



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 03228476

Company name in full Transform Medical Group (CS) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Martin C Armstrong FCCA FABRP

Surname FIPA

3 Administrator's address

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode SM14LA

Country

4 Administrator's name ①

Full forename(s) James E Patchett FCCA

Surname FABRP

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Allen House

Street 1 Westmead Road

Post town Sutton

County/Region Surrey

Postcode SM14LA

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	^d 0	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2
To date	^d 0	^d 3	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2

7 Progress report

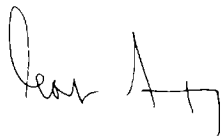
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 0	^d 1	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2
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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 **Carisse Hollett**

Company name **Turpin Barker Armstrong**

Address **Allen House**

1 Westmead Road

Post town **Sutton**

County/Region **Surrey**

Postcode **S M 1 4 L A**

Country

DX **tba@turpinba.co.uk**

Telephone **020 8661 7878**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



turpin barker armstrong

Corporate Recovery and Insolvency

Allen House
1 Westmead Road
Sutton, Surrey SM1 4LA
Tel: 020 8661 7878
Fax: 020 8661 0598

E-mail: tba@turpinba.co.uk
Internet: www.turpinbarkerarmstrong.co.uk
Also at West Byfleet

Private and Confidential

TO ALL KNOWN CREDITORS AND MEMBERS

Our ref

MCA/JP/CH/XT0172

Date

31 August 2022

Dear Sirs

**Transform Medical Group (CS) Limited – In Administration (“the Company”)
In the High Court of Justice Number 4476 of 2015**

This is my report on the progress of the Administration of the Company for the six-month period from 4th February 2022 to 3rd August 2022. The report should be read in conjunction with my previous reports.

If creditors have any queries regarding the conduct of the Administration, or if they would like hard copies of any of the documents made available online, they should contact Carisse Hollett on 0208 661 7878, or by email at carisse.hollett@turpinba.co.uk.

Finally, please note that the affairs, business and property of the Company are being managed by the Joint Administrators, Martin C Armstrong and James E Patchett. The Joint Administrators act as agents of the Company and contract without personal liability.

Yours faithfully

**Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator**

Encs.

Partners

M.C. Armstrong FCCA FABRP FIPA MBA FNARA, D.C. Clark FCCA, J.E. Patchett FCCA FABRP, D.A. Payne BA (Hons) FCA,
B.I. Suckling BSc (Hons) FCCA, M.C. Card FPFS Certs CII (MP & ER), A.R. Bailey FABRP MIPA,
S-J. Crean FCCA, R.A. Russell MABRP MIPA, K.M. Drake FABRP MIPA
Consultant - A.W. Payne FFA/FIPA FFTA DipPFS CeMAP

Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants.

M. C. Armstrong, J. E. Patchett and A. R. Bailey are licensed to act as Insolvency Practitioners in the United Kingdom
by the Institute of Chartered Accountants in England and Wales.

turpin barker armstrong's privacy policy can be found on our website at <https://www.turpinbarkerarmstrong.co.uk/privacy.html>

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Transform Medical Group (CS) Limited– In Administration

JOINT ADMINISTRATORS' PROGRESS REPORT TO CREDITORS

For the six months ending 3rd August 2022

EXECUTIVE SUMMARY

I was appointed Joint Administrator of the Company on 30th June 2015 together with James Patchett.

The detailed report is provided below, but in summary:

- As creditors are aware, the maximum prescribed part of £600,000 has been set aside for unsecured creditors;
- We have adjudicated upon unsecured creditor claims and issued a notice of intended dividend. An interim dividend distribution of the prescribed part of 2p in the pound to non-preferential unsecured creditors was declared on 10 August 2021;
- The action against Berrymans Lace Mawer LLP ("BLM") solicitors, which was assigned to Hugh James Involegal LLP ("HJI") on 30th August 2018 ("the Assigned Claim"), remains ongoing and the prospect of a return to the Administration is dependent on whether the claim is successful.

STATUTORY INFORMATION

Company name:	Transform Medical Group (CS) Limited
Court name and reference:	High Court of Justice Number 4476 of 2015
Registered office:	Allen House 1 Westmead Road Sutton Surrey, SM1 4LA
Former registered office:	192 Altrincham Road Manchester, M22 4RZ
Registered number:	03228476
Joint Administrators' names;	Martin C Armstrong and James E Patchett
Joint Administrators' address:	Allen House 1 Westmead Road Sutton Surrey, SM1 4LA
Joint Administrators' date of appointment:	30 th June 2015
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

The Court made an order on 21st June 2022 extending the Administration of the Company for a period of 24 months, such that the Administration will now automatically end on 29th June 2024. The principal reasons for seeking an extension of the Administration from the Court were to facilitate the following:

- The continued adjudication of creditor claims;
- The distribution of the prescribed part to unsecured creditors (once the amount of unsecured creditor claims is finalised);
- The conclusion of an appeal relating to a s236 application for the delivery up of the Company's files held by BLM solicitors.
- The conclusion of the assigned Claim against BLM solicitors remains ongoing and there is a prospect of a return to the Administration if the claim is successful.

If the matters are unlikely to be concluded prior to 29th June 2024, a further application to court to extend the Administration will be made.

JOINT ADMINISTRATORS' ACTIONS SINCE LAST PROGRESS REPORT

Please see below a summary of matters dealt with in the reporting period that are not otherwise dealt with in this report under a separate heading:

Reporting to creditors

The progress report for the six-month period ending 3rd February 2022 was prepared and duly circulated to creditors on 8th February 2022.

Creditors

As previously advised, we have continued to correspond with potential creditors of the Company in relation to actions against third parties. In addition, we have entered into settlement of some (if not all) of the claims in the Scottish and Northern Irish proceedings against the Company and its insurers which has reduced unsecured claims in the Administration.

The Assigned Claim

The following work has been undertaken in the reporting period in dealing with the Assigned Claim:

- Holding conference calls with HJI to discuss progress of the Assigned Claim;
- Corresponding with various third parties regarding information required by HJ;
- Corresponding with our solicitors and HJI generally.

In addition, there is certain work that we are required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. Some of the work referred to above falls into this category. A description of the routine work undertaken since our last progress report is contained in Appendix 1.

RECEIPTS AND PAYMENTS ACCOUNT

Our Receipts & Payments Account for the period from 4th February 2022 to 3rd August 2022 and the cumulative period to 3rd August 2022 is attached at Appendix 2.

The balance of funds are held in an interest bearing estate bank account.



ASSETS

Gross Bank Interest – Metro Bank plc

We have received total gross bank interest on funds held in the estate bank account of £5,155.71, of which £21.77 was received in the reporting period.

Assigned Claim

The Assigned Claim remains ongoing. As reported previously, an application for strike out and for security of costs was made by the Defendant, but this was refused by the Court. We continue to monitor this matter and will update creditors in the next report should there be any substantive developments which may affect the likelihood of a successful recovery being made.

LIABILITIES

Secured Creditors

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

Wilmington Trust (London) Limited ("Wilmington")

Fixed Charge (Mortgage of Bank Account)

Created: 24th March 2015

Registered: 26th March 2015

Bank of Scotland PLC ("BOS")

Deed of charge over deposit

Created: 1st July 2010

Registered: 15th July 2010

BOS

Fixed and floating charge over the undertaking and all property and assets (present and future).

Created: 28th May 2010

Registered: 11th June 2010

Turkey Mill Investments Limited

Rent Deposit Deed

Created: 11th January 2006

Registered: 18th January 2006

On 28th May 2010, the Transform Group executed the debenture in favour of BOS ("the Debenture"). On the same date, the Group entered into a Senior Sterling Term, Capex and Revolving Facilities and Mezzanine Facility Agreement ("the Facility").

In 2012, Remich Holdings II SARL ("Remich") acquired the benefit of the BOS Facility and Debenture. On 18th November 2014, Aurelius ETA UK Investments Limited ("Aurelius") purchased the loans under the Facility and all Security Interests. As a result, Aurelius acquired the rights and benefits derived by the underlying Facility and Debenture originally granted to BOS and subsequently to Remich.

Wilmington acted as security agent for Aurelius following the acquisition of the Facility and Security Interests from Remich. Shortly prior to Administration, Wilmington resigned as security agent and Aurelius was appointed as successor agent. At the date of Administration, Aurelius was understood to be owed the sum of £26,000,000.

The legislation requires that if the Company has created a floating charge after 15th September 2003, a prescribed part of the Company's net property (i.e., the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, the prescribed part provisions will apply and the maximum prescribed part of £600,000 has been set aside for creditors.

Preferential Creditors

All employees of the Company transferred to the purchaser of the Company's business and assets under the Transfer of Undertakings (Protection of Employment) Regulations 2006, and hence, no preferential claims have been received.

Crown Creditors

The statement of affairs included £267,461 owed to HM Revenue and Customs in respect of unpaid VAT of £35,584 and unpaid PAYE/NIC of £231,877. A final claim of £52,101.68 and £204,461.42 has been received, respectively.

Non-preferential unsecured Creditors

The statement of affairs included 530 non-preferential unsecured creditors with an estimated total liability of £3,746,806. On the 23 April 2021, a notice of an intended interim dividend of the prescribed part to unsecured creditors of the Company was issued, with the last date of proving being 10 June 2021, with a dividend to be declared within a period of two months from the last date of proving. We can confirm that 183 non-preferential unsecured creditor claims in the sum of £5,227,206.47 have been admitted, with an interim dividend of 2p in the pound declared on 10 August 2021.

As stated in our previous report, we are aware that claimants who participated in the Group Litigation Order ("GLO") have claims totalling circa £17m for which a provision has been made. The terms of the Assigned Claim provide for some of the recoveries (if successful) retained by HJI to be paid to GLO claimants (which will reduce their claims in the Administration).

On this basis, the interim dividend of the prescribed part paid to unsecured creditors was £104,544.13, with a provision of £395,455.87 being made.

DIVIDEND PROSPECTS (AND ALLOCATION OF COSTS)

In accordance with Statement of Insolvency Practice 14 ("SIP14"), I would normally be required to disclose and explain an apportionment of costs incurred to date that are directly attributable to the realisation of the Company's assets subject to a fixed charge, a floating charge, or any uncharged assets.

As previously advised, whilst SIP14 was considered in this case, in light of the fact that there are no preferential creditors as employees transferred to the purchaser under TUPE and the prescribed part is the maximum of £600,000, it was not considered cost effective to undertake work to apportion costs in this case. The costs and expenses of the Administration have therefore been allocated in full to asset realisations which were subject to a floating charge.

Fixed charge creditors

As reported previously, the sale of the business and assets facilitated a transaction whereby the sale consideration of £2,001,900 was classified as a fixed charge distribution to Aurelius of £250,000 (in respect of goodwill and intellectual property realised) and a floating charge distribution of £1,751,900 (in respect of the remaining assets).

Preferential creditors

N/A

Floating charge creditors

As stated above, the sale of the business and assets facilitated a floating charge distribution of £1,751,900 to Aurelius. A further £800,159.19 has been distributed to Aurelius under their floating charge on the following dates:

<u>Date</u>	<u>Amount</u>
30/09/2015	£490,000.00
22/10/2015	£310,159.19

Non-preferential unsecured creditors

The prescribed part for unsecured creditors is the maximum amount of £600,000.

An interim dividend distribution of the prescribed part of 2p in the pound to non-preferential unsecured creditors was declared on 10 August 2021. The initial amount distributed was £104,544.13.

The Receipts and Payments account states that £104,381.84 was distributed, this is due to an equalising dividend being made to a creditor in the sum of £11.70 and two creditors returning dividend cheques totalling £173.99, as they confirmed that they had no claim.

The attached receipts and payments account provides details of the amounts raised from the sale of assets, and the payments made by the officeholders in carrying out their functions.

In calculating the distribution of the prescribed part payable to unsecured creditors, we have made a provision for unsettled unsecured claims, retaining £395,455.87 to meet them.

PRE-ADMINISTRATION COSTS

On 7th July 2015, the following pre-appointment costs were approved by the secured creditor:

<u>Description</u>	<u>Total (excl VAT)</u>
Joint administrators' remuneration	£42,063.00
Valuation agents' fees	£10,405.72
Legal fees	£49,250.00
Total	£101,718.72

These costs have been paid in full, as detailed in the attached receipts and payments account.



JOINT ADMINISTRATORS' REMUNERATION

Our remuneration was previously authorised by the secured creditor on 7th July 2015 to be drawn on a time cost basis. Our total time costs to 3rd August 2022 amount to £3832,096.50, representing 1,515.70 of hours work at a blended charge out rate of £252.75 per hour, of which £15,141.50 was charged in the period since 4th February 2022, at a blended charge out rate of £270.87 per hour.

We have drawn £230,409 to 3rd August 2022, of which nil was drawn in the period since 4th February 2022.

A schedule of our time costs incurred to 3rd August 2022 (and our time costs incurred since 4th February 2022) is attached as Appendix 4.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows Turpin Barker Armstrong's fee policy are available at the link <https://www.turpinbainsolvency.co.uk/fees-and-links>. Please note that there are different versions of the Guidance Notes and in this case, you should refer to the November 2011 version.

JOINT ADMINISTRATORS' EXPENSES

Details of our expenses accrued and drawn to 3rd August 2022 (and those accrued and drawn in the period since 4th February 2022) are detailed below:

<u>Type of Expense</u>	<u>Total Amount Incurred (£)</u>	<u>Amount Incurred in Reporting Period (£)</u>	<u>Total Amount Drawn (£)</u>	<u>Amount Drawn in Reporting Period (£)</u>
Bordereau	1,022.90	206.90	1,022.90	206.90
Statutory Advertising	154.85	85.85	154.85	85.85
Storage Costs	2,000.79	98.60	2,000.79	98.60
Stationary and Postage	115.25	115.25	115.25	115.25
Accountancy Fees	750.00	Nil	750.00	Nil
Legal Fees – Brodies LLP	500.00	Nil	500.00	Nil
Legal Fees - BLM	800.00	Nil	800.00	Nil
Legal Fees – Anderson Strathern LLP	5,640.00	Nil	5,640.00	Nil
*Legal Fees & Expenses - CRS	343,837.15	Nil	112,734.79	Nil
**Legal Fees - Katten	48,644.50	Nil	Nil	Nil
Bank Charges	25.00	Nil	25.00	Nil
FCA Fees	64.83	Nil	64.83	Nil
Total	403,555.27	506.60	123,808.41	506.60

*£147,240.60 of CRS' costs incurred in the Administration is payable by HJI under an indemnity for these costs.

**£46,810.50 of costs incurred by Katten is payable by HJI under an indemnity. We are awaiting costs incurred from Katten relating to the reporting period.

We have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Charles Russell Speechlys LLP ("CRS")	Solicitors	Time costs + disbursements
Katten Muchin Rosenman LLP ("Katten")	Solicitors	Time costs + disbursements

CRS' work in the reporting period primarily relates to assisting in the handover of matters relating to the Assigned Claim (and any residual matters arising) to Katten.

Katten's work in the reporting period primarily relates to the continued pursuit of a s236 application for release of the Defendant's files and for assisting HJI generally with regard to pursuit of the Assigned Claim.

The choice of professionals used 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. We have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of this case.

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 Administrator'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 unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator'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.

To comply with the Provision of Services Regulations, some general information about Turpin Barker Armstrong can be found at <https://www.turpinbainsolvency.co.uk/fees-and-links>.

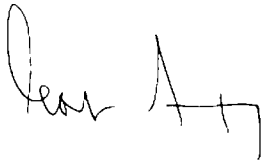
SUMMARY

As previously advised, the Administration will remain open until the following matters have been finalised:

- Unsettled claims have been finalised and a final dividend of the prescribed part has been paid to unsecured creditors.
- The Assigned claim has concluded.

We have been advised that the assigned claim may take a further two years to be finalised. We continue to monitor the position in conjunction with our solicitors.

If creditors have any queries regarding the conduct of the Administration, or if they would like hard copies of any of the documents made available online, they should contact Carisse Hollett on 0208 661 7878, or email Carisse.hollett@turpinba.co.uk.



Martin C Armstrong FCCA FABRP FIPA MBA FNARA
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Martin C Armstrong, and James E Patchett. The Joint Administrators act as agents of the Company and contract without personal liability.

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holders and their staff, together with the control and supervision of the work done on the case by the office holders (and their managers). It does not give direct financial benefit to the creditors, but has to be undertaken by the office holders to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holders' estate bank account.
- Maintaining and managing the office holders' cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Extending the Administration

2. Creditors

Claims of creditors - the office holders need to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holders also need to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory functions.

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.
- Issuing a notice of intended dividend to creditors.
- Declaring an interim dividend of the prescribed part to creditors.

Transform Medical Group (CS) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 04/02/2022 To 03/08/2022 £	From 30/06/2015 To 03/08/2022 £
	FIXED CHARGE ASSETS		
250,000.00	Goodwill	NIL	250,000.00
		NIL	250,000.00
	FIXED CHARGE CREDITORS		
(26,000,000.00)	Aurelius ETA UK Investments Limited	NIL	250,000.00
		NIL	(250,000.00)
	ASSET REALISATIONS		
	Book Debts	NIL	240,000.00
1,900,000.00	Cash at Bank	NIL	1,695,837.30
	Contribution to costs	NIL	70,488.00
	Contribution to costs - Hugh James	NIL	22,285.50
	Gross Bank Interest - Bank of Scotland	NIL	6,317.19
	Gross Bank Interest - Metro Bank plc	21.77	5,155.71
	Interest on refund of bank charges	NIL	6.29
	Legal Costs Indemnity	NIL	5,640.00
125,000.00	Prepayments	NIL	125,000.00
	Rates Refund	NIL	32,894.46
	Refund of Bank charges	NIL	11.52
	Refund of merchant services	NIL	11,224.20
	Rent Deposit	NIL	12,500.00
255,000.00	Stock	NIL	255,000.00
	Sundry Refunds	NIL	250.00
1,131,900.00	Tangible Assets	NIL	1,131,900.00
	VAT Refund	NIL	2,350.80
		21.77	3,616,860.97
	COST OF REALISATIONS		
	Accountancy Fees	NIL	750.00
	FCA Fees	NIL	64.83
	Legal Fees - Anderson Strathern	NIL	5,640.00
	Legal Fees - BLM	NIL	800.00
	Legal Fees - Brodies LLP	NIL	500.00
	Legal Fees & Expenses - CRS	NIL	112,734.79
	Pre-App Agents' Fees & Expenses	NIL	10,405.72
	Pre-App Legal Fees & Expenses	NIL	49,250.00
		NIL	(180,145.34)
	COST OF ADMINISTRATION		
	Bank Charges	NIL	25.00
	Corporation Tax	NIL	700.50
	Joint Administrators' Fees	NIL	230,409.00
	Pre-App Joint Administrators' Fees	NIL	42,063.00
	Specific Bond	206.90	1,022.90
	Stationery & Postage	115.25	115.25
	Statutory Advertising	85.85	154.85
	Storage Costs	98.60	2,000.79
		(506.60)	(276,491.29)
	FLOATING CHARGE CREDITORS		
	Aurelius ETA UK Investments Limited	NIL	2,552,059.19
		NIL	(2,552,059.19)
	UNSECURED CREDITORS		
(231,877.00)	HM Revenue & Customs - PAYE/NI	NIL	NIL
(35,584.00)	HM Revenue & Customs - VAT	NIL	NIL
(3,746,806.00)	Prescribed part dividend	11.70	104,555.83

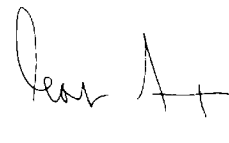
Transform Medical Group (CS) Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 04/02/2022 To 03/08/2022 £	From 30/06/2015 To 03/08/2022 £
Returned Dividend Cheques	NIL (11.70)	(173.99) (104,381.84)
(26,352,367.00)	(496.53)	503,783.31
REPRESENTED BY		
Bank - Interest Bearing		503,642.86
Input VAT		140.45
		503,783.31

Note:

It should be noted that all figures stated in the Receipts and Payments Account are detailed net of VAT.

The sale to TFHC Ltd facilitated a transaction whereby the sale consideration of £2,001,900 in relation to the Goodwill, Tangible Assets, Stock, Prepayments and Book Debts was classified as a distribution to Aurelius under its fixed and floating charge.



Martin C Armstrong FCCA FABRP FIPA
Joint Administrator

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

XT0172 - Transform Medical Group (CS) Limited
From: 04/02/2022 To: 03/08/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
402 : Cashiering	2.00	1.00	0.70	5.00	8.70	2,085.00	239.66	95.00	24,210.50
504 : Statutory Reporting to Creditors	0.80	3.10	0.00	0.50	4.40	1,621.00	368.41	230.30	47,103.50
600 : Administration	0.00	5.20	0.00	1.90	7.10	1,896.00	267.04	175.90	27,387.50
603 : Statutory filing	1.20	0.00	0.00	0.70	1.90	802.00	422.11	18.30	5,233.50
** 604 : Appointment notification	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.40	681.00
605 : Case review	0.40	0.70	0.00	0.00	1.10	503.00	457.27	61.30	21,353.50
** 606 : MLR/Ethics/Bribery checklists	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	779.00
** 607 : Post-appointment VAT/CT returns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.30	8,721.50
** 608 : Pension matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.20	405.50
** 609 : Administrative set up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	172.00
** 611 : Maintenance of case files/records	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	1,989.00
701 : Strategy (incl Sales)	0.20	0.00	0.00	0.00	0.20	95.00	475.00	2.10	643.00
Administration & Planning	4.60	10.00	0.70	8.10	23.40	7,002.00	299.23	636.20	138,679.50
601 : Case Specific 1	1.20	0.00	0.00	6.00	7.20	1,306.00	181.39	70.60	25,574.00
** 602 : Case Specific 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	352.00
Case Specific Matters	1.20	0.00	0.00	6.00	7.20	1,306.00	181.39	71.40	25,926.00
** 500 : Preferential Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.40	216.00
501 : Unsecured Creditors	0.70	1.50	0.00	1.00	3.20	897.50	280.47	227.50	56,056.50
** 502 : Employee Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.10	344.00
505 : Report / Secured Creditor	0.00	0.50	0.20	0.00	0.70	237.00	338.57	24.50	9,118.00
507 : Dividend distribution/adjudicating claims	0.80	1.30	0.00	0.00	2.10	835.00	397.62	212.00	37,960.50
** 509 : Onerous property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.60	384.00
Creditors	1.50	3.30	0.20	1.00	6.00	1,969.50	328.25	472.10	104,079.00
** 201 : CDDA Reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.60	9,304.00
203 : Investigations (other)	0.00	13.20	0.00	0.00	13.20	4,620.00	350.00	35.60	12,118.50
204 : Reviewing/listing books and records	0.00	0.00	0.00	6.10	6.10	244.00	40.00	11.10	730.00
Investigations	0.00	13.20	0.00	6.10	19.30	4,864.00	252.02	72.30	22,152.50
** 202 : Pursuing Antecedent Transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.10	11,909.50
** 201 : ROT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19.10	4,224.00
** 302 : Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61.90	16,337.00
** 303 : Book Debts/retentions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	120.00
** 304 : Plant & Machinery / Motor Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	99.00
** 305 : Stock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	990.00
** 306 : Other Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	73.60	29,640.00
** 307 : Cash at bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.30	28,940.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	NAN	263.70	92,259.50
Total Hours	7.30	26.50	0.90	21.20	55.90	15,141.50	270.87	1,515.70	383,096.50

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

XT0172 - Transform Medical Group (CS) Limited
From: 04/02/2022 To: 03/08/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
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** - Denotes codes included in cumulative data that are not present in the period.

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

XT0172 - Transform Medical Group (CS) Limited
From: 30/06/2015 To: 03/08/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
402 : Cashiering	25.10	12.30	15.40	42.20	95.00	24,210.50	254.85	95.00	24,210.50
504 : Statutory Reporting to Creditors	33.20	51.60	33.30	112.20	230.30	47,103.50	204.53	230.30	47,103.50
600 : Administration	3.10	42.70	29.30	100.80	175.90	27,387.50	155.70	175.90	27,387.50
603 : Statutory filing	7.70	1.30	0.00	9.30	18.30	5,233.50	285.98	18.30	5,233.50
604 : Appointment notification	0.40	1.00	0.00	6.00	7.40	681.00	92.03	7.40	681.00
605 : Case review	20.90	18.10	18.10	4.20	61.30	21,353.50	348.34	61.30	21,353.50
606 : MLR/Ethics/Bribery checklists	0.60	1.80	0.00	0.00	2.40	779.00	324.58	2.40	779.00
607 : Post-appointment VAT/CT returns	6.40	3.50	19.40	0.00	29.30	8,721.50	297.66	29.30	8,721.50
608 : Pension matters	0.70	0.00	0.50	0.00	1.20	405.50	337.92	1.20	405.50
609 : Administrative set up	0.00	0.00	0.00	4.00	4.00	172.00	43.00	4.00	172.00
611 : Maintenance of case files/records	0.10	0.20	7.60	1.10	9.00	1,989.00	221.00	9.00	1,989.00
701 : Strategy (incl Sales)	0.20	1.90	0.00	0.00	2.10	643.00	306.19	2.10	643.00
Administration & Planning	98.40	134.40	123.60	279.80	636.20	138,679.50	217.98	636.20	138,679.50
601 : Case Specific 1	24.20	22.30	16.20	7.90	70.60	25,574.00	362.24	70.60	25,574.00
602 : Case Specific 2	0.80	0.00	0.00	0.00	0.80	352.00	440.00	0.80	352.00
Case Specific Matters	25.00	22.30	16.20	7.90	71.40	25,926.00	363.11	71.40	25,926.00
500 : Preferential Creditors	0.00	0.00	0.00	5.40	5.40	216.00	40.00	5.40	216.00
501 : Unsecured Creditors	29.20	45.20	100.20	52.90	227.50	56,056.50	246.40	227.50	56,056.50
502 : Employee Matters	0.40	0.00	0.70	0.00	1.10	344.00	312.73	1.10	344.00
505 : Report / Secured Creditor	8.50	7.20	8.80	0.00	24.50	9,118.00	372.16	24.50	9,118.00
507 : Dividend distribution/adjudicating claims	41.20	26.10	1.20	143.50	212.00	37,960.50	179.06	212.00	37,960.50
509 : Onerous property	0.00	0.00	1.60	0.00	1.60	384.00	240.00	1.60	384.00
Creditors	79.30	78.50	112.50	201.80	472.10	104,079.00	220.46	472.10	104,079.00
201 : CDDA Reports	13.50	0.30	11.80	0.00	25.60	9,304.00	363.44	25.60	9,304.00
203 : Investigations (other)	6.80	15.30	13.50	0.00	35.60	12,118.50	340.41	35.60	12,118.50
204 : Reviewing/listing books and records	0.00	0.00	1.40	9.70	11.10	730.00	65.77	11.10	730.00
Investigations	20.30	15.60	26.70	9.70	72.30	22,152.50	306.40	72.30	22,152.50
202 : Pursuing Antecedent Transactions	20.10	0.00	0.00	0.00	20.10	11,909.50	592.51	20.10	11,909.50
301 : ROT	0.00	0.00	10.10	9.00	19.10	4,224.00	221.15	19.10	4,224.00
302 : Property	6.30	1.30	54.10	0.20	61.90	16,337.00	263.93	61.90	16,337.00
303 : Book Debts/retentions	0.00	0.00	0.50	0.00	0.50	120.00	240.00	0.50	120.00
304 : Plant & Machinery / Motor Vehicles	0.20	0.00	0.00	0.00	0.20	99.00	495.00	0.20	99.00
305 : Stock	2.00	0.00	0.00	0.00	2.00	990.00	495.00	2.00	990.00
306 : Other Assets	28.70	35.30	9.60	0.00	73.60	29,640.00	402.72	73.60	29,640.00
307 : Cash at bank	30.40	3.20	52.70	0.00	86.30	28,940.00	335.34	86.30	28,940.00
Realisation of Assets	87.70	39.80	127.00	9.20	263.70	92,259.50	349.87	263.70	92,259.50
Total Hours	310.70	290.60	406.00	508.40	1,515.70	383,096.50	252.75	1,515.70	383,096.50

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

XT0172 - Transform Medical Group (CS) Limited
From: 30/06/2015 To: 03/08/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
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** - Denotes codes included in cumulative data that are not present in the period.

PRACTICE FEE RECOVERY POLICY FOR TURPIN BARKER ARMSTRONG

Introduction

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <https://www.turpinbainsolvency.co.uk/fees-and-links>. Alternatively a hard copy may be requested from Turpin Barker Armstrong, Allen House, 1 Westmead Road, Sutton, Surrey SM1 4LA. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 st April 2019 £	Current charge-out rate per hour, effective from 1 st April 2017 £	Previous charge-out rate per hour, effective from 1 st April 2013 £
Senior Partner	595.00	545.00	495.00
Partner	440.00	400.00	365.00
Manager	350.00	325.00	295.00
Assistant Manager	310.00	285.00	260.00
Senior Administrator	290.00	265.00	240.00
Administrator	240.00	220.00	200.00
Assistant Administrator	100.00	90.00	80.00
Junior Administrator	40.00	40.00	40.00

These charge-out rates charged are reviewed on 1st April each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and the basis of our post-appointment fees will be determined once we are aware of the full circumstances of the case and will be subject to approval.

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

Members' voluntary liquidations and Voluntary Arrangements

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and

creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Disbursements

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

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

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