

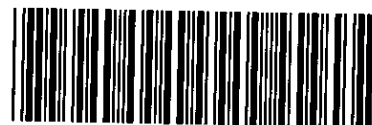
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Notice of administrator's proposals



Companies House

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COMPANIES HOUSE

1 Company details

Company number 0 4 1 2 3 7 9 5

Company name in full Nupharm Laboratories Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Steven Philip

Surname Ross

3 Administrator's address

Building name/number 1 St James' Gate

Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 4 A D

Country

4 Administrator's name ①

Full forename(s) Allan David

Surname Kelly

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ①

Building name/number 1 St James' Gate

Street

Post town Newcastle upon Tyne

County/Region

Postcode N E 1 4 A D

Country

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

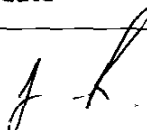
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Sign and date

Administrator's
Signature

Signature

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Signature date

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Notice of Administrator's Proposals



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	Steven Philip Ross
Company name	RSM Restructuring Advisory LLP
Address	1 St James' Gate
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 4 A D
Country	
DX	
Telephone	0191 255 7000



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 and dated 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

In the matter of

**Nupharm Laboratories Limited In Administration
(‘the Company’)**

In the Newcastle upon Tyne District Registry No 0112 of 2017

Joint Administrators’ proposals and report dated 19 June 2017

Date of delivery of Proposals: 21 June 2017

**Steven Philip Ross and Allan David Kelly
Joint Administrators
Appointed 26 April 2017**

**RSM Restructuring Advisory LLP
1 St James’ Gate
Newcastle upon Tyne NE1 4AD**

Contents

Sections

1. Purpose of report
2. Events leading up to the administration
3. Estimated statement of financial position
4. Purpose of the administration
5. Conduct of the administration
6. *Creditors' claims and dividend prospects*
7. Joint Administrators' receipts and payments
8. Decision Procedure
9. *Joint Administrators' proposals and resolutions*
10. Proposed exit from administration
11. Costs and Joint Administrators' remuneration
12. EC regulations

Appendices

- A. Statutory, dividend and other information
- B. Estimated statement of financial position
- C. Summary of receipts and payments
- D. Notice of a decision procedure
- E. Voting form
- F. Proof of debt
- G. Notice to creditors inviting establishment of committee & Consent to Act
- H. Charging, expenses and disbursements policy statement
- I. Joint Administrators' current charge out and disbursement rates
- J. Category 2 disbursements table
- K. Joint Administrators' fee estimate
- L. Estimate of all expenses likely to be incurred by the Joint Administrators Administration
- M. Joint Administrators' post-appointment time cost analysis
- N. Joint Administrators' pre-appointment time costs analysis
- O. Analysis of pre-administration costs

1 Purpose of report

The Joint Administrators are pleased to present their Proposals and Report pursuant to Paragraph 49, Schedule B1 to the Insolvency Act 1986 and other relevant legislation.

This proposal has been prepared solely to comply with the statutory requirements of Paragraph 49, Schedule B1 to the Insolvency Act 1986. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

RSM Restructuring Advisory LLP was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

2 Events leading up to the administration

2.1 Brief background

The company was incorporated on 12 December 2000 and commenced trading from customised premises in 2 Newtech Square, Deeside Industrial Park, Flintshire as a manufacture of pharmaceuticals.

Nupharm Group Limited acquired the Company in July 2015. Since the acquisition the company has suffered £0.5m trading losses and utilised £0.7m that has been set-a-side for rectification works at the Company's premises.

In addition to the above the Company has absorbed significant group management resources and has also remained subject to Medicines and Healthcare products Regulatory Agency ("MHRA") restrictions thus limiting turnover.

The board concluded that it was unacceptable to incur further cash losses and management time to try and address the operational issues.

The directors explored the possibility of a third party sale however no purchaser could be located to acquire the business as a going concern.

The company commenced a lengthy and orderly wind down of operations, to ensure all hazardous substances were removed from site and operational equipment, cleaned, dismantled and stored appropriately for future sale etc. The last remaining employees left site on 27 January 2017.

The directors initially wanted to avoid an insolvency process in order to minimise costs and maximise the potential return to creditors, via proposing an informal agreement with its creditors. It was the directors' intentions to sell the company's assets and propose a one off distribution in full and final settlement of its liabilities to creditors.

One of the company's largest creditors is its landlord. The company commenced discussions with the landlord to compromise their claim in respect of amounts due under the lease (via their agents). However there was little response or indication that this was an option the landlord wished to consider. The Company had no funds to meet ongoing expenses and had been financially supported by the group. With no indication from the landlord at their willingness to agree a settlement the Group withdrew its financial support.

Following professional advice the directors concluded they had no option but to commence the necessary steps to place the Company into Administration.

The directors filed a 'Notice of Intention to appoint an Administrator' with court on 19 April 2017. Lloyds Bank Plc consented to the appointment on 21 April 2017 and the Company was placed into Administration on 26 April 2017.

2.2 Company's trading history

Relevant extracts from the Company's audited financial statements and management accounts are summarised below.

	Audited Financial Statements for 13 month period ended 31 January 2016	Unaudited Financial Statements for the year ended 31 December 2014
	£	£
Turnover	2,509,948	3,890,415
Cost of sales	(1,799,526)	(2,202,503)
Gross profit / (loss)	710,422	1,687,912
Gross Profit %	28.30%	43.38%
Administrative expenses	(4,027,585)	(1,108,226)
Other operating income	-	73,495
Operating profit / loss	(3,317,163)	653,181
Interest receivable and similar charges	5,552	
Interest payable and similar charges	(20,005)	(18,000)
Net Profit / (loss) before tax	(3,331,616)	635,181
Tax	127,697	31,180
Profit /(loss) after tax	(3,203,919)	666,361
Dividends	(320,000)	(550,000)
Retained profit for the year	(3,528,919)	116,361

3 Estimated statement of financial position

Estimated statement of financial position

The directors have not yet lodged a Statement of Affairs with the Joint Administrators. However a draft statement of affairs has been circulated and I expect to receive the final signed version within the next 7 business days. Accordingly, pursuant to the relevant legislation, we attach an Estimated Statement of the Financial Position of the Company as at 26 April 2017 as Appendix B. This records the assets and liabilities at their estimated book value at the date of our appointment together with details of the names, addresses and the estimated amounts due to the Company's creditors and any security held at the date of our appointment.

4 Purpose of the administration

Paragraph 3 of Schedule B1 to the Insolvency Act 1986 sets out the purposes of an administration. The Joint Administrators' must perform their functions with the objective of either:

- (a) rescuing the Company as a going concern; or
- (b) 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
- (c) realising property in order to make a distribution to one or more secured or preferential creditors.

It was not possible to achieve statutory purpose (a) because no purchaser could be found for the shares of the Company. In addition the Company has already ceased trading and all staff had been made redundant. As a result it was not possible to sell the business as a going concern. A Company

voluntary Arrangement ("CVA") was not appropriate as initial discussions with the Landlord had proved unsuccessful in trying to reach an informal settlement pre appointment. Therefore statutory purpose (b) was pursued as it allowed the Administrators to gain immediate control of the site, to minimise costs and achieve 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).

4.1 Strategy

The purpose of the Administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company was first wound up (without first being in Administration).

The strategy for achieving the purpose is detailed as follows:

- instruct Lambert Smith Hampton to value the chattel assets on site;
- instruct Lambert Smith Hampton to market the assets for sale and conclude a sale, via the most appropriate method; including liaising with the Landlord to hold an onsite sale if appropriate.
- instruct Lambert Smith Hampton to liaise with hire purchase companies to either collect assets or agree settlements to maximise realisations for creditors.
- instruct Muckle LLP to assist the director with the preparation of documentation to be filed at court to place the Company into Administration and provide any other legal advice as required by the Administrators in dealing with the Administration.
- investigate the possible value of the Company's intellectual property and conclude a sale.
- liaise with the Landlord to agree a strategy for clearing the unit at Deeside Industrial Park

5 Conduct of the administration

The costs incurred to date and those expected to be incurred in dealing with the matters below are set out in detail in each category and at appendix L.

5.1 Realisation of assets / Sale of business

The Company had ceased to trade and no ongoing business therefore it was not possible to sell the business as a going concern.

Lambert Smith Hampton ("LSH") was instructed on appointment to value the business and market the Company's plant, machinery fixtures and fittings for sale. LSH and I arranged a meeting on site with the Landlord's agent to discuss the possibility of an online auction, removal of equipment and classification of assets in order to maximise realisations for the benefit of creditors and to agree a suitable strategy with the landlord.

LSH recommended a short marketing period and offer the assets for sale via an online auction to be held on 15 June 2017.

The plant, machinery, fixtures and fitting were valued at auction and on a market for removal basis at £125,000 for a minimum 45 day marketing period and £150,000 on a 90 day marketing period.

The online auction had a very strong sector interest and bidder activity. The sale closed on 553 lots with an estimated sale value of £193,303 (subject to costs) and 99 lots unsold. LSH have issued invoices and collection of equipment commenced on 19 June 2017 and the site is expected to be clear by 30 June 2017. LSH have also commenced a secondary private treaty sales to deal with the remaining unsold lots.

LSH have also liaised with lease and contract hire companies to arrange collection of their equipment.

LSH have outstanding costs of £2,000 plus VAT for their valuation report.

It is normal practice for agents to charge a commission based on sales proceeds. However in this case LSH have agreed to limit their costs to, disbursements incurred, and cost of preparing the assets for sale. The commission on sales is paid by the customer directly to LSH on sale thus reducing the costs charged to the case. LSH have advised that their estimated costs for preparing and dealing with the auction are likely to be in the region of £13,000 plus VAT.

Dees Industrial Park

Due to the size and volume of the equipment on site it was not physically possible or cost effective to remove the plant and machinery from site to market for sale. Therefore with the Landlord's permission an on line auction was held with assets being collected directly from site during the week commencing

19 June 2016.

The annual rent was £130,000 per annum. LSH anticipate that the site will be vacated by 30 June 2017. Based on the information available the likely rent payable for the Administration period will be £23,472.16.

As the property was required for a short period to assist with realising the assets insurance was necessary. JLT were instructed on appointment to arrange and advise on the necessary insurance requirements. JLT attended site to evaluate the position. Following the onsite inspection and a review of the Company's insurance policies it was a requirement that the Company's alarm systems and monitoring control was continued during the period of occupation on site.

The company used Leba Systems Limited ("Leba") to provide 24 hour monitoring of the site, for security and fire detection / prevention. The services of Leba were retained. In addition to ongoing site monitoring Leba were also reinstructed as key holders to allow a speedy response and quick access should any alarms be activated, thus protecting the value of the assets and ensuring security of the site.

There is a minimum charge of 3 months for being a key holder. Leba have agreed to a reducing in the quarterly cost to £70 plus VAT for the 3 months of June to August 2017. It is not anticipated that we will require Leba to be Key holder after August 2017.

The annual charge for 24 hour monitoring and intruder alarm preventative maintenance is £850 plus VAT.

No undertaking have been provided to utility companies however I anticipated there may be a charge for utilities, estimated at £6,000.

A bill for non-domestic rates has been received for £6,233 per month. As the company has not been trading I intend to write to the council to request that empty property relief be applied in this case.

Leasehold property improvements

The company's financial statements as at 31 January 2016 included freehold property improvements with a book value of £102,822. The leasehold property improvements have no realisable value.

Intellectual property ("IP")

The Company has several unlicensed medicine formulations that it used to manufacture its batch made specials (where the formulations did not belong to third parties or have not been previously acquired). They are all unlicensed medicines where the initial recipes/formulations are in the public domain and therefore have minimal value.

In addition to the formula for unlicensed medicines, the Company has four registered patents for Betamethasone spray, Clobetasol spray and Minoxidil pharmaceutical form and a liquid dosage and form delivery systems.

Nupharm Group Limited has expressed an interest in acquiring the Company's IP although no formal offer has been received. A formal offer will be requested and guidance will be sought on the market value. The directors estimate the realisable value to be £500.

Cash at Bank

The company's bank account with Natwest Bank Plc was in credit by £230 as at the date of appointment. We have written to the bank to request the funds.

5.1.1 Claim for compensation for mis-selling of Interest Rate Hedging Product ('IRHP')

The Joint Administrators are investigating if the Company may have been mis-sold an IRHP by several banks.

Joint Administrators are currently in discussions with the Banks and are unable to conclude the Administration while we preserve creditors' rights to any potential compensation.

5.2 SIP 16 statement

There has been no pre-packaged sale of all or part of the Company's assets.

5.3 Connected party transactions

I can advise that there has been no sale of part or all of the Company's assets to a connected party as

defined by S240 of the Insolvency Act. However, a related company has expressed an interest to acquire the Company's intellectual property although no formal offer has yet been received. Should a sale of the Company's intellectual property be concluded to a connected party full details will be included in the next report to creditors'.

5.4 Trading

The company ceased trading on 27 January 2017 and has not traded during Administration.

5.5 Administration and planning

In the period since appointment, the Joint Administrators and their staff have also undertaken the following:

- Statutory filing of appointment documents at Companies House;
- Case planning and strategy;
- Undertaking file reviews;
- Requesting submission of Statement of Affairs;
- Handling receipts and payments
- Submission of pre appointment VAT returns
- Dealing with incoming mail
- Corresponding with hire purchase creditors
- Dealing with retention of title creditors
- Corresponding with unsecured creditors
- Liaising with Director
- Liaising with Company's accountants
- Investigations regarding Company pension schemes

6 Creditors' claims and dividend prospects

The value at which creditors' claims are stated in the Estimated Financial Position are, as is required by legislation, those which are reflected in books and records of the Company. It is our view that the position appears relatively accurate based on our knowledge to date. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims by the Joint Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the prescribed part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

6.1 Secured creditors

Lloyds Bank plc ("Lloyds") has a debenture including a fixed and floating charge over the assets of the company. The debenture was created on 13 July 2015 and registered with the Registrar of Companies on 27 July 2015. The company had no indebtedness to Lloyds at the date of appointment and been previously financially supported by the group.

6.2 Preferential creditors

There are no anticipated preferential creditors.

6.3 Unsecured creditors

Unsecured creditors' claims detailed in the Estimated Statement of Financial Position are £4,494,901.

6.4 Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, the "Net Property" which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

Whilst there are creditors secured by fixed and qualifying floating charges over the assets and undertaking of the Company, those creditors will receive no recovery under their floating charges. There

is therefore no requirement to estimate the amount of the Prescribed Part of the assets under Section 176A of the Insolvency Act 1986.

7 JOINT ADMINISTRATORS receipts and payments

We attach as Appendix C a summary of our receipts and payments.

VAT basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

8 Creditor Decision on Proposals

The Joint Administrators have decided to seek a decision of the creditors by correspondence, pursuant to paragraph 51 of Schedule B1 to the Insolvency Act 1986, to consider the Administrators' proposals as set out at section 9 below.

Formal notice of the decision, together with all other relevant documentation and guidance is attached.

Notice is also attached inviting creditors to decide if a liquidation committee should be formed, if sufficient nominations are received prior to the date specified in the notice. Please note that, in order for a creditors' committee to be formed, there must be at least three creditors wishing to be represented on the committee, and no more than five. Guidance on acting as a committee member can be found at the R3 website, www.R3.org.uk. A hard copy can be requested by telephone, email or in writing to this office.

You may also wish to note that R3 have also produced general guidance on the different insolvency processes, which can again be located at their website.

9 Joint Administrators' proposals

The Joint Administrators' proposals in relation to the Company are:

9.1 The Administrators should continue to:

- realise the company's chattel assets in the most appropriate and cost effective manner, ie via auction or private sale with the assistance of Lambert Smith Hampton;
- liaise with hire purchase / lease companies to maximise realisations for the benefit of creditors overall;
- realise any other assets of the Company in the most appropriate method to maximise realisations for the benefit of creditors.

9.2 The Administrators should continue to investigate and, if appropriate, pursue any claims that they or the Company may have against any director or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.

9.3 The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.

9.4 The Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the administration or their proposals.

9.5 Subject to paragraph 10 below, the Company exits the administration by way of Creditors Voluntary Liquidation. If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution will be made to unsecured creditors, which is not a prescribed part distribution, then the Company shall exit administration by Creditors' Voluntary Liquidation. Should funds not permit the exit of the Administration via Creditors Voluntary Liquidation the Company will exit Administration via dissolution.

9.6 That Steven Philip Ross and Allan David Kelly of RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD be appointed Joint Liquidators of the Company following the cessation of the administration and the Joint Liquidators will have the power to act jointly and severally.

9.7 For creditors to consider whether to appoint a Creditors' Committee to assist the Administrators and subsequent Joint Liquidators.

9.8 In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators.

- 9.9** In the event that a Creditors' Committee is not established, then in accordance with the fee estimate provided to creditors at Appendix K to these proposals the Administrators shall be authorised to draw their remuneration based upon time costs limited to the sum of £72,363 (plus VAT).
- 9.10** In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw 'category 2' disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix I. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation.

Creditors are also asked to consider the following resolutions in relation to the outstanding pre-administration costs detailed at paragraphs 9.11 and 9.12 below and at Appendix O.

- 9.11** In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix O, in the sum of £4,856.50 (plus VAT), such disbursements to include 'category 2 disbursements' at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix I.
- 9.12** In the event that a Creditors' Committee is not established, the Administrators shall be authorised to discharge the outstanding pre-appointment expenses as set out in Appendix O, in the sum of £Nil (plus VAT).

10 Proposed exit from administration

It is proposed that the Company shall exit administration by Creditors Voluntary Liquidation. However if there are insufficient funds (available after accounting for costs and expenses) to enable a dividend to unsecured creditors the Administration will exit via dissolution.

If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution, which is not a prescribed part distribution, will be made to unsecured creditors, then the Company shall exit administration by Creditors' Voluntary Liquidation.

If the Company exits administration by moving into Creditors' Voluntary Liquidation, it is proposed that Steven Philip Ross and Allan David Kelly of RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD be appointed Joint Liquidators of the Company following the cessation of the administration. The Liquidators will have the power to act jointly and severally and any act required or authorised to be done by the liquidators may be done by all or any one or more of the persons holding the office in question.

Creditors should note that they may nominate a different person as the proposed Liquidator, provided that:

- (a) the nomination is made, through a decision procedure, before the proposals (or any revised proposals) are approved and;
- (b) Where the nomination relates to more than one person, or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

11 Costs and Joint Administrators' remuneration

11.1 Pre-administration costs

Details of the fees charged and expenses incurred by the Administrators prior to appointment are set out in Appendix O, together with details of the amounts paid to discharge these costs (if any), and the balance that remains unpaid (if any).

These fees were incurred in attending meeting on site, to understand the premises and what was required in dealing with assets. Meeting with the Landlords agent to discuss the options of an informal arrangement and placing the Company into Administration. This work further achieved the purpose of the administration by allowing immediate control of the Company's assets thus minimising costs to maximise the realisations allowing a better result for the Company's creditors as a whole to be achieved than would be likely if the Company were wound up (without first being in administration) .

I would advise you that payment of unpaid pre-administration costs as an expense of the administration is:

- (i) Subject to approval under the relevant legislation, and

- (ii) Not part of the proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986.

I can confirm that I have unpaid pre-administration costs of £4,856.50 (plus VAT).

Creditors are asked to consider resolutions as set out at paragraphs 9.11 and 9.12 to approve the payment of the Administrators' outstanding pre-appointment remuneration and expenses as detailed at Appendix O from the administration estate. Please note that, if a Creditors' Committee is appointed, it is for the Committee to consider these resolutions.

Muckle LLP had been instructed to prepare the necessary documents to serve on the Company's qualifying floating charge holders and at court to secure the appointment of Administrators. The majority of the cost were met by Nupharm Group Plc. Muckle currently have outstanding work in progress of £137.50 plus VAT.

11.2 Approval for Joint Administrators' post appointment remuneration and disbursements

Creditors are asked to consider resolutions as regards the payment of the Administrators' remuneration and drawing certain disbursements from the administration estate.

It is for the creditors or, if a Creditors' Committee is appointed, the Creditors' Committee, to determine on what basis the administrator is to be remunerated; time cost, percentage, set fee or any combination of these and, where appropriate, the percentages or amounts of any set fee.

The Administrators are seeking approval for their post-appointment fees (remuneration) to be drawn on a time-cost basis in line with the fee estimate attached at Appendix K.

Creditors are asked to consider the resolution set out at paragraph 9.9 of the Administrators' proposals.

Our fee estimate has been prepared to incorporate the work that we anticipate will be done during the life of the appointment and based on the information currently available the Administrators do not anticipate that it will be necessary to seek approval from creditors to increase their fees.

Should the scope change or the assumptions prove to be inaccurate, it may result in additional cost being incurred in dealing with the administration. That may be as a result of certain work that has already been identified proving to be more complex and time-consuming than anticipated, a greater level of stakeholder engagement, or because new matters come to light of which the Administrators are not presently aware. Should such circumstances arise the Administrators may need to seek approval from the creditors to increase their fees.

If so approved, the maximum amount that the Joint Administrators will be able to draw in relation to their post-appointment fees will be £72,363, ie the total of the fee estimate (plus VAT). They will not be allowed to draw more than that amount unless they obtain further approval of the creditors.

11.3 Joint Administrators' post appointment costs incurred in the period from 26 April 2017

Since appointment, the Joint Administrators have incurred time costs of £15,587.00. An analysis of time incurred in the period is attached at Appendix M.

Details of the work that has been done to date and the benefit to creditors are explained in Section 5 above.

11.4 Post-appointment expenses and category 1 disbursements

The Administrators consider that post-appointment expenses (including category 1 and category 2 disbursements of £64,157.40 are likely to be incurred in the administration. A breakdown of these estimated expenses and disbursements is attached at Appendix L.

Based on the information currently available we expect the expenses will not exceed those set out in the attachment.

11.5 Post-appointment category 2 disbursements

Category 2 disbursements include elements of shared or overhead costs. Insolvency guidelines require these to be identified separately and are subject to approval as if they were remuneration. The current rates are attached at Appendix I and details of category 2 disbursements already incurred are attached at Appendix J. No category 2 disbursements have been drawn and none can be drawn until creditor approval has been obtained.

In the event that a Creditors' Committee is not appointed, creditors are asked to consider the resolution set out at paragraph 9.10 of the Joint Administrators' proposals.

11.6 Guide to Administrators fees

A Guide to Administrators Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

12 EC regulations

It is considered that the EC regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC regulations as the centre of main interest of the Company is in the UK.

Correspondence address & contact details of case manager

Kelly Allison

0191 255 7000

RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD

Name, address & contact details of Joint Administrators

Primary Office Holder

Steven Philip Ross

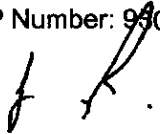
RSM Restructuring Advisory LLP

1 St James' Gate

Newcastle upon Tyne NE1 4AD

Tel: 0191 255 7000

IP Number: 9303



Steven Philip Ross

RSM Restructuring Advisory LLP

Joint Administrator

Joint Office Holder:

Allan David Kelly

RSM Restructuring Advisory LLP

1 St James' Gate

Newcastle upon Tyne NE1 4AD

Tel: 0191 255 700

IP Number: 9156

Encls

Steven Philip Ross is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Allan David Kelly is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment

The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents of the Company and without personal liability

Appendix A

Statutory, dividend and other information

Registered name:	Nupharm Laboratories Limited	
Functions of Administrator(s):	The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.	
Previous registered name(s) in the last 12 months: :	Pharma Formulation Services Limited	
Company number:	04123795	
Date of incorporation:	12 December 2000	
Trading name:	Nupharm Laboratories Limited	
Trading address:	2 Newtech Square, Deeside Industrial Park, Flintshire, CH5 2NT	
Principal activity:	Manufacture of pharmaceutical products and medicaments	
Registered office:	RSM Restructuring Advisory LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD	
Previous registered office:	Quantum House, Hobson Industrial Estate, County Durham, NE16 6EA	
Share capital:	Authorised share capital: 20,000 Ordinary £1 Shares	
Nominal & issued share capital	1.00 Ordinary shares Issued: 20,000 Ordinary Shares at a par value of £1	
Directors:	Andrew Paul Matthews, Christian Alexander Rigg, David Alan Sanson	
Resigned Directors	Director	Resigned
	Catherine Jane Brown	08 November 2016
	Brian James Fisher	08 November 2016
	Andrew Gordon Trouton	08 November 2016
	Martin John Such	08 March 2016
	Michael Denis Barker	01 December 2015
	Andrew John Scaife	01 December 2015
	Craig Robert Swinhoe	01 December 2015
	William Michael Gould	13 July 2015
	Stephen Tickle	13 July 2015
Secretary:	Craig Robert Swinhoe	
Mortgages & charges:	Debenture created 13 July 2015 and registered on 27 July 2015 in favour of Lloyds Bank Plc, including a fixed and floating charge over the assets of the Company.	
Appointor:	The Directors of the Company C/O 1 St James Gate, Newcastle upon Tyne, NE1 1AD	

Dividend prospects	Estimated amount owed at date of appointment	Paid to date	Estimated future prospects
Secured creditor – Lloyds Bank Plc	£Nil	£Nil	Payment In full / shortfall
Preferential creditors	£Nil	N/A	N/A
Unsecured creditors	£4,494,901	£Nil	Small dividend
Estimated net property	£N/A		
Estimated prescribed part available for unsecured creditors	£N/A		

Appendix B – Estimated financial position

Nupharm Laboratories Limited

Estimated Statement of Affairs as at 26 April 2017 showing Assets at Estimated Realisable Values and Liabilities expected to Rank

Gross Assets	Book Values	Assets specifically pledged			Estimated Realisable Values
500		Intellectual property			500
		Due to Lloyds Bank Plc under debenture (Dated 13 July 2015)			
		Surplus / Deficiency thereon (see below)			
			Value	Secured Creditor	Surplus/ (Deficit)
		None			
125,000	2,044,766	Asset not specifically pledged			
	129,692	Plant, machinery and equipment, fixtures and fittings			125,000
231	231	Leasehold Property Improvements			
		Natwest Bank Plc			231
		Cash at bank – Lloyds Bank Plc			<u>125,731</u>
<u>125,731</u>	<u>2,174,689</u>	Estimated realisable value of assets available for creditors			125,731
Gross Liabilities		Liabilities			
		Secured creditors			
		Lloyds Bank Plc			
		Preferential creditors			
		None			
		Floating charge creditor			
		None			
		Non-preferential creditors			
8,448		HM Revenue & Customs – PAYE tax/NIC			8,448
6,921		HM Revenue & Customs – VAT			6,921
140,379		Nupharm Group Limited – related company			140,379
4,111,325		Quantum Pharmaceutical Limited			4,111,325
112,754		Quantum Pharma Group Limited			112,754
<u>115,074</u>		Trade creditors			<u>115,074</u>
<u>£4,494,901</u>					<u>4,494,901</u>
<u>£4,369,170</u>		Estimated deficiency as regards non-preferential creditors			4,369,170
		Issued and fully paid up share capital			<u>20,000</u>
		Estimated deficiency as regards shareholders of the Company			<u>£4,389,170</u>

(subject to costs of the realisation of assets and costs of the Administration)

Creditor Listing (Landscape)

1091273 - Nupharm Laboratories Limited In Administration

All Creditors

SECURED CREDITORS

Creditor Name	Creditor Reference	Address	SOA
Lloyds Bank		25 Gresham Street London EC2V 7HN	0.00
Totals for Secured Creditors			0.00

UNSECURED CREDITORS

Creditor Name	Creditor Reference	Address	SOA
Air Products Plc	404558907	2 Millenium Gate, Westmere Drive, Crewe Cheshire CW1 6AP	636.05
Ash Waste Services Limited	Account 1122	Broughton Mill Road, Bretton, Flintshire Chester CH4 0BY	0.00
B & M Waste Services Ltd #	IW42597	Dock Road South, Bromborough Wirral CH62 4SQ	764.88
Biffa Waste Services Limited		Coronation Road, Cressex, High Wycombe Bucks HP12 3TZ	0.00
British Gas	602167967	22-25 Farringdon Street, London EC4A 4AB	1,656.99
British Gas	602167966	22-25 Farringdon Street, London EC4A 4AB	12,146.47
British Gas Business	BGB02738	Baker Tilly Creditor Services, 6th Floor, Salisbury House, 31 Finsbury Circus London EC2M 5SQ	0.00
BT Payment Services Limited #	BT WM41327111	BT Telephone Payment Centre Durham DH98 1BT	795.61
C S Digital	28817 / 29093	21 Hoghton Street, Southport PR9 0NS	461.50
Cannon Textile Care	SDP097	210 Burnage Lane, Levenshulme, Manchester M19 1FL	0.00
Cathedral Leasing Ltd	37096	300 Relay Point, Relay Drive, Tarnworth Staffordshire B77 5PA	2,127.60
CC Media Ltd #	01 Jan 0248	Old Birdholme House, Derby Road, Chesterfield, Derbyshire S40 2EX	12.60
Courier Post Ltd #	28308 / 29501	Unit 3, Sunset Business Centre, Waterloo Road, Widnes, Cheshire WA8 0QR	894.00
Crown Financial Solutions	X0067565	Suite 1, The Stables, 6 Church Street, St Neots P19 2BU	0.00
Cwr Cymru Welsh Water	4124365701	Pentwyn Road, Nelson, Treharris, Mid Glamorgan CF46 6LY	2,577.07
European Patent Reg #	01 Aug 1016	UL Morska 35, 75-212 Koszalin, Poland	1,000.00
Evans Easyspace #	2991317	Millshaw, Ring Road Beeston Leeds LS11 8EG	1.00
Federal Express Europe Ltd #	01 Dec 0134	PO Box 119 Coventry CV1 4QD	217.64
Flintshire County Council	69604227	County Hall, Mold Wales CH7 6NA	62,375.00
Greyhound chromatography #	01 Apr 0179	6 Kelvin Park, Birkenhead, Merseyside CH41 1LT	1.91
HM Revenue and Customs	914FZ18686 / 764 7008 21	ICHU, BP3202, Benton Park View, Longbenton Newcastle upon Tyne NE98 1ZZ	6,921.00
HM Revenue and Customs	6182127373 880 1911258 07	Enforcement & Insolvency Service, Durrington Bridge House, Barrington Road, Worthing West Sussex BN12 4SE	8,448.00
HM Revenue and Customs #	JHB		
HM Revenue and Customs #	6182127373 / VAT 764700821	ICHU, BP3202, Benton Park View, Longbenton Newcastle upon Tyne NE98 1ZZ	1.00
HM Revenue and Customs #	6182127373	CT Operations Lincoln, CT Operations S0838, PO Box 2997 Glasgow G70 5AB	1.00
Hyde Park Environmental	15912 / 16228	21 Springfield Industrial Estate, Ballymena Road, Antrim BT41 4NT	1,244.16
Intellectual Property Agency Ltd #		The Broadgate Tower, 20 Primrose Street London EC2A 2EW	889.00
Johnsons Apparelmaster	K12201	Kingsway, Team Valley Trading Estate Gateshead NE11 0HB	1,654.43
Jones Lang SaSalle	JONESLAN	22 Hanover Square, London W1A 2BN	1,685.03

KPMG LLP #		Quayside House, 110 Quayside NE1 3DX	
Ktec Group #	Ktec	93b Herning Road, Washford Industrial Estate, Redditch B98 0EA	1.00
Leba Systems Limited #	3954	Unit 10 Queensferry Industrial Estate, Chester Road, Pentre, , Deeside CH5 2DJ	1.00
MediWales #	01 Apr 1953	7 Schooner Way, Atlantic Wharf, Cardiff, Wales CF10 4DZ	0.08
Mercial Labels Ltd #	70365	Unit 2, Plant Lane Business Park, burntwood, Staffordshire WS7 3GN	714.00
Mike Cooper #	743325021	96 Kelsterton Road, Connahs Quay, Deeside, Flintshire CH5 4BJ	1.00
Muckle LLP #		Time Central, 32 Gallowgate Newcastle upon Tyne NE1 4BF	4.72
National Westminster Bank Plc #	54-10-31 19990545	16 Northumberland Street Newcastle upon Tyne NE1 7EL	1.00
Neopost Limited	201701800 226762.246262	Neopost House, South Street Romford RM1 2AR Essex	1.00
NuPharm Group		Hobson Industrial Estate, Hobson, Newcastle upon Tyne NE16 6EA	126.97
Pam Pharma Technologies PVT Ltd	18 Jan 2017	127 Kendivil Ind Est, Charkop Kandivilli (West), Mumbai 400067, India	140,379.00
Pennine Flooring #	PENNINE	Unit 6, Rectors Lane Ind Est, Sandycroft, Deeside CH5 2DH	3,208.00
Quantum Pharmaceutical		Hobson Industrial Estate, Hobson, Newcastle upon Tyne NE16 6EA	288.61
Quantum Pharma Group		Hobson Industrial Estate, Hobson, Newcastle upon Tyne NE16 6EA	4,111,324.75
Quay Surgery #.	75693	Fron Road, Connahs Quay, Deeside, Flint	112,754.00
RAC Kettering		Unit 2, Torridge Close, Telford Way, Telford Way Ind Est, Kettering NN16 8PY	30.00
Road & Race #	62743	Unit 9, Highfield Road Trading Est, Highfield Road, Little Hulton, Manchester M38	0.00
		95T	984.17
Samco Industrial Merchants #	7522	Tir Llwyd Enterprise Park, Kinnel Bay, Rhyl, Denbeighshire LL18 5JZ	1.00
Societe Generale	A093007608 / A093007100	Parkshot House, 5 Kew Road, Richmond Surrey TW9 2PR	1.00
Societe Generale #	A093007100	Parkshot House, 5 Kew Road, Richmond Surrey TW9 2PR	1.00
Southern Electric #	91343547	Scottish & Southern Energy Group, PO Box 6008, Basingstoke RG21 8ZB	1.00
SSE Scottish Hydro #	09166 73419	Inveralmond House, 200 Dunkeld Road Perth PH1 3AQ	773.98
SSE Southern Electric	31187 35017	Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ	3,597.42
TDC Services	63619	TDC House, Ewloe roundabout, Deeside, Flintshire CH5 3AW	1,359.57
Total Gas & Power Limited	125557460	Bridge Gate, 55-57 High Street, Redhill Surrey RH1 1RX	0.00
Trademark Office	72277	Regents Place, 338 Euston Road, London NW1 3BT	1,007.35
Victoria Asset Finance Limited #	79291	PO Box 256 Caerphilly CF83 9FJ	714.75
Xyris Analytics	63971	I-Kan, 38 Mill Street, Bedford MK40 3HD	11,114.32
Totals for Unsecured Creditors			<u>56</u>
Totals for All Creditors:			<u><u>57</u></u>

- Creditors that have been recorded as having a small claim

Note: Creditors' names and addresses may have been omitted where they are considered to be at risk of violence or disclosure of their details may prejudice the conduct of the administration.

21/06/2017 4:54 PM

Appendix C

Receipts and Payments Abstract: 1091273 - Nupharm Laboratories Limited In Administration

Bank, Cash and Cash Investment Accounts: To: 19/06/2017

SOA Value £	£	£
		0.00
0.00		<u>0.00</u>

Appendix D

In the Newcastle upon Tyne District Registry No 0112 of 2017

Nupharm Laboratories Limited Administration

Company No: 04123795

Steven Philip Ross and Allan David Kelly appointed as Administrators to the above company on 26 April 2017

Administrators' proposals delivered to the creditors on: 21 June 2017

DECISION DATE: 6 July 2017

Notice Seeking Decision on the Administrators' proposals by a Qualifying Decision Procedure Pursuant to Section 246ZE of the Insolvency Act 1986 and Rule 3.38 of the Insolvency (England and Wales) Rules 2016.

NOTICE IS HEREBY GIVEN to the creditors of the above named company seeking their decision on the Administrators' proposals as set out below.

The decision is being sought by correspondence.

A voting form is attached, detailing the matters which require your decision, which should be completed and returned to me on or before the decision date.

Please note that, in order to be able to vote you must have submitted a proof of debt form on or before the decision date, and that proof must have been admitted for the purposes of entitlement to vote.

CREDITORS who have OPTED OUT from receiving notices may nevertheless vote if the creditor provides a proof and voting form in accordance with the above provisions.

CREDITORS whose debts are treated as a SMALL DEBT in accordance with Rule 14.31(1) of the Insolvency (England & Wales) Rules 2016 must still deliver a proof if they wish to vote. Rule 14.31(1) states that Office Holders may treat a debt, which is a small debt according to the accounting records or the statement of affairs of the company, as if it were proved for the purposes of paying a dividend. Small debts are defined in Rule 14.1(3) as a debt (being the total amount owed to a creditor) which does not exceed £1,000.

The decisions on the following matters will be deemed to have been made at 23.59 hours on the decision date unless the threshold for requisitioning a physical meeting is met or exceeded within the requisite time scale.

A creditor who disagrees with the manner in which they are treated in relation to the above decision procedure may appeal to the Court within 21 days of the decision date.

Request for Physical Meeting

Creditors may request that a physical meeting of creditors should be held to consider the proposed decisions by completing the attached Request for a Physical Meeting of Creditors form (together with a completed form of proof) and returning them on or before 28 June 2017 to the manager of the case (details below).

A physical meeting will be held if requisitioned by either 10% in value of the company's creditors, or 10% in number of the company's creditors or 10 of the company's creditors (collectively 'the requisition threshold'). If the threshold is met or exceeded, the proposed decision procedure will be terminated (and the proposed decisions will not be deemed to have been made and a physical meeting of creditors will then be held).

Administrators' proposals

1. The Administrators' proposals as set out at paragraphs 9.1 to 9.6 of the report dated 19 June 2017 are approved.
2. For creditors to consider whether to appoint a Creditors' Committee to assist the Administrators and subsequent Joint Liquidators.
3. In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators.
4. In the event that a Creditors' Committee is not established, then in accordance with the fee estimate provided to creditors at Appendix K to these proposals the Administrators shall be authorised to draw their remuneration based upon time costs limited to the sum of £72,363. (plus VAT).

5. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw 'category 2' disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix I to the Administrators' proposals. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation.
6. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix O to the Administrators' proposals, in the sum of £4,856.50 (plus VAT), such disbursements to include 'category 2 disbursements' at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix I to the Joint Administrators' proposals.
7. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to discharge the outstanding pre-appointment expenses as set out in Appendix O to the Administrators' proposals, in the sum of £4,856.50.

Manager contact details:

Kelly Allison

RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne NE1 4AD

Tel: 0191 255 7000

Email: restructuring.newcastle@rsmuk.com

Name, address & contact details of Joint Administrators

Primary Office Holder

Steven Philip Ross

RSM Restructuring Advisory LLP

1 St James' Gate

Newcastle upon Tyne NE1 4AD

Tel: 0191 255 7000

Email: restructuring.newcastle@rsmuk.com

IP Number: 9503

Joint Office Holder:

Allan David Kelly

RSM Restructuring Advisory LLP

1 St James' Gate

Newcastle upon Tyne NE1 4AD

Tel: 0191 255 7000

Email: restructuring.newcastle@rsmuk.com

IP Number: 9156

Signed  _____

Dated 19/6/2017 _____

Joint Administrators

NOTE: Please complete the enclosed claim form and return it together with a detailed statement of your account, and voting form, and any other relevant documentation to Kelly Allison, at the address above.

Appendix E

Voting Paper – Qualifying Decision Procedure Administrators' Proposals

Decision date: 6 July 2017

Company Name: Nupharm Laboratories Limited Administration
Company No: 04123795

If you wish your vote to be counted please ensure you return this form, duly completed together with a proof of debt form (if one has not already been submitted) and a detailed statement of your claim **on or before the decision date stated above.**

Voting Instructions for Decisions

1. The Joint Administrators' proposals as set out at paragraphs 9.1 to 9.6 of the report dated 19 June 2017 are approved. For / Against*
2. To appoint a Creditors' Committee to assist the Administrators and subsequent Joint Liquidators. **(Note: If you vote in favour of this resolution please ensure you nominate a representative below)** For / Against*
3. In the event that a Creditors' Committee is not established, the Administrators be discharged from liability in respect of any action of theirs as Administrators immediately following their cessation to act as Administrators. For / Against*
4. In the event that a Creditors' Committee is not established, then in accordance with the fee estimate provided to creditors on 21 June 2017 at Appendix K to the Joint Administrators' proposals the Administrators shall be authorised to draw their remuneration based upon time costs limited to the sum of £72,363 (plus VAT). For / Against*
5. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw 'category 2' disbursements as an expense of the administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix I to the Joint Administrators' proposals. In the event that the administration exits by way of liquidation and the administrators are appointed liquidators, such resolution shall be treated as being passed in the liquidation. For / Against*
6. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix O to the Joint Administrators' proposals, in the sum of £4,856.50 (plus VAT), such disbursements to include 'category 2 disbursements' at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix I to the Joint Administrators' proposals. For / Against*
7. In the event that a Creditors' Committee is not established, the Administrators shall be authorised to discharge the outstanding pre-appointment expenses as set out in Appendix O to the Joint Administrators' proposals, in the sum of £Nil For / Against*
8. Name, address and contact details of nominated creditors (up to 5) for whom you wish to vote for appointment to the creditors' committee of Nupharm Laboratories Limited.
 - 1.
 - 2.
 - 3.
 - 4.

Note: each creditor must complete a consent to act form (see attached)

5.

I confirm that I am / I am not a connected party or associate of the company as defined by Sections 249 and 435 of the Insolvency Act 1986.

Name of Creditor _____

Address of Creditor _____

Signed: _____ Date: _____

Name in BLOCK LETTERS _____

Position of signatory in relation
to creditor, if not the creditor _____

Appendix F
Rule 14.4 Insolvency (England and Wales) Rules 2016
Proof of Debt

In the Newcastle upon Tyne District Registry No 0112 of 2017 Nupharm Laboratories Limited In Administration Company No: 04123795 Steven P Ross and Allan D Kelly appointed as Administrators to the above company on 26 April 2017		
Relevant date for creditors' claims: 26 April 2017		
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 relevant date. Less any payments made after that date in relation to the claim, any deduction in respect of discounts and any adjustment by way of mutual dealings and set off in accordance with relevant legislation	£
4	Details of any documents by reference to which the debt can be substantiated. <i>There is no need to attach them now but the Joint Administrator may call for any document or evidence to substantiate the claim at his discretion</i>	
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.	£ Date
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Date	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	

Notes:

1. This form can be authenticated for submission by email, to restructuring.newcastle@rsmuk.com, by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Appendix G

Rules: 3.39; 4.15; 6.19; 7.55 and 10.76 of the Insolvency (England and Wales) Rules 2016

In the Newcastle upon Tyne District Registry No 0112 of 2017

**Nupharm Laboratories Limited In Administration
Company No: 04123795**

Steven Philip Ross and Allan David Kelly appointed as Administrators to the above company on 26 April 2017

Notice delivered to the creditors on: 21 June 2017

Notice to creditors and contributories inviting establishment of committee

NOTICE IS HEREBY GIVEN that creditors are invited to decide whether a creditors'/liquidation committee ('committee') should be established, provided that there are no fewer than three and no more than five creditors wishing to be represented on the committee. Nominations are invited for membership of any committee so established, such nominations to be received at 1 St James' Gate, Newcastle upon Tyne NE1 4AD no later than 28 June 2017. Nominations will only be accepted from creditors who have submitted a proof of debt which is not fully secured and has neither been disallowed for voting purposes nor wholly rejected for dividend purposes.

Guidance on acting as a committee member can be found at the R3 website, www.R3.org.uk. A hard copy can be requested by telephone, email or in writing to this office.

You may also wish to note that R3 have also produced guidance on the different insolvency processes, which can again be located at their website.

Enclosed with this notice are a proof of debt form and a consent to act, both of which should be completed and returned to the above address by the date given above in order for your nomination to the committee to be considered further. If you have already submitted a proof of debt form you do not need to do so again.

Name, address & contact details of Joint Administrators

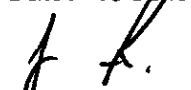
Primary Office Holder

Steven Philip Ross
RSM Restructuring Advisory LLP
1 St James' Gate
Newcastle upon Tyne NE1 4AD
Tel: 0191 255 7000
Email: restructuring.newcastle@rsmuk.com
IP Number: 9503

Joint Office Holder:

Allan David Kelly
RSM Restructuring Advisory LLP
1 St James' Gate
Newcastle upon Tyne NE1 4AD
Tel: 0191 255 7000
Email: restructuring.newcastle@rsmuk.com
IP Number: 9156

Dated: 19 June 2017


Steven Philip Ross
RSM Restructuring Advisory LLP
Joint Administrator

NOTE: Please complete the enclosed proof of debt form and consent to act form and return them, to Kelly Allison, RSM Restructuring Advisory LLP 1 St James' Gate, Newcastle upon Tyne NE1 4AD.

Rule 17.5 of the Insolvency (England and Wales) Rules 2016

In the Newcastle upon Tyne District Registry No 0112 of 2017

Nupharm Laboratories Limited In Administration

Company No: 04123795

Steven Philip Ross and Allan David Kelly appointed as Administrators to the above company on 26 April 2017 Creditors' committee consent to act

If you personally are a creditor, please complete only Part A of this form

If you represent a creditor (eg your employer), please complete only Part B

Part A

I hereby consent to act as a member of the Creditors' committee in respect of the Joint Administrators of the above-named.

Your name:

Your address:

Telephone:

E-mail:

Please sign here:

Dated:

Part B

I am duly authorised by proxy to act as a representative of the below named company as its representative on the Creditors' committee in respect of the Joint Administrators of the above-named, and hereby consent to do so.

Representative's name:

Creditor represented:

Representative's position
in relation to the creditor:

Representative's address:

Telephone:

E-mail:

Please sign here:

Dated:

Appendix H

In accordance with the relevant legislation: entitlement to vote (the relevant legislation)

- 1) Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if –
 - a) he has given to the Administrator, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of the debt which –
 - i) he claims to be due to him from the Company; or
 - ii) in relation to a Member State Liquidator, is claimed to be due to creditors in proceedings in relation to which he holds office;
 - b) the claim has been duly admitted under the relevant legislation; and
 - c) there has been lodged with the Administrator any proxy which he intends to be used on his behalf,and details of the debt must include any calculation for the purposes of the relevant legislation.
- 2) The chair of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a), if satisfied that the failure was due to circumstances beyond the creditor's control.
- 3) The chair of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or any part of the claim.
- 4) Votes are calculated according to the amount of a creditor's claim as at the date on which the Company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustment by way of set-off in accordance with the relevant legislation as if that legislation were applied on the date that the votes are counted.
- 5) A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chair agrees to put upon the debt an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose.
- 6) No vote shall be cast by virtue of a claim more than once on any resolution put to the meeting.
- 7) Where –
 - a) a creditor is entitled to vote under the relevant legislation;
 - b) has lodged his claim in one or more sets of other proceedings; and
 - c) votes (either in person or by proxy) on a resolution put to the meeting; and
 - d) the Member State Liquidator casts a vote in respect of the same claim,only the creditor's vote shall be counted.
- 8) Where –
 - a) a creditor has lodged his claim in more than one set of other proceedings; and
 - b) more than one Member State Liquidator seeks to vote by virtue of that claim,the entitlement to vote by virtue of that claim is exercisable by the Member State Liquidator in main proceedings, whether or not the creditor has lodged his claim in the main proceedings.
- 9) For the purposes of paragraph (6), the claim of a creditor and of any Member State Liquidator in relation to the same debt are a single claim.
- 10) For the purposes of paragraphs (7) and (8), 'other proceedings' means main proceedings, secondary proceedings or territorial proceedings in another Member State.

Appendix I

RSM RESTRUCTURING ADVISORY LLP

Charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Newcastle are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A resolution to consider approving 'category 2' disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Newcastle will be proposed to the relevant approving party in accordance with the legislative requirements
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix J

Category 2 disbursements table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest			
Recipient, type and purpose	£		
	Incurred to date	Paid to date	Unpaid to date
None	Nil	Nil	Nil
Total	Nil	Nil	Nil

	Budgeted hours						SCOPE
	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants / Support Staff	
Charge rate (average per hour)	£430	£275	£275	£0	£215	£215	£0
Administration and planning	10.0	27.3	2.0	-	20.6	13.2	73.1
Investigations	3.0	10.0	-	-	3.0	-	16.0
Realisation of Assets	47.8	39.6	1.0	-	16.6	1.0	105.0
Trading	-	-	-	-	-	-	No trading is expected.
Creditors	4.0	21.4	-	-	18.0	5.0	48.4
Case Specific Matters	-	-	-	-	-	-	None
Total Hours	64.8	98.3	3.0	-	58.2	19.2	243.5
Total time costs	£27,864	£27,033	£525	£0	£12,513	£4,126	£72,383
Average hourly rate	£297						
Total time costs for approval	£72,383						

Appendix L

Estimate of all expenses likely to be incurred by Joint Administrators in the Administration

	£		
	Incurred to date £	Expected future £	Expected total £
Bond	85.00	Nil	85.00
Statutory advertising	84.60	Nil	84.60
Website fee	8.00	Nil	8.00
Tracker	10.00	Nil	10.00
Storage agent (collection/storage of records)	Nil	Nil	Nil
LSH - Chattel assets valuation fee	2,000.00	Nil	2,000.00
LSH Chattel asset – Marketing, preparing assets for sale and disbursements incurred with the auction	13,000.00	Nil	13,000.00
Postage	30.10	60.20	90.30
Legal fees	137.50	2,500.00	2,637.50
Debt collection fees	Nil	Nil	Nil
Leba Systems - 24 Hour monitoring and Intruder Alarm preventive maintenance	650.00	Nil	650.00
Leba Systems – Key holder	70.00	Nil	70.00
JLT – Insurance (estimated to end on June 2017)	15,900.00	Nil	15,900.00
Rent (estimated)	19,499.90	3,972.10	23,472.00
Clumber consultancy – Filing statutory pension forms	150.00	Nil	150.00
Rates *	12,476.00	(12,476.00)	Nil
Utilities estimate	<u>6,000.00</u>	<u>Nil</u>	<u>6,000.00</u>
Total	<u>70,101.10</u>	<u>(6,123.70)</u>	<u>64,157.40</u>

Requested that empty property relief should be applied.

Appendix M

Joint Administrators' post appointment time cost analysis for the period from 26 April 2017 to 19 June 2017

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Case Management	0.00	2.30	0.00	0.00	0.80	0.20	3.30	£ 820.50	248.64
Director(s)/debtor/bankrupt	0.00	0.00	0.00	0.00	0.30	0.00	0.30	£ 64.50	215.00
Post-appointment - general	0.00	0.00	0.00	0.00	11.50	0.00	11.50	£ 2,472.50	215.00
Statement of Affairs	0.00	1.00	0.00	0.00	0.00	0.00	1.00	£ 275.00	275.00
Total	0.00	3.30	0.00	0.00	12.60	0.20	16.10	£ 3,632.50	225.62
Investigations									
Investigations/CDDA	0.00	0.00	0.00	0.00	0.50	0.00	0.50	£ 107.50	215.00
Total	0.00	0.00	0.00	0.00	0.50	0.00	0.50	£ 107.50	215.00
Realisation of Assets									
Assets - general/other	0.00	0.50	0.00	0.00	3.90	0.00	4.40	£ 976.00	221.82
Chattels	9.00	4.10	0.00	0.00	2.00	0.00	15.10	£ 5,022.50	332.62
HP/Leasing creditors	0.00	0.00	0.00	0.00	2.00	0.00	2.00	£ 430.00	215.00
Land and Property	10.80	1.00	0.00	0.00	0.00	0.00	11.80	£ 4,513.00	382.46
ROT/ Third Party Assets	0.00	0.00	0.00	0.00	0.70	0.00	0.70	£ 150.50	215.00
Total	19.80	5.60	0.00	0.00	8.60	0.00	34.00	£ 11,092.00	326.24
Creditors									
Unsecured Creditors	0.00	0.40	0.00	0.00	3.00	0.00	3.40	£ 755.00	222.06
Total	0.00	0.40	0.00	0.00	3.00	0.00	3.40	£ 755.00	222.06
Total Hours	19.80	9.30	0.00	0.00	24.70	0.20	54.00	£ 15,587.00	288.65
Total Time Cost	£ 7,703.00	£ 2,557.50	£ 0.00	£ 0.00	£ 5,310.50	£ 16.00	£ 15,587.00		
Total Hours	19.80	9.30	0.00	0.00	24.70	0.20	54.00	£ 15,587.00	288.65
Total Time Cost	£ 7,703.00	£ 2,557.50	£ 0.00	£ 0.00	£ 5,310.50	£ 16.00	£ 15,587.00		
Average Rates	389.04	275.00	0.00	0.00	215.00	80.00	288.65		

Appendix N

Joint Administrators' pre-appointment time cost analysis

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Appointment	0.00	0.30	0.00	0.00	0.00	0.00	0.30	£ 82.50	275.00
Background information	0.00	2.00	0.00	0.00	0.00	0.00	2.00	£ 550.00	275.00
Case Management	0.60	3.80	0.00	0.00	0.00	0.00	4.40	£ 1,336.00	303.64
Pre-appointment matters	3.00	3.00	0.00	0.00	4.00	0.00	10.00	£ 2,840.00	284.00
Total	3.60	9.10	0.00	0.00	4.00	0.00	16.70	£ 4,808.50	287.93
Creditors									
Other Creditor Meetings and Reports	0.00	0.00	0.00	0.00	0.00	0.60	0.60	£ 48.00	80.00
Total	0.00	0.00	0.00	0.00	0.00	0.60	0.60	£ 48.00	80.00
Total Hours	3.60	9.10	0.00	0.00	4.00	0.60	17.30	£ 4,856.50	280.72
Total Time Cost	£ 1,446.00	£ 2,502.50	£ 0.00	£ 0.00	£ 860.00	£ 48.00	£ 4,856.50		
Total Hours	3.60	9.10	0.00	0.00	4.00	0.60	17.30	£ 4,856.50	280.72
Total Time Cost	£ 1,446.00	£ 2,502.50	£ 0.00	£ 0.00	£ 860.00	£ 48.00	£ 4,856.50		
Average Rates	401.67	275.00	0.00	0.00	215.00	80.00	280.72		

Appendix O

Pre-administration costs incurred			
	£		
	Incurred	Paid	Unpaid
Administrators' fees	4,856.50	Nil	4,856.50
Administrators' expenses	Nil	Nil	Nil
Fees charged (by another Insolvency Practitioner)	N/A	N/A	N/A
Expenses incurred (by another Insolvency Practitioner)	N/A	N/A	N/A
Total	4,856.50	Nil	4,856.50

Pre-administration costs paid & identity of payer			
	By whom paid	Date paid	Amount (£)
Administrators' fees	N/A	N/A	N/A
Administrators' expenses	N/A	N/A	N/A
Fees charged (by another Insolvency Practitioner)	N/A	N/A	N/A
Expenses incurred (by another Insolvency Practitioner)	N/A	N/A	N/A
Total	Nil	Nil	Nil