



5301740

**Medicology Limited
(in Compulsory Liquidation)**

Liquidator's Annual Progress Report

3 June 2016

Medicology Limited ("the Company") - in Compulsory Liquidation

Liquidator's Annual Report to Members and Creditors

For the year ending 15 April 2016

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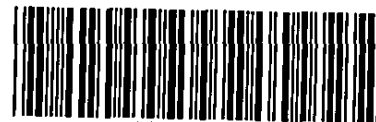
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**Carter Backer Winter LLP
66 Prescott Street
London
E1 8NN**

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COMPANIES HOUSE



Medicology Limited
(in Compulsory Liquidation)

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1. STATUTORY INFORMATION

Company name	Medicology Limited
Court	No 330 of 2012 in the Derby County Court
Registered office	66 Prescott Street London E1 8NN
Former registered office	Oxford House Stanier Way Wyvern Business Park Derby DE21 6BF
Registered number	05301740
Date of Winding up Petition	19 July 2012
Petitioning Creditor	HM Revenue and Customs
Date of Winding up Order	3 September 2012
Liquidator's names	Melissa Lorraine Jackson
Liquidator's address	66 Prescott Street London E1 8NN
Liquidator's date of appointment	16 April 2013

2. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 16 April 2015 to 15 April 2016, together with the receipts and payments dealt with by the Official Receiver's office prior to my appointment is attached at **Appendix 1**

This report should be considered in conjunction with my reports dated 13 June 2014 and 13 May 2015

3. ASSETS

Office Furniture and Equipment

As mentioned in my previous report, the Company's Office Furniture and Equipment was sold by the Official Receiver's agents

Investments

As previously reported, the investments have no realisable value

Book Debts

As previously advised, no invoices were included within the Official Receiver's handover documentation, therefore no realisations are expected in respect of the Company's book debts



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Cash at Bank

I continue to liaise with the Directors in respect of the funds received post liquidation

Bank Interest

The sum of £122 was received in respect of the bank interest, of which £52 was received during this reporting period

Potential Claims

As previously advised, the Official Receiver reported that the sum of £188,121 was owed by the connected companies, which have now been dissolved

However, I have undertaken further investigations into the affairs of the Company and the conduct of the Directors and identified that the Directors were acting in breach of their fiduciary duties, therefore are liable to contribute in the sum of £207,524. I have instructed Nelsons Law Solicitors to assist me with the matter and I am currently corresponding with the Directors' solicitors in an attempt to reach a settlement regarding this sum

In addition, I have identified that payments totalling £3,593 were made to Mr Vincent and Ms Watkin after the date of the presentation of the winding up petition against the Company. Consequently, my solicitors have written to the Directors requesting for repayment of funds and I confirm that the full amount of £3,593 was repaid to the Company in March 2016 and is being held by my solicitors

4. LIABILITIES

Secured Liabilities

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has not granted any debentures

Preferential Creditors

No preferential claims have been received to date

Crown Creditors

As advised in my previous report, the Official Receiver's report indicated the sum of £83,949 owed to HM Revenue & Customs ("HMRC"). HMRC's final claim of £83,949 has been received

Unsecured Creditors

Claims from 10 unsecured creditors (excluding HMRC) totalling £106,485 were received to date. It should be noted that 43 creditors with estimated claims of £147,540 are yet to submit their claims in Liquidation

5. LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

In addition to the actions listed in my previous report, I have undertaken further investigations with the view to determine the amounts due to the Company by the Directors and continued liaising with my solicitors in order to recover the sums due. Consequently, my solicitors were successful in recovering £3,593 in respect of the payments made to the Directors after the winding up petition date

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

My investigations into the affairs of the Company are complete. However, additional investigations might be required in the process of reaching the settlement agreement with the Directors.



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7. LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 1 July 2013 to be drawn on a time cost basis. As you are aware, a further resolution was passed by creditors on 27 June 2014 authorising my remuneration at CBW's charge out rates.

My time costs to 15 April 2016 amount to £60,492 of which £25,314 was charged in the period between 16 April 2015 and 15 April 2016. The sum of £2,000 was drawn during this reporting period. A schedule of my time costs incurred to date is attached as **Appendix 2**.

A description of the routine work undertaken in the Liquidation to date is as follows:

- 1 Administration and Planning
 - Preparing the documentation and dealing with the formalities of appointment
 - Statutory notifications and advertising
 - Preparing documentation required
 - Dealing with all routine correspondence
 - Maintaining electronic records and case information
 - Review and storage
 - Case bordereau
 - Case planning and administration
 - Preparing reports to members and creditors
 - Convening and holding meetings of members and creditors
 - Review and storage of books and records
- 2 Cashiering
 - Maintaining and managing the liquidator's cashbook and bank account
 - Ensuring statutory lodgements and tax lodgement obligations are met
- 3 Creditors
 - Dealing with creditor correspondence and telephone conversations
 - Preparing reports to creditors
 - Maintaining electronic creditor records
 - Reviewing proofs of debt received from creditors
- 4 Investigations
 - Conduct investigations into suspicious transactions
 - Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors
- 5 Realisation of Assets
 - Corresponding with debtors and attempting to collect outstanding book debts
 - Liaising with the Company's bank regarding the closure of the account
 - Liaising with solicitors in regarding potential claims

A copy of 'A Creditors' Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals is available at www.cbw.co.uk/creditor-guides. Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version. A hard copy is available on request.

8. LIQUIDATOR'S EXPENSES

In addition to my expenses listed on the attached Receipts & Payments Account, in the period ending 15 April 2016 I have incurred out of pocket expenses of £11 which have not been drawn to date.

During this reporting period, I continued to utilise the following professional advisors in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
Nelsons Law	Solicitors	Time cost



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The choice of professionals 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. Nelsons' time cost to 15 April 2016 total £15,790. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

9. FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), 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. Any secured creditor may make a similar application to court within the same time limit.

10. DIVIDEND PROSPECTS

Based on the information presently available, I am unable to state whether there will be a dividend payable to the creditors. Any dividend is dependent on the potential future realisations.

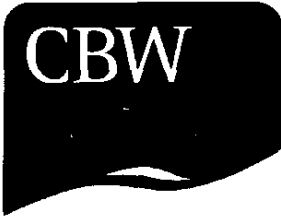
11. SUMMARY

The Liquidation will remain open until the settlement is reached with the Directors in respect of the outstanding liability to the Company. Once this issue has been dealt with the Liquidation will be finalised and our files will be closed.

Should you have any queries regarding this matter please contact Irma Sabonyte on 020 7309 3824.

A handwritten signature in black ink, appearing to read 'M L Jackson'.

M L Jackson
Liquidator



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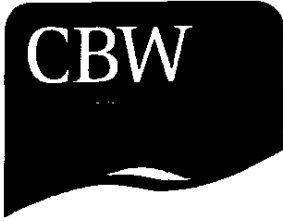
3 June 2016

APPENDIX 1

Liquidator's
Receipts and Payments Account

Medicology Limited - in Compulsory Liquidation
Liquidator's Abstract of Receipts and Payments

Statement of Affairs	From 03/09/2012 to 15/04/2013	From 16/04/2013 to 15/04/2014	From 16/04/2014 to 15/04/2015	From 16/04/2015 to 15/04/2016	Cumulative	
Receipts						
Office Furniture & Equipment	5,720	3,150 00	230 00	0 00	0 00	3,380 00
Investments	2,000	0 00	0 00	0 00	0 00	0 00
Book Debts	15,000	0 00	0 00	0 00	0 00	0 00
Rates Refund		1,329 13	0 00	0 00	0 00	1,329 13
Cash at Bank		0 00	24,456.93	0 00	0 00	24,456 93
Funds Held in PayPal Account		0 00	0 00	370 00	0 00	370 00
Bank Interest Gross		2 34	3 64	63 90	52 45	122 33
Petitioners Deposit		1,165 00	0 00	0 00	0 00	1,165 00
	<u>5,646 47</u>	<u>24,690 57</u>	<u>433 90</u>	<u>52 45</u>		<u>30,823 39</u>
Payments						
OR Fee		2,235 00	0 00	0 00	0 00	2,235 00
Secretary of State Fees		1,264 00	4,962 82	63 17	232 58	6,522 57
Statutory Bond (Bordereau)		0 00	50 00	70 00	0 00	120 00
Office Holder's Fees		0 00	5,764 00	473 00	2,000 00	8,237 00
Office Holder's Expenses		0 00	0 00	4 80	0 00	4 80
Tax Deducted at Source		0 47	0 73	12 78	10 49	24 47
Petitioning Creditor's Costs		0 00	0 00	1,995 00	0 00	1,995 00
Agents/Valuers Fees		597 50	69 50	0 00	0 00	667 00
Postage & Company Searches		0 00	148 58	0 00	0 00	148 58
Couriers		0 00	277 98	0 00	0 00	277 98
Storage Costs		0 00	0 00	73 14	43 56	116 70
Statutory Advertising		0 00	84 60	0 00	0 00	84 60
Bank Charges		0 00	88 00	90 65	66 30	244 95
	<u>4,096 97</u>	<u>11,446 21</u>	<u>2,782 54</u>	<u>2,352 93</u>		<u>20,678 65</u>
	<u>1,549.50</u>	<u>13,244.36</u>	<u>(2,348.64)</u>	<u>(2,300 48)</u>		<u>10,144.74</u>
Made up as Follows:						
VAT Receivable	119 50	1,278 93	110 18	(1,099 90)		408 71
Cash at Bank	1,430 00	11,965 43	(2,458 82)	(1,200 58)		9,736 03
	<u>1,549.50</u>	<u>13,244.36</u>	<u>(2,348.64)</u>	<u>(2,300.48)</u>		<u>10,144 74</u>



**Medicology Limited
(in Compulsory Liquidation)**

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APPENDIX 2

**Details of Time Incurred in accordance with
Statement of Insolvency Practice 9
together with CBW's current charge out rates
for this type of work**

CARTER BACKER WINTER LLP ("CBW")

CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT

INSOLVENCY APPOINTMENTS

TIME COST CHARGE-OUT RATES

	From 1 January 2013 to 31 March 2016	From 1 April 2016
	Per Hour £	Per Hour £
Partners	475	490
Directors	475	490
Manager	430	440
Assistant Managers	400	400
Senior Administrators	380	390
Administrators	250	260
Junior Administrators	100	150
Cashier	0	0
Support Staff	0	0-185

Note:

Work undertaken on cases is recorded in 6 minute units utilising time-recording software

Time properly incurred on insolvency cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done CBW's charge-out rates change from time to time

DISBURSEMENT RECOVERY

Disbursements are categorised as either Category 1 or Category 2

Category 1 disbursements generally comprise external supplies of incidental services specifically identifiable to the case Where expenses are incurred and then recharged to the case, approval from creditors is not required Examples of Category 1 disbursements include statutory advertising, specific bond insurance, document storage, postage, company search fees, and properly reimbursed expenses incurred by personnel in connection with the case Also included will be services specific to the case where these cannot be practically provided internally, such as printing and room hire

Category 2 disbursements include elements of shared or allocated costs where supplied internally Category 2 disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance CBW does not charge Category 2 disbursements

Medicology Limited - In Compulsory Liquidation
Time and Charge Out Summary for the period from 16 April 2015 to 15 April 2016

Hours

	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	2.80	1.90	4.50	3.55	12.75	£3,843.00	£301.41
Cashiering	0.00	0.00	0.00	4.92	4.92	£0.00	£0.00
Compliance	0.00	10.20	0.00	0.00	10.20	£4,386.00	£430.00
CIT Meetings	0.00	0.00	0.40	0.00	0.40	£100.00	£250.00
Investigations (Non disqualification)	0.00	11.50	5.60	0.00	17.10	£6,540.00	£382.46
Legal	6.30	4.40	0.00	0.00	10.70	£4,884.50	£456.50
Meetings (Non-statutory)	1.00	1.00	0.00	0.00	2.00	£905.00	£452.50
Realisation of Assets	7.30	0.00	1.70	0.00	9.00	£4,113.50	£457.06
Review	0.00	0.20	1.20	0.00	1.40	£542.00	£387.14
	17.40	29.20	13.40	8.47	68.47	£25,314.00	£369.71
Cost Per Employee Category	£8,265.00	£12,556.00	£4,338.00	£155.00		£25,314.00	

Disbursements	£
Storage	11.00
Total	11.00

Time and Charge Out Summary for the period from 16 April 2014 to 15 April 2015

Hours

	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Administration and Planning	7.23	5.25	0.00	4.03	16.51	£5,853.33	£354.53
Cashiering	0.00	0.00	0.00	4.58	4.58	£0.00	£0.00
Compliance	0.00	5.60	0.00	0.00	5.60	£2,408.00	£430.00
CIT Meetings	2.00	0.00	0.00	0.00	2.00	£950.00	£475.00
Creditors	0.00	0.10	0.00	0.30	0.40	£73.00	£182.50
Investigations (Non disqualification)	12.00	15.80	0.00	18.40	46.20	£13,132.40	£284.25
Legal	0.00	4.10	0.00	0.00	4.10	£1,763.00	£430.00
Meetings (Non-statutory)	0.00	1.60	0.00	0.00	1.60	£688.00	£430.00
Realisation of Assets	2.60	0.00	0.00	0.00	2.60	£1,235.00	£475.00
Review	0.00	6.60	0.00	0.00	6.60	£2,838.00	£430.00
	23.83	39.05	0.00	27.31	90.19	£28,940.73	£320.89
Cost Per Employee Category	£11,320.83	£16,782.50	£0.00	£837.40		£28,940.73	

Disbursements	£
Search Fees	1.00
Storage	53.00
Total	54.00

Medicology Limited (In Liquidation)
Liquidator: Melissa Jackson
Analysis of Fees Up to 15/04/14

Classification of work function	Hours				Total Hours	Time Cost £	Average hourly rate £
	Partner	Director	Other Senior Professionals	Assistants & Support Staff			
Advice administration and planning	1.0		3.3	9.4	13.7	£1,742	£128
Investigations					0.0		£0
Realisation of assets			5.6	0.2	5.8	£1,562	£269
Trading					0.0		£0
Creditors	3.0	0.2	1.1	13.9	18.1	£2,934	£163
Case specific matters					0.0		£0
Total hours	4.0	0.2	9.9	23.5	37.5		
Hourly charge out rate	£350	£475	£185	£125			
Total fees to date (£)	£1,400	£71	£1,829	£2,937	£6,237	£6,237	£166
Total fees drawn to date (£)						£5,764	
Total fees undrawn to date (£)						£473	