

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05301740

Name of Company

Medicology Limited

~~I / We~~

Melissa Jackson, 66, Prescott Street, London, E1 8NN

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 16/04/2014 to 15/04/2015

Signed



Date

12-5-2015

Carter Backer Winter LLP
66 Prescott Street
London
E1 8NN

Ref M1141/TW/TW

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Medicology Limited (in Compulsory Liquidation)

Liquidator's Annual Progress Report

13 May 2015

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

Liquidator's Annual Report to Members and Creditors

For the year ending 15 April 2015

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Carter Backer Winter LLP
66 Prescott Street
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E1 8NN



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1. STATUTORY INFORMATION

Company name	Medicology Limited
Court Reference	No 330 of 2012 in the Derby County Court
Registered office	66 Prescot 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 & Customs
Date of Winding up Order	3 September 2012
Liquidator's name	Melissa Lorraine Jackson
Liquidator's Date of Appointment	16 April 2013
Liquidator's address	66 Prescot Street London E1 8NN

2. RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 16 April 2014 to 15 April 2015 is attached at Appendix 1. For ease, I have also included the receipts and payments dealt with by the Official Receiver's office prior to my appointment.

3. ASSETS

I am aware of the following assets of the Company

Office Furniture & Equipment

Prior to my appointment, the Official Receiver's ("OR") agents sold the Company's Office Furniture & Equipment for the sum of £3,150 plus VAT. The OR's agents remitted the VAT collected directly to HM Revenue & Customs. Agent's fees were deducted in the sum of £597.50 plus VAT and a net receipt of £2,433 was paid into the estate account.

Computer Sale

The OR's agents sold a laptop to one of the Company's former employees for the sum of £230 plus VAT. The OR's agents remitted the VAT directly to HM Revenue & Customs and deducted their fees of £69.50 plus VAT. A net receipt of £146.60 was paid into the estate account.

Rates Refund

Prior to my appointment a rates refund of £1,329.13 was received by the OR from Derby City Council.



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Book Debts

The Director initially estimated the book debts of the Company to be £15,000. This was reported to creditors by the OR's office on 26 October 2012. In a subsequent report issued by the OR on 19 March 2013, the book debts were stated to have been estimated by the director at up to £5,345. There is no indication that the OR took steps to recover these debts and copy invoices were not included in the handover documents.

Investments

As reported by the Official Receiver, the Company's financial statements to 31 October 2011 show investments in connected companies with a value of £2,000. As the Official Receiver reported, these companies are insolvent and therefore the investments have no realisable value.

Connected Company Debts

The Official Receiver reported that £188,121 was owed by connected companies. The director disputed an element of this debt, and advised the Official Receiver that these companies were insolvent and unable to settle the amounts due.

The Official Receiver reviewed the filed accounts of these associated companies and verified that they did appear to be balance sheet insolvent. Subsequently, the companies have been dissolved. The connected company transactions are subject to further investigation.

Cash at Bank

Following the making of the winding up order, the cash held in the Company's bank account was £315. Subsequently, the balance increased to £20,629 as at 1 December 2012. The sum of £24,456.93 was received from Natwest Bank in November 2013.

The director claimed that debtor payments totalling £14,700 in respect of his new business, Medicademy LLP, had been paid in error to the Company's bank account. I am liaising with the director in respect of these payments.

Leasehold Property

The Company's leased premises at Oxford House, Wyvern Business Park, Stanier Way, Derby SE21 6BF were disclaimed by the Official Receiver on 10 January 2013.

4. LIABILITIES

Secured Liabilities

An examination of the company's mortgage register held by the Registrar of Companies showed that the company had not granted any debentures.

Preferential Creditors

Preferential claims in a formal insolvency are comprised of employees' claims in relation to outstanding holiday pay, which is subject to a maximum of £800, and arrears of wages. Preferential claims are paid in priority to unsecured creditors.

No preferential claims have been received although the handover received from the Official Receiver would suggest that the Company operated a PAYE scheme and had employees. We are making further enquiries in this regard.

Crown Creditors

The statement of affairs included £83,949.49 owed to HMRC. HMRC's final claims in respect of PAYE, Corporation Tax and VAT totalling £83,949.49 have been received.



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Unsecured Creditors

Excluding HM Revenue & Customs, the statement of affairs included 53 unsecured creditors with an estimated total liability of £186,574 38. I have received claims from 10 creditors totalling £106,484 98. To date, I have not received claims from 43 creditors with original estimated claims in the statement of affairs of £147,539 70.

5. LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

Since my appointment I have taken control of the books and records delivered up to the Official Receiver and undertaken a review of the documentation provided. I have also had protracted correspondence with Natwest Bank as regards certain payments that debited the Company's bank account following the making of the Winding up Order. The payments identified were refunded to the Company's bank account by the bank.

I have liaised with the Official Receiver's agents to obtain further information relating to the assets realised prior to my appointment. I have conducted a full review of the Company's bank accounts in the three years prior to Liquidation.

I have interviewed both directors and sought to obtain further information from them as to the nature of the Company's trading and their respective roles in the business.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

My investigations into the affairs of the Company are continuing.

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. Following my move to CBW I sought a further resolution from creditors in respect of my remuneration at CBW's charge out rates. This was authorised by creditors on 27 June 2014. My time costs to 15 April 2015 amount to £35,178, of which £6,237 was incurred in the first year of my appointment and £28,941 in the second year of my appointment. To date I have drawn £6,237 on account of these time costs. A schedule of my time costs incurred to the second anniversary of my appointment 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



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4 Investigations

- Conducting investigations into suspicious transactions
- Reviewing 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 debts
- Liaising with the company's bank regarding the closure of the account

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

As outlined in Appendix 2, my category 1 disbursements to 15 April 2014 totalled £355.71 and my category 2 disbursements were £120.85. These have been settled in full.

My disbursements to 15 April 2015 amount to £54.00. These disbursements have not been settled.

I have instructed Nelsons Law to assist me with my investigations and provide legal advice on a time costs basis. Nelsons' current time costs are £10,048.50. 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. 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

On current information, it appears unlikely that realisations will be sufficient to allow a dividend to be paid to creditors in this matter. However, this is subject to my further investigations into the Company.

11. SUMMARY

The liquidation will remain open until my investigations have completed. At this stage, I am unable to predict when I will be in a position to conclude the Liquidation.

Should you have any queries regarding this matter please contact Tess Whitney 020 7309 3824

Melissa Jackson
Liquidator



Medicology Limited (in Compulsory Liquidation)

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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	Cumulative	
Receipts					
Office Furniture & Equipment	5,720	3,150 00	230 00	0 00	3,380 00
Investments	2,000	0 00	0 00	0 00	0 00
Book Debts	15,000	0 00	0 00	0 00	0 00
Rates Refund		1,329 13	0 00	0 00	1,329 13
Cash at Bank		0 00	24,456 93	0 00	24,456 93
Funds Held in PayPal Account		0 00	0 00	370 00	370 00
Bank Interest Gross		2 34	3 64	63 90	69 88
Petitioners Deposit		1,165 00	0 00	0 00	1,165 00
		<u>5,646 47</u>	<u>24,690 57</u>	<u>433 90</u>	<u>30,770 94</u>
Payments					
OR Fee		2,235 00	0 00	0 00	2,235 00
Cheque Fees		0 00	0 00	0 00	0 00
Secretary of State Fees		1,264 00	4,962 82	63 17	6,289 99
Statutory Bond (Bordereau)		0 00	50 00	70 00	120 00
Office Holder's Fees		0 00	5,764 00	473 00	6,237 00
Office Holder's Expenses		0 00	0 00	4 80	4 80
Tax Deducted at Source		0 47	0 73	12 78	13 98
Petitioning Creditor's Costs		0 00	0 00	1,995 00	1,995 00
Agents/Valuers Fees		597 50	69 50	0 00	667 00
Postage & Company Searches		0 00	148 58	0 00	148 58
Couriers		0 00	277 98	0 00	277 98
Printing & Stationery		0 00	0 00	0 00	0 00
Storage Costs		0 00	0 00	73 14	73 14
Statutory Advertising		0 00	84 60	0 00	84 60
Bank Charges		0 00	88 00	90 65	178 65
		<u>4,096 97</u>	<u>11,446 21</u>	<u>2,782 54</u>	<u>18,325 72</u>
		<u>1,549.50</u>	<u>13,244.36</u>	<u>-2,348.64</u>	<u>12,445.22</u>
Made up as Follows:					
VAT Receivable		119.50	1,278 93	110 18	1,508 61
Cash at Bank		1,430 00	11,965 43	-2,458 82	10,936 61
		<u>1,549.50</u>	<u>13,244.36</u>	<u>-2,348.64</u>	<u>12,445.22</u>



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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**

Medicology Limited - in Compulsory Liquidation

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

Disbursements	£
Search Fees	1 00
Storage	53 00
Total	54 00

CARTER BACKER WINTER LLP ("CBW")

CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT

INSOLVENCY APPOINTMENTS

TIME COST CHARGE-OUT RATES FROM 1 JANUARY 2015

	<u>Per Hour</u>
	£
Partner	475
Directors	475
Managers	430
Assistant Managers	400
Senior Administrators	380
Administrators	250
Junior Administrators	100
Cashier	0
Support Staff	0

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 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	

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Analysis of Disbursements Up to 15/04/14

Category 1 Disbursements		
Amounts comprising external supplies of incidental services specifically identifiable to a case	Billed £	Unbilled £
Bordereau	50 00	
Couners	277 98	
Postage & Company Searches	27 73	
Total	355 71	0 00

Category 2 Disbursements		
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	Billed £	Unbilled £
Printing and stationery	120 85	4 80
Total	120 85	4 80