

The Insolvency Act 1986

## Statement of administrator's proposals

2.17B

Name of Company IC Realisations 2008 Limited	Company number 3888248
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 10799 of 2008

(a) Insert full name(s) and address(es) of administrators

We (a) Jason James Godefroy and Geoffrey Wayne Bouchier  
MCR  
43-45 Portman Square  
London  
W1H 6LY

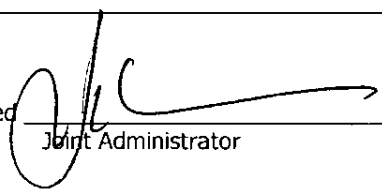
\* Delete as appropriate

attach a copy of \*our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 23 January 2009

Signed   
Joint Administrator

Dated 23/1/09

## Contact Details:

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

MCR  
43-45 Portman Square  
London  
W1H 6LY

37 7240

If completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff



\*AERMH6SG\*

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24/01/2009

301

COMPANIES HOUSE

SATURDAY

**IC Realisations 2008 Limited  
(formerly known as Intecare Limited)  
(In Administration)**

**Joint Administrators' Report and Proposals to Creditors  
For the period from 4 December 2008 to 23 January 2009  
pursuant to Paragraph 49 of Schedule B1  
to the Insolvency Act 1986**

**23 January 2009**

**Names of Joint Administrators:** Jason James Godefroy  
Geoffrey Wayne Bouchier

**Date of appointment:** 4 December 2008

**Date of report:** 23 January 2009

**Appointed by:** Directors of the Company

**Court reference:** High Court of Justice, Chancery Division, Companies Court,  
The Strand, London, no. 10799 of 2008

**MCR**  
**43-45 Portman Square**  
**London**  
**W1H 6LY**



CORPORATE  
RESTRUCTURING

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## **1. INTRODUCTION**

- 1.1 Jason James Godefroy and Geoffrey Wayne Bouchier, both of MCR, were appointed Joint Administrators of IC Realisations Limited (formerly known as Intecare Limited) ("the Company") on 4 December 2008 by the directors of the Company pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the Joint Administrators are being exercised by either one of us.
- 1.3 This report sets out the circumstances leading up to our appointment and the steps taken by us to date.
- 1.4 You should complete the proof of debt form at Appendix 6 and return it to this office.

## **2. BACKGROUND**

- 2.1 The Company was incorporated on 3 December 1999. Statutory information on the Company and a summary of its financial position are included at Appendix 1.
- 2.2 The Company was a non-trading holding company which until recently wholly owned two subsidiaries, being IPS Realisations 2008 Limited (formerly known as Intecare Pharmacy Services Limited) and IH Realisations 2008 Limited (formerly known as Intecare Homecare Limited), known as "the Group".
- 2.3 The Group commenced trading in 2002 as dispensers of pharmaceutical drugs to:
- Approximately 6,500 house-bound or care home patients described as primary care patients; and
  - Approximately 2,000 hospital-based patients described as secondary care patients.
- 2.4 The Group restructured in 2008 and the Company sold its shares in the subsidiary companies.
- 2.5 The Group is now connected by common directors, being Samir Budhdeo, Amarjit Hundal and Mathew Joshy and its shareholders, being various members of the Budhdeo family and Amarjit Hundal. The Company also has a fourth director, being Sunil Thakker.

### **Trading History**

- 2.6 The Company acted as a holding company, it never traded and therefore has no trading history.
- 2.7 The Company operated the banking facilities of the Group, which supported the two connected companies.
- 2.8 The Company's draft accounts for the year ended 31 December 2007 reported a net profit of £78,926, which was as a result of dividends received from its subsidiaries.



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### **3. EVENTS LEADING UP TO THE ADMINISTRATION**

- 3.1 The Group planned to rapidly expand its business, which included the opening of several new depots throughout the United Kingdom in order to achieve nationwide coverage to serve a larger number of care homes. However, this expansion led to initial losses as the Group attempted to gain a foothold of the client base within each region.
- 3.2 Bank of Scotland Plc ("the Bank") provided the Company with an overdraft facility. On 2 October 2008, MCR was instructed by the Bank to review the Group's financial position following the return of several significant cheque payments which exceeded the Company's overdraft facility limit.
- 3.3 The review of the financial position of the Group identified a significant working capital funding gap of approximately £700k to £800k, which had culminated as a result of significant Group trading losses.
- 3.4 The Group's funding shortfall, its heavily insolvent balance sheet position and the significant requirement for additional capital were fully acknowledged by its directors, who advised that discussions were ongoing with several third parties to raise capital. These negotiations were focused on securing either a trade sale of the Group's business, an equity injection through a sale of part the directors' shareholding or a possible refinance of the Group's banking facilities.
- 3.5 In addition, the Group's shareholders also sought to raise funds personally through their other personal and business interests.
- 3.6 It is understood that whilst these capital fund raising exercises were being undertaken the directors liaised on a regular basis with the Group's key suppliers and those parties that the Group had contracted with including several National Health Service ("NHS") trusts.
- 3.7 Although the Group's cash flow position was becoming critical, the directors considered it to be manageable whilst negotiations to raise further capital continued. In this respect, they were having some positive discussions with one such private equity funder who indicated a willingness to inject significant funds into the business to support further growth. This indicative offer was however subject to further due diligence.
- 3.8 However, following a meeting between the Group and one of its key suppliers, GlaxoSmithKline ("GSK"), on 5 November 2008 all credit facilities previously provided by GSK to the Group's trading entities (either directly or via its agents who also supply the Group) were withdrawn, which substantially exasperated the Group's cash-flow pressure.
- 3.9 It was evident that, in the absence of any immediate significant investment, the Group could not service its current level of liabilities as and when they fell due and was therefore insolvent on a cash flow as well as a balance sheet basis.
- 3.10 Despite attempts to accelerate the capital raising exercise, the directors were unable to obtain further funding for the Group and decided that they had no option but to appoint Joint Administrators to the Company as well as the other companies within the Group. The appointments took effect on 4 December 2008.



#### **4. PURPOSE OF THE ADMINISTRATION**

4.1 The purpose of an Administration is to achieve the following hierarchical objective:

- Rescuing the Company as a going concern, or
- Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 We are of the opinion that the second and third objectives will be met.

#### **5. PROGRESS OF THE ADMINISTRATION TO DATE**

5.1 The manner in which the affairs and business of the Company have been managed since our appointment and will continue to be managed and financed are set out below.

##### **Actions leading up to and upon appointment**

5.2 In the period leading up to the appointment it became apparent that in the event of an insolvency appointment:

- 5.2.1 Significant working capital would be required in order to finance any ongoing trade in Administration given that the business was loss making, stock had been depleted and employees were due to be paid/remained unpaid;
- 5.2.2 A wind-down of the Group's business would be extremely protracted given that it had several sites and serviced the drug needs of approximately 8,500 patients;
- 5.2.3 A wind-down of the Group's affairs would require extremely careful planning and management which would incur significant cost both in terms of trading/wind down costs and professional fees;
- 5.2.4 There would have been a high risk to the patients' health and in certain cases the patients' lives may have been at risk if the business ceased to trade and patients were denied urgent medication, particularly those classed as primary care patients who were highly dependent on the delivery of medicines by the Group.
- 5.2.5 The Group's contracts with the NHS would have been terminable and it was therefore likely that any value in these contracts and the business itself would have been lost;
- 5.2.6 Any assignment of Group contacts required the consent of the NHS and others;
- 5.2.7 Without additional funding, a wind-down of the business, including a clean exit from the contracts with the NHS, would not be possible.

5.3 Given the above, it was considered that an immediate sale of the business was necessary to minimise any disruption to the patients drug requirements whilst simultaneously maximising any remaining value within the Group's business.

## **Sale of business and assets**

- 5.4 Prior to our appointment as Joint Administrators, Hilco Appraisal Limited ("Hilco"), was instructed to prepare a valuation of the Group's assets. Hilco work in accordance with the Uniform Standards of Professional Appraisal Practice.
- 5.5 Attempts were also made to identify a purchaser for the Group's business as a going concern. Clearwater Corporate Finance LLP ("CCF"), specialists in mergers and acquisitions, were instructed to assist us in our review of the healthcare industry and our search for potential interested parties in the Group's business.
- 5.6 We were advised that the healthcare market is serviced by a small number of dominant parties. The majority of these parties were contacted and information was distributed with regard to the Group's financial position and the nature of its business. This process included one party attending the Group's head office in St Albans and meeting with its directors. We also made contact with a number of other parties known to us which included distressed private equity funders.
- 5.11 Whilst initial interest was expressed, any acquisition by a third party was complicated by the following reasons:
- 5.11.1 One of the Group's unique selling points, which was its information technology platform that provided the NHS and its care home clients with vital medication consumption data, was owned by a company outside of the Group and would not be available for sale as part of any purchase. The directors of this company, Mobisol Limited, are Samir Budhdeo and Amarjit Hundal.
- 5.11.2 The Group's business was highly dependent upon the skills and relationships of certain members of the management team. Potential purchasers were concerned that these individuals could not be retained.
- 5.11.3 It became apparent that certain potential purchasers would not be acceptable to the NHS and as such assignment of the Group's contracts could be difficult.
- 5.12 Despite both our efforts and that of CCF, all parties that were contacted subsequently confirmed that they did not wish to pursue the opportunity following the conduct of limited due diligence.
- 5.13 During this process, we were contacted by Blackbay Ventures Limited ("Blackbay"), who expressed an interest in a potential purchase of the Group's business. Blackbay is owned and managed by Sanjay Budhdeo, the brother of Samir Budhdeo.
- 5.14 Blackbay submitted an offer of £800,000 for the business and assets of the Group, which included £370,000 for the business and assets of the Company.
- 5.15 Despite all attempts to identify further potential purchasers, the only offer forthcoming was from Blackbay. Following consultation with both CCF and Hilco, it was concluded that this offer should be accepted. There were a number of deciding factors in selling the business and assets to Blackbay, which included:
- 5.15.1 An immediate appointment was necessary as explained in section 3 above and no other offers were received;
- 5.15.2 Blackbay committed to continue the ongoing provision of medication to all patients as part of its offer;



- 5.15.3 All employees of the Group would transfer to Blackbay, preserving their employment and minimising any preferential creditor claims;
- 5.15.4 Costs and professional fees were minimised, given that the alternative was wind down of the Company and the Group's business which would have resulted in substantial costs;
- 5.15.5 The Bank, in its position as sole debenture and cross guarantee holder over the majority of the Group's assets, agreed to the sale which will result in a loss of the Bank of circa £700k. The Bank would have been the primary beneficiary of any increased asset realisations.
- 5.16 It was agreed that the business and assets be sold to Blackbay immediately following the appointment of Joint Administrators. The total transaction value was £800,000 of which £370k was paid for the business and assets of the Company. The sale consideration was paid in respect of an inter-company debt.
- 5.17 The consideration of £370,000 has been deferred and is payable by 31 October 2009. The deferred consideration has been personally guaranteed by Sanjay Budhdeo and a corporate guarantee has been provided by Zanrex Limited, a company of which Sanjay Budhdeo is a shareholder and director.
- 5.18 In accordance with Statement of Insolvency Practice 16, (pre-packaged sales in Administration), please refer to Appendix 2 for further details of the sale transaction.

#### **Investigations**

- 5.19 Our investigations into the Company's affairs are currently ongoing.
- 5.20 We have a statutory obligation to file a report with the Insolvency Service regarding the conduct of the directors that held office in the three years prior to the Administration. This report must be filed within six months from the appointment date and the content of this report is confidential.
- 5.21 We also have a duty to investigate antecedent transactions which include:
- Transactions at an undervalue, s238 of the Insolvency Act 1986;
  - Preferences, s239 of the Insolvency Act 1986; and
  - Transactions to defraud creditors, s423 of the Insolvency Act 1986.
- 5.22 If you have any information that you would like to bring to our attention regarding the Company and its directors the please do so in writing.

#### **Receipts and Payments**

- 5.23 There have been no receipts and payments in the Administration to date.

## **Joint Administrators' Agents and Solicitors**

- 5.24 We engaged the following firms to assist with the sale of the Company's business and assets and other statutory matters:

<b>Company</b>	<b>Role</b>
Hilco Appraisal Limited	Chattels agents – Value stock and chattel assets.
Eversheds LLP	Solicitors – Drafting and reviewing the sale and purchase agreement and assisting with placing the Company into Administration and other ad hoc legal matters.
Clearwater Corporate Finance LLP	Instructed to assist with the search for a potential purchaser of the Group's business and assets.

## **6. STATEMENT OF AFFAIRS**

- 6.1 In accordance with Paragraph 47 of Schedule B1 to the Insolvency Act 1986, we have requested that the directors provide a statement of the affairs ("SOA") of the Company.
- 6.2 However, as at writing this report no SOA has been received from any of the directors.
- 6.3 A schedule of creditors' names and addresses is attached at Appendix 3.
- 6.4 Some creditor amounts shown may differ from the actual amount owed. This does not affect their ability to claim a different amount.

## **7. JOINT ADMINISTRATORS' REMUNERATION**

- 7.1 In accordance with Rule 2.106 of the Insolvency Rules 1986, as amended ("the Rules"), it is proposed that the basis upon which our remuneration should be fixed, is by reference to the time properly given by us and our staff in attending to matters arising in the Administration.
- 7.2 We will be seeking the subsequent approval of the secured creditor in respect of our remuneration, pursuant to Rule 2.106(5A) of the Rules.
- 7.3 Our time costs for the period 4 December 2008 up to and including 16 January 2009 total £10,521. A schedule of our time costs is set out at Appendix 4.
- 7.4 To date, no remuneration has been drawn by us.
- 7.5 Information regarding the fees of Administrators, a creditors' guide to Administrators' fees, can be found at Appendix 5 or on our website at [www.mcr.uk.com](http://www.mcr.uk.com).

## **8. DIVIDEND PROSPECTS / PRESCRIBED PART**

### **Secured Creditors**

- 8.1 At the date of our appointment, the Company's indebtedness to the Bank was £1,110,512, subject to accruing interest and charges. It is anticipated that there will be insufficient realisations to repay the Bank in full.
- 8.2 The Bank has fixed and floating charges over all of the assets of the Company, although we understand that the Bank's fixed charge specifically excludes goodwill.

### **Preferential Creditors**

- 8.3 We are not aware of any preferential creditors' claims at this time. The employees of the Company were transferred to Blackbay following the sale of the business and the Transfer of Undertakings (Protection of Employment) Regulations 2006 may therefore apply.

### **Prescribed Part**

- 8.4 Pursuant to section 176A of the Insolvency Act 1986, where a floating charge is created after 15 September 2003, a prescribed part of the Company's net property shall be made available to non-preferential creditors.
- 8.5 Based on current information, we estimate that, after allowing for costs, the value of the Company's net property will be minimal. The prescribed part will therefore not be applied in this case.

### **Non-Preferential Creditors**

- 8.6 According to the Company's books and records, there are no non-preferential creditors, as the Company did not trade.

## **9. EC REGULATION**

- 9.1 EC Regulations apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England within the EC.

## **10. CREDITORS' MEETING**

- 10.1 In accordance with Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors meeting will not be convened as we believe that the Company will have insufficient property to enable a distribution to be made to non-preferential creditors.
- 10.2 However, we shall summon an initial creditors' meeting if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the prescribed form 2.21B, attached at Appendix 6, within 12 days from the date of this report.
- 10.3 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

## **11. END OF THE ADMINISTRATION**

- 11.1 The options available to the Joint Administrators for the exit from the Administration are as follows:
- Compulsory Liquidation
  - Creditors' Voluntary Liquidation
  - Company Voluntary Arrangement
  - Return of control to the director
  - Dissolution of Company
- 11.2 We have formed the view that, once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to non-preferential creditors.

- 11.3 Once all outstanding matters have been satisfactorily completed, we will give notice to the Registrar of Companies under Paragraph 84 of Schedule B1 to Insolvency Act 1986 to the effect that the Company has no property to realise which might permit a distribution to its non-preferential creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.
- 11.4 You will note from the proposals section below that we have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

## **12. ADMINISTRATORS' PROPOSALS**

### **12.1 We propose the following:**

- 12.1.1 That we continue the Administration to deal with such outstanding matters in relation to the Company as we consider necessary until such time as the Administration ceases to have effect.
- 12.1.2 That we do all such other things and generally exercise all of our powers as contained in Schedule 1 of the Insolvency Act 1986, as we, in our sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- 12.1.3 That we seek an extension to the Administration period if deemed necessary.
- 12.1.4 Once all outstanding matters have been satisfactorily completed by us, we will take the necessary steps to give notice under paragraph 84 of Schedule B1 to the Act to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the Administration will cease.
- 12.1.5 In the event that we form the view that a distribution can be made to unsecured creditors, to take the necessary steps to put the Company into creditors' voluntary liquidation. It is proposed that Jason Godefroy and Geoffrey Bouchier, both of MCR, would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 2.117(3) of the Rules, the creditors may nominate a different person as the proposed liquidator, provided such nomination is made before these proposals are approved.
- 12.1.6 That we be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration.
- 12.1.7 That our remuneration be fixed by reference to the time properly incurred by us and our staff in attending matters during the Administration.
- 12.1.8 That we be authorised to draw our firm's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), if any.
- 12.1.9 That we be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.

### **12.2 We will also be seeking the following resolutions from the secured creditors :**

- 12.2.1 That we be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, upon filing the end of the Administration.

- 12.2.2 That our remuneration be fixed by reference to the time properly spent by us and our staff in attending to matters arising in the administration.
- 12.2.3 That we be authorised to draw our firm's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), if any.
- 12.2.4 That we be authorised to instruct and pay MCR Receivables Management to assist with the collection of book debts, where considered appropriate.

### **13. OTHER MATTERS**

- 13.1 If any creditor has any information concerning the Company's affairs that they would like to bring to our attention, then we should be pleased to hear from them.

If you require further information or assistance, please do not hesitate to contact my colleague Neil Dyer.



**Jason Godefroy**  
Joint Administrator  
Enc.



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## **APPENDIX 1**



## STATUTORY INFORMATION

**Date of incorporation** 3 December 1999

**Registered number** 03888248

**Company directors**  
Samir Budhdeo  
Amarjit Hundal  
Mathew Joshy  
Sunil Thakker

**Company secretary** Samir Budhdeo

**Shareholders**

**No of ordinary  
shares**

Amar Budhdeo	10
Kalpna Budhdeo	10
Samir Budhdeo	10
Urmila Budhdeo	10
Amarjit Hundal	50
Pravin Budhdeo	10
	<u>100</u>

**Trading address**  
7 Curo Park  
Park Street  
Frogmore  
St Albans  
Herts  
AL2 2DD

<b>Registered office</b>	<b>Current:</b>	<b>Formerly:</b>
	43-45 Portman Square London W1H 6LY	Westbury House 23-25 Bridge Street Pinner Middlesex HA5 3HR

**Any other trading names** Medicare Express Limited

**Financial information**

	Period Ended 31 December 2007 (Draft) £	Period Ended 31 December 2006 (Draft) £
Turnover	Nil	Nil
Operating Profit	8,565	79,381
Retained profit/(loss) for the year	78,926	254,587

## APPENDIX 2





**Appendix 2**  
**Information Requirements of Statement of Insolvency Practice 16**

**The source of the administrator's initial introduction**

Bank of Scotland Plc ("the Bank")

**The extent of the administrator's involvement prior to appointment**

To review the Group's financial position and funding requirements on behalf of the Bank.

**Any marketing activities conducted by the company and/or the administrator**

Please refer to paragraphs 5.4 to 5.12 of the report.

**Any valuations obtained of the business or the underlying assets**

Please refer to paragraph 5.4. Hilco's appraisal reported an in-situ value of £40k and an ex-situ value of £15k for the Group's tangible unencumbered assets.

**The alternative courses of action that were considered by the administrator, with an explanation of possible financial outcomes**

Please refer to paragraphs 5.2 to 5.3 of the report.

**Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the administration**

Please refer to paragraphs 5.2 to 5.3 of the report.

**Details of requests made to potential funders to fund working capital requirements**

Please refer to paragraph 5.2.1. It was concluded that it would not have been viable to continue to trade the Group's business in Administration given the points considered at paragraph 5.2 of the report.

**Whether efforts were made to consult with major creditors**

We understand that management were in discussions with all major creditors. Please refer to paragraphs 3.6 to 3.8 of the report.

**The date of the transaction**

4 December 2008

**Details of the assets involved and the nature of the transaction**

A sale of an inter-company debt

**The consideration for the transaction, terms of payment, and any condition of the contract that could materially affect the consideration**

Date Due	(£)
31 January 2009	148,000
31 April 2009	74,000
31 June 2009	29,600
31 July 2009	29,600
31 August 2009	29,600
31 September 2009	29,600
31 October 2009	29,600
Total Consideration	<u>370,000</u>

**If the sale is part of a wider transaction, a description of the other aspects of the transaction**

The same purchaser also purchased the business and assets of the other Group companies as a going concern. The total transaction consideration was £800k, broken down as follows:

- 1) £380k for 2 freehold properties owned by IPS Realisations 2008 Limited. Sold pre-appointment on 4 December 2008 with £300k paid immediately and £80k deferred.
- 2) £370k assets of IC Realisations 2008 Limited.
- 3) £14,994 assets of IPS Realisations 2008 Limited.
- 4) £35k assets of IH Realisations 2008 Limited.

**The identity of the purchaser**

Blackbay Ventures Limited ("Blackbay")

**Any connection between the purchaser and the directors, shareholders or secured creditors of the company**

New set-up, no common directors but associated by family relation.

**The names of any directors, or former directors, of the company who are involved in the management or ownership of the purchaser, or of any other entity into which any of the assets are transferred**

Sanjay Budhdeo  
Neeta Chokshi

**Whether any directors had given guarantees for amounts due from the company to a prior financier, and whether that financier is financing the new business**

We understand that Samir Budhdeo had previously provided Lombard with a personal guarantee in respect of various plant and machinery assets which were subject to hire purchase agreements. We understand that Blackbay may have entered into similar arrangements with Lombard.

**Any options, buy-back arrangements or similar conditions attached to the contract of sale**

None

### **APPENDIX 3**



**MCR**  
**IC Realisations 2008 Limited (formerly Intecare Limited)**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Ashford Borough Council	Civic Centre, Tannery Lane, Ashford, Kent, TN23 1PL	0.00
CB00	Bank of Scotland plc	7th Floor, 155 Bishopsgate, London, EC2M 3YB	1,110,512.00
CH00	HM Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	0.00
CH01	Hotel Iverna	32 Marine Parade, Eastbourne, BN22 7AY	0.00
CM00	Manichem Limited	47 Boulton Road, Reading, RG2 0NH	0.00
RB00	Samir Pravin Budhdeo	48a Paines Lane, Pinner, Middlesex, HA4 3DA	0.00
RD00	Ragesh Kantilal Dewani	47 Chestnut Drive, Pinner, Middlesex, HA5 1LX	0.00
RG00	Rajiv Gupta	501 Great West Road, Hounslow, Middlesex, TW5 OBS	0.00
RH00	Amarjit Singh Hundal	19 North Drive, Beconsfield, Buckinghamshire, HP9 1TZ	0.00
RM00	Mathew Joshy	3 Broadwater Gardens, Harefield, Uxbridge, Middlesex, UB9 6AL	0.00
RS00	Sunil Thakker	7 Gresham Road, Staines, Middlesex, TW18 2BT	0.00
<b>11 Entries Totalling</b>			<b>1,110,512.00</b>

Signature \_\_\_\_\_

## **APPENDIX 4**

# IC Realisations 2008 Limited (In Administration)

## Analysis of Joint Administrators' time costs for the period 4 December 2008 to 16 January 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
							£	£
Strategy planning & control	1.40	8.70	0.80	12.60		23.50	3,946.00	167.91
Proposals		4.90	6.10			11.00	2,598.00	236.18
Unsecured creditors	0.50	2.50		3.10		6.10	1,105.00	181.15
Statutory meetings & reports	1.10	1.10				2.20	784.50	356.59
General admin		0.60		5.10		5.70	583.50	102.37
IPS set up & maintenance		1.20		0.10		1.30	319.00	245.38
Cashiering & accounting		0.30	0.60	0.60		1.50	270.50	180.33
Investigations (inc. antecedant transactions)			1.00			1.00	220.00	220.00
General correspondence	0.20			1.50		1.70	199.50	117.35
Meetings	0.50					0.50	195.00	390.00
Statement of affairs		0.40		0.40		0.80	146.00	182.50
Floating charge assets		0.40				0.40	98.00	245.00
Fixed charge assets		0.10				0.10	28.50	285.00
Retention of title				0.20		0.20	18.00	90.00
Sale of business				0.10		0.10	9.00	90.00
<b>Total Hours</b>	<b>3.70</b>	<b>20.20</b>	<b>8.50</b>	<b>23.70</b>		<b>56.10</b>	<b>10,520.50</b>	<b>187.53</b>
<b>Total Fees Claimed (£)</b>	<b>1,521.00</b>	<b>5,583.00</b>	<b>1,516.00</b>	<b>1,900.50</b>			<b>10,520.50</b>	

## **APPENDIX 5**



## **MCR**

### **PROFESSIONAL FEES – SIP 9**

MCR's mission statement is "to provide clients with an outstanding service based on technical excellence, effective problem solving and the highest level of client care". It provides a quality, partner led service and takes compliance with insolvency legislation and best practice guidance seriously.

This guide to our fees has been produced to provide creditors with information required by best practice guidance. We recommend that this guidance is read in conjunction with the note entitled "A Creditors Guide to Administrators Fees", which is attached.

At MCR we seek to recover fees on time cost basis. Set out below are our firm's hourly rates, with effect from 1 January 2008, excluding VAT:

	<b>£</b>
Insolvency Practitioner Partners	290 - 390
Managers/Directors	180 - 340
Supervisors	115 - 220
Assistants/Support staff	20 - 120

We occasionally use an associated business, MCR Receivables Management Limited to assist with the collection of book debts and other matters that the officeholders deem necessary. Depending upon the complexity and difficulties with the debtor records, work is undertaken on a basis of a percentage of realisations. The rate usually applied is 10% plus VAT and expenses.

As previously stated, MCR prides itself on the quality of work undertaken. With that in mind, we would invite creditors to consider the following points:

1. Our own standards mean that we undertake an investigation into the affairs of all companies in liquidation irrespective of the level of realisations that will be achieved.
2. The practice has to meet its own overheads and those associated with an insolvent state irrespective of when fees are available from a particular case. We endeavour to allocate tasks to staff with the appropriate skills and at an appropriate charge-out rate.
3. Expenses and disbursements incurred by MCR in dealing with the administration of insolvent estates are discharged as a practice overhead out of fee income. This means that there are no hidden costs for recharging the use of internal meeting rooms, document storage and other services provided by the firm.
4. For the avoidance of doubt, direct costs relating to the administration of an estate are recovered if funds permit. These include, where applicable, advertising, travel expenses and expense claims by MCR staff where they are obliged to work away from the office. MCR only seeks to recover the costs of printing, room hire and document storage provided by external suppliers.



# **A CREDITORS' GUIDE TO ADMINISTRATORS' FEES**

**Where Petition Presented or Appointment Made On or After 15 September 2003**

## **ENGLAND AND WALES**

### **1 Introduction**

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

### **2 The nature of administration**

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

### **3 The creditors' committee**

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

### **4 Fixing the administrator's fees**

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:
- as a percentage of the value of the property which the administrator has to deal with, or
  - by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
  - each secured creditor of the company; and
  - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval, having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

## **5 What information should be provided by the administrator?**

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

**6 What if a creditor is dissatisfied?**

- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

**7 What if the administrator is dissatisfied?**

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their

number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

## **8 Other matters relating to fees**

- 8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.
- 8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

## **9. Provision of information – additional requirements**

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

## APPENDIX 6

## Rule 2.37

## Creditor's request for a meeting

Name of Company

IC Realisations 2008 Limited

Company number

0388248

In the  
High Court of Justice, Chancery Division,  
Companies Court

Court case number

10799 of 2008

(a) Insert full name and  
address of the creditor  
making the request

I (a)

(b) Insert full name and  
address of registered  
office of the company

request a meeting of the creditors of Intecare Limited

(b) Registered Office:  
43-45 Portman Square  
London  
W1H 6LY

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and  
address(es) of creditors  
concurring with the  
request (if any) and their  
claims in the  
administration if the  
Requesting creditor's claim  
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of  
concurrence.(e) Insert details of the  
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

## **APPENDIX 7**



**Proof of Debt – General Form**

**IC Realisations 2008 Limited (In Administration)**

Date of administration 04/12/2008

1.	Name of creditor (If a company please also give company registration number).	
2.	Address of creditor for correspondence.	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration.	
4.	Details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting).	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
7.	Particulars of any security held, the value of the security, and the date it was given.	
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
9.	Signature of creditor or person authorised to act on his behalf  _____	
	Name in BLOCK LETTERS  _____	
	Position with or in relation to creditor  _____  Address of person signing (if different from 2 above)  _____	

**For Administrators' Use only**

Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator