administrators expect it is likely that a Court application will be required to extend the period of Administration further.
- 14.3. As the level of future realisations is currently uncertain, the exit route is not yet determined. The approved Proposals permit that the Administration may convert to a Creditors' Voluntary Liquidation ('CVL') if there are sufficient funds available to pay a distribution to unsecured creditors. Should this be the case, the Administrators will provide a final report and file a notice under Paragraph 83 of Schedule B1 of the Insolvency Act 1986 to move the Company from Administration to Creditors Voluntary Liquidation. Alternatively, in the event that there are insufficient funds to pay a distribution to unsecured creditors, the Administrators are permitted to exit the Administration via the dissolution route by filing a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986.



**Patrick Lannagan**  
Joint Administrator

**Dated 30 November 2023**

*Authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales and bound by the Insolvency Code of Ethics. Where personal data is required to be processed, this will be dealt with in accordance with the Mazars LLP Insolvency Services Privacy Statement which can be accessed at: [www.mazars.co.uk/Legal-and-privacy](http://www.mazars.co.uk/Legal-and-privacy). The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and without personal liability*

### Atlantic Healthcare Plc - In Administration

#### Identification Details

##### Details relating to the Company

<b>Company name</b>	Atlantic Healthcare Plc
<b>Previous names</b>	N/A
<b>Trading name</b>	N/A
<b>Company number</b>	05878612
<b>Registered office</b>	c/o Mazars LLP, One St Peter's Square, Manchester, M2 3DE
<b>Trading address</b>	1 St. James Court, Whitefriars, Norwich, NR3 1RU
<b>Court</b>	High Court of Justice, Business & Property Courts in Manchester, Company & Insolvency List
<b>Court reference</b>	CR-2022-MAN-000989

##### Details relating to the Joint Administrators

<b>Date of appointment</b>	1 November 2022
<b>Joint Administrators</b>	Patrick Alexander Lannagan and Conrad Alexander Pearson, both of Mazars LLP
	IP No(s) 009590 and 014732
<b>Joint Administrators' functions</b>	All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone
<b>Joint Administrators' address</b>	Mazars LLP, One St Peter's Square, Manchester, M2 3DE
<b>Appointed by</b>	The Directors
<b>Joint Administrator's contact telephone number</b>	+44 (0)161 238 9200

**Atlantic Healthcare Plc - In Administration**  
**Joint Administrators' Summary of Receipts & Payments Account**

Statement of Affairs £		From 01/05/2023 To 31/10/2023 £	From 01/11/2022 To 31/10/2023 £
	ASSET REALISATIONS		
150.00	Tangible Assets	NIL	NIL
NIL	Investment Interests	53,801.00	53,801.00
29,545.27	VAT Refund Pre Appointment	(4,382.42)	28,304.23
Uncertain	Group Debtor	NIL	NIL
11,680.42	Prepayments	NIL	1,405.85
85,912.48	Cash at Bank	NIL	54,654.10
	Contribution Towards Patent Attorney Costs	4,587.41	4,587.41
	Bank Interest Gross	642.45	1,054.95
		<u>54,648.44</u>	<u>143,807.54</u>
	COST OF REALISATIONS		
	Pre-Administration Costs	3,756.20	3,756.20
	Pension Advisor Fees	NIL	220.00
	Companies House Charges	NIL	750.00
	Statement of Affairs Fee	NIL	1,726.47
	Joint Administrators' Fees	20,000.00	20,000.00
	Joint Administrators' Disbursements	1,167.82	1,167.82
	Accountancy Fees	114.25	575.16
	Data Room Hosting Charges	NIL	5,524.50
	Property Rights/Patents Costs	NIL	3,800.00
	IT Services & Support	2,638.80	6,376.40
	Legal Fees	27,512.00	43,112.00
	Patent Attorney Fees	3,822.84	5,494.84
	Consultancy Fees	NIL	3,300.00
	Statutory Advertising	NIL	103.50
	Insurance of Assets	NIL	1,008.00
	Bank Charges	0.20	0.30
		<u>(59,012.11)</u>	<u>(96,915.19)</u>
	PREFERENTIAL CREDITORS		
(2,660.00)	Employees Wage Arrears & Holiday Pay	NIL	NIL
(182.00)	HM Revenue & Customs	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	UNSECURED CREDITORS		
(93,205.05)	Trade & Expense Creditors	NIL	NIL
(73,913.00)	Employees	NIL	NIL
(18,921.00)	Accruals	NIL	NIL
(118,002.00)	Guarantee Claim	NIL	NIL
(73,913.00)	Employee Claims	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(29,740,115.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(29,993,622.88)</u>		<u>(4,363.67)</u>	<u>46,892.35</u>
	REPRESENTED BY		
	Current Account		29,785.30
	VAT Control Account Float		4,748.68
	VAT Receivable		12,358.37
			<u>46,892.35</u>



**Atlantic Healthcare Plc - In Administration**  
**Estimated Outcome Statement at 31 October 2023**

	<b>Realised To Date £</b>	<b>Future Realisations £</b>	<b>Estimated to Realise £</b>
<b>Asset Realisations</b>			
Tangible Assets	0	1,450	1,450
Investment Interests	53,801	Uncertain	Uncertain
Contribution Towards Patent Attorney Costs	4,587	0	4,587
VAT Refund Pre-Appointment	28,304	1,241	29,545
Cash at Bank	54,654	0	54,654
Group Debtor	0	0	0
Prepayments	1,406	0	1,406
Other Income	1,055	0	1,055
	<b>143,807</b>	<b>Uncertain</b>	<b>Uncertain</b>
<b>Costs of Realisation</b>			
Preparation of Statement of Affairs	(1,726)	0	(1,726)
Pre-Administration Costs	(3,756)	(50)	(3,806)
Joint Administrators' Fees	(20,000)	(220,859)	(240,859)
Joint Administrators' Disbursements	(1,168)	(1,000)	(2,168)
Agents Fees	0	(1,357)	(1,357)
Property Rights/Patents Costs	(9,295)	0	(9,295)
IT Services & Support	(6,376)	(50)	(6,426)
Legal Fees	(43,112)	(28,758)	(71,870)
Consultancy Fees	(3,300)	0	(3,300)
Storage Costs	0	(8,378)	(8,378)
Insurance of Assets	(1,008)	(168)	(1,176)
Accountancy Fees	(575)	0	(575)
Other Costs	(6,599)	(265)	(6,864)
<b>Available to Preferential Creditors</b>	<b>46,892</b>	<b>Uncertain</b>	<b>Uncertain</b>
Preferential Creditors (Wages Arrears & Holiday Pay)	0	(2,660)	(2,660)
Secondary Preferential Creditors (HMRC)	0	(182)	(182)
<b>Available to Non-Preferential creditors</b>	<b>46,892</b>	<b>Uncertain</b>	<b>Uncertain</b>
<i>Unsecured creditors</i>			
Trade & Expense Creditors			(93,205)
HM Revenue & Customs			0
Accruals			(18,921)
Guarantee Claim			(118,002)
Employee Claims			(73,913)
Shortfall as regards unsecured creditors			<b>Uncertain</b>
<b>Dividend Rate to Creditors (pence in the £)</b>			<b>Uncertain</b>

*Figures are shown before costs of agreeing claims, interest, taxation and bank charges*

Atlantic Healthcare Plc - In Administration  
Statement of Expenses for the period ended  
31 October 2023

Type of Expenditure	Incurred in current period £	Initial Expense Estimate £	Incurred in previous period £	Estimated future expenses to closure of case £	Revised Expenses Estimate £
<b>Category 1 Expenses</b>					
<b>Professional Advisors' Costs:</b>					
Legal fees and disbursements	16,462.50	50,408.00	40,407.50	15,000.00	71,870.00
Agent's fees and disbursements	27.24	1,357.25	250.00	1,080.00	1,357.24
Pension Advisor Fees	265.00	485.00	220.00	0.00	485.00
Accountancy Fees	114.25	575.16	460.91	0.00	575.16
Preparation of Statement of Affairs	0.00	1,726.47	1,726.47	0.00	1,726.47
Consultancy Fees	0.00	3,300.00	3,300.00	0.00	3,300.00
Patent Attorney Fees	3,822.84	1,672.00	1,672.00	0.00	5,494.84
<b>Other Expenses:</b>					
Corporation tax	0.00	0.00	0.00	0.00	0.00
Statutory advertising	0.00	103.50	103.50	0.00	103.50
Insurance of assets	504.00	672.00	504.00	168.00	1,176.00
Companies House Charges	0.00	750.00	750.00	0.00	750.00
Data Room Hosting Charges	0.00	5,524.50	5,524.50	0.00	5,524.50
Property Rights/Patents Costs	0.00	3,800.00	3,800.00	0.00	3,800.00
IT Services & Support	2,688.80	5,056.60	3,737.60	0.00	6,426.40
Bank Charges	0.20	0.70	0.10	0.00	0.30
Storage costs	3,243.00	6,846.67	5,135.00	0.00	8,378.00
<b>Joint Administrators' disbursements:</b>					
Postage	55.50	1,827.82	827.82	944.50	1,827.82
Specific bond premiums	0.00	185.00	185.00	0.00	185.00
Marketing costs	0.00	155.00	155.00	0.00	155.00
<b>Total Category 1 Expenses</b>	<b>27,183.33</b>	<b>84,445.67</b>	<b>68,759.40</b>	<b>17,192.50</b>	<b>113,135.23</b>
<b>Category 2 Expenses</b>					
Mileage	0.00	0.00	0.00	0.00	0.00
<b>Total Category 2 Expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Mazars LLP Remuneration</b>					
Pre-Administration costs	0.00	3,806.20	3,806.20	0.00	3,806.20
Joint Administrators' remuneration	57,008.16	240,858.76	147,683.76	36,166.84	240,858.76
<b>Total Mazars LLP Remuneration</b>	<b>57,008.16</b>	<b>244,664.96</b>	<b>0.00</b>	<b>36,166.84</b>	<b>93,175.00</b>
<b>Total</b>	<b>84,191.49</b>	<b>329,110.63</b>	<b>220,249.36</b>	<b>53,359.34</b>	<b>357,800.19</b>

**Atlantic Healthcare Plc - In Administration**  
**ANALYSIS OF TIME COSTS AND COMPARISON TO FEES ESTIMATE**

The following table provides details of the Joint Administrators' actual time costs incurred in the current reporting period compared to the estimated costs as per the Fees Estimate. The table also includes the cumulative period from 1 November 2022 to 31 October 2023, which provides details of the Joint Administrators' total time costs since appointment.

Further information on the work undertaken in the current reporting period, including an explanation as to why the various tasks were required and whether the work provides a financial benefit to creditors is provided within the narrative summary of work undertaken by the Joint Administrators at Appendix E2.

Creditors will note that a blended hourly charge-out rate has been provided. This is calculated as the prospective average cost per hour based upon the estimated time to be expended by each grade of staff at their specific charge out rate. Details of the hourly rates of staff anticipated to work on this case can be found on the Rates and Expenses policy attached to this report. Please note that where total costs do not equate to the total time at the blended hourly rate, this is due to rounding.

Description of Work	Revised Fees Estimate			Actual time costs for the period 1 May 2023 to 31 October 2023			Cumulative time costs for the period 1 November 2022 to 31 October 2023		
	Total Time (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)	Time incurred (hours)	Total Costs (£)	Blended Hourly Rate (£)
Admin & Planning	54.10	18,430.00	340.67	13.90	4,067.50	292.63	49.50	15,122.50	305.51
Taxation	43.60	18,983.76	435.41	17.20	5,770.01	335.47	35.30	14,491.27	410.52
Investigations	73.10	22,885.00	313.06	15.60	5,313.75	340.63	74.20	22,373.75	301.53
Realisation of Assets	219.10	91,032.50	415.48	46.90	21,380.00	455.86	215.00	89,662.50	417.03
Employees	19.20	6,555.00	341.41	2.30	780.00	339.13	18.30	6,135.00	335.25
Creditors	40.80	13,842.50	339.28	9.00	2,882.50	320.28	32.80	10,250.00	312.50
Reporting	63.90	24,097.50	377.11	19.40	6,098.75	314.37	42.30	14,221.25	336.20
Distributions	5.60	2,235.00	399.11	0.00	0.00	0.00	0.10	35.00	350.00
Cashiering	69.40	21,375.00	308.00	21.40	6,078.15	284.03	59.80	15,890.65	265.73
Statutory & Compliance	60.30	21,422.50	355.27	11.90	4,637.50	389.71	49.20	16,510.00	335.57
<b>Totals</b>	<b>649.10</b>	<b>240,858.76</b>	<b>371.07</b>	<b>157.60</b>	<b>57,008.16</b>	<b>361.73</b>	<b>576.50</b>	<b>204,691.92</b>	<b>355.06</b>

## NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS FOR THE PERIOD 1 MAY 2023 TO 31 OCTOBER 2023

### Introduction

The summary provides a proportionate overview of the work carried out in light of the specific circumstances of the case and includes details of the work that has been done during the period, why it was done and whether the work provides a financial benefit to creditors.

This summary should be read together with the Time Costs Analysis at Appendix E1. The costs incurred in relation to each category are set out in the attached Time Cost Analysis.

### Administration and planning

The following work has been undertaken:

- Preparing case strategy notes;
- Ongoing strategy meetings with team members and solicitors;
- Managing and maintaining the case on the Firm's client systems and our specialist insolvency software system;
- Documenting decisions for the case file; and
- Electronic filing.

It is not expected that this work will result in a direct financial benefit for creditors. However, appropriate case administration and planning ensures that the case is managed coherently and efficiently, with minimisation of costs and avoidance of duplication of work. A clear case strategy and strong internal processes aid to add value through the efficient management of the case. This work is also required in order to appropriately document and record how the case has been administered in accordance with regulatory requirements.

### Taxation

The following activities were undertaken in order to ensure the Company is compliant with tax requirements:

- Finalising the reviews on the Company's VAT & Tax positions following the sale/potential sale of the Investment Assets;
- Preparing post-appointment Corporation Tax and VAT returns, as required by statute;
- Corresponding with HMRC to obtain a paper VAT100 return for the final pre-Administration period;
- Finalising the pre-Administration VAT account for the Group;
- Recovering VAT incurred on Administration costs, where appropriate;
- Liaising with HMRC regarding the VAT group registration and penalties received; and
- Deregistering the Company from VAT.

There may be a direct financial benefit to creditors in performing some of these tasks, such as any pre-Administration VAT recovery that is not subject to Crown set-off. Finalising the pre-Administration position of the Company over all heads of taxes will assist HMRC in finalising their claim. Certain aspects of this work are required by statute.

### Investigations

Investigations are required in accordance with Statement of Insolvency Practice 2, so as to identify whether any assets have been dissipated and what recoveries can be made so as to enhance the funds available to distribute. They also assist with Joint Administrators' duty under the Company Directors Disqualification Act 1986. Work undertaken in this category includes:

- Liaising with the solicitors regarding a lien held in respect of the Company's records;
- Reviewing the Company's records in relation to matters highlighted by the Company's creditors and shareholders and reviewing with advisors where appropriate;
- Strategy meetings with team members and solicitors; and
- Documenting decisions for the case file.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure compliance with statutory duties.

### Realisation of Assets

The work undertaken in respect of the realisation of the Company's assets is detailed in Section 3 of the report. In addition to the information provided in Section 3, the following has been carried out:

- Liaising with patent attorney advisors regarding the Company's patent applications;
- Liaising with interested parties and locating information from the Company's records to assist with the due diligence exercise;
- Finalising the sales process of the Investment Assets, including managing the data room and liaising with solicitors regarding the sale agreement and option agreement;
- Completing the sale of the shares held in Atlantic Pharmaceuticals (Holdings) Limited to Bensen Pharma Limited;

## NARRATIVE SUMMARY OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS FOR THE PERIOD 1 MAY 2023 TO 31 OCTOBER 2023

- Completing an option agreement in relation to the potential purchase of the shares held in Atlantic Clinica Limited to Parker Davies Limited;
- Liaising with the purchaser, potential purchaser & storage providers regarding the transfer of the Company's records relating to the Investment Assets;
- Instructing agents to collect, market & sell the Company's IT equipment;
- Liaising with former employees regarding the Company's IT equipment; and
- Liaising with insurers regarding ongoing cover requirements.

The work undertaken has added value for the benefit of creditors by enabling the realisation of funds in the estate. The costs associated with the recovery are considered appropriate in the circumstances.

### **Employees**

In the period prior to the Administration, the Company had two employees remaining on the Company's payroll, both of which were made redundant by 1 November 2022. The Company also operated a pension scheme. Work undertaken in order to ensure that employee claims have been dealt with appropriately includes:

- Dealing with employee queries as they arise; and
- Submission of a RP15 claim in respect of unpaid pension contributions and closure of the Royal London pension scheme, with the assistance of SP Insolvency Limited.

There is a financial benefit to creditors in carrying out this work as it assists staff in obtaining their entitlements on redundancy and the pension scheme in recouping arrears of contributions from the RPS. The work also enables the accurate adjudication of preferential claims for dividend purposes.

### **Creditors**

HMRC have a preferential claim in the Administration and work required to finalise the Company's tax position is set out under taxation. In accordance with the Directors' Statement of Affairs, there are approximately 14 unsecured creditors and 2 preferential creditors (including HMRC). In order to ensure that creditors are dealt with appropriately, the following work has been undertaken:

- Maintaining and updating the Creditor Portal;
- Responding to further creditor and shareholder queries as they arise; and
- Logging creditor claims as they arise.

The majority of work in this category is required for statutory purposes and so does not provide a direct financial benefit to creditors.

### **Reporting**

This category of work is required in accordance with insolvency legislation. Work undertaken in the current period in this category includes:

- Issuing the first six monthly progress report which included a Fees Estimate Information to creditors;
- Reporting the outcome of any decision procedures; and
- Preparing the second six monthly progress report.

The majority of this work derived no financial benefit for creditors. However, it is required in order to ensure that the case has been administered in line with regulatory requirements.

### **Cashiering**

Cashiering work is required to ensure that the estate bank account is operated in accordance with guidance issued by the Administrators' regulatory bodies and does not add any financial benefit to creditors.

Work undertaken in this category includes:

- Bank account maintenance, including periodic reconciliations;
- Preparing journals and maintaining the cashbook; and
- Issuing payments and banking receipts and preparing the appropriate paperwork for such transactions.

It is not expected that this work will result in a direct financial benefit for creditors. However, it is required in order to ensure that the estate bank account is operated in accordance with guidance issued by our regulatory bodies.

### **Statutory and Compliance**

The work undertaken as required by statute and our internal procedures involves:

- Case monitoring and statutory compliance, including internal case reviews.
- Convening qualifying decision procedures; and
- Documenting outcome of decision procedures.

It is not expected that this work will result in a direct financial benefit for creditors. However, this work is required in order to ensure that the case has been administered in accordance with regulatory requirements.

**Atlantic Healthcare Plc - In Administration**  
**RATES AND EXPENSES POLICY**

**Current Charge-Out Rates**

Details of the charge-out rates for the personnel working on this case are set out below:

	Partner	Director	Associate Director / Manager	Senior Executive / Executive	Cashier	Support staff
Current charge out rate per hour effective from 1 September 2023 - 31 August 2024 (£)	719 - 863	625 - 713	463 - 633	275 - 449	200 - 463	163 - 230
Charge out rate per hour effective from 1 November 2022 - 31 August 2023 (£)	625 - 759	550 - 621	350 - 552	225 - 322	175 - 350	150 - 207

Charge-out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of a case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

Specialist departments within our Firm, (Tax and VAT) may charge a number of hours if and when their expert advice is required. The rate ranges above incorporate these different rates.

**Expenses**

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements.

Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.

Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

- **Category 1 expenses:** These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. Category 1 expenses can be paid without prior approval.
- **Category 2 expenses:** These are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner persons as an office holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

It was agreed that the following Category 2 expenses incurred in administering the case be charged:

- Mileage will be charged at relevant HM Revenue & Customs prevailing rates, currently 45p per mile.

The Joint Administrators reserve the right to increase the charges applicable to mileage in accordance with any increases in the prevailing rate set by HM Revenue & Customs. Any material amendments will be advised to creditors in the next statutory report.