



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 4 1 7 9 5 0 3

Company name in full Sphere Medical Holding Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Stephen John

Surname Absolom

### 3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

### 4 Administrator's name ①

Full forename(s) William James

Surname Wright

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 2	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*SA*

X

Signature date

<sup>d</sup> 0	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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**Presenter information**

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

Contact name Rachel Narraway

Company name KPMG LLP

Address 15 Canada Square

Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

DX

Telephone Tel +44 (0) 20 7311 1000

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

**Where to send**

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

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

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Joint  
Administrators'  
progress  
report for the  
period 24  
September  
2020 to 23  
March 2021

Sphere Medical Holding  
Limited - in Administration

6 April 2021

Deemed delivered: 7 April  
2021

# Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+SJ924C1742.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 6).**

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# 1 Executive summary

This progress report covers the period from 24 September 2020 to 23 March 2021.

There are no further asset realisations expected. We continue to await a repayment of VAT from HMRC (Section 2 - Progress to date).

Silicon Valley Bank ("SVB"), the Secured creditor, will suffer a shortfall in respect of funding provided to the Company and the Group (Section 3 - Dividend prospects).

The Company did not have any employees, accordingly we are not aware of any preferential creditors (Section 3 - Dividend prospects).

There will not be sufficient funds to enable a distribution to unsecured creditors (Section 3 - Dividend prospects).

The administration is currently due to end on 23 September 2021.

Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+SJ924C1742.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Steve Absolom  
Joint Administrator

## **2 Progress to date**

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress reports.

### **2.1 Strategy and progress to date**

Strategy

As previously advised, the Company is the group representative member for VAT purposes and we continue to await a VAT reclaim from HMRC in relation to monies owed to the Company and Sphere Medical Limited ("SML").

We will conclude the outstanding matters in the administration once the VAT reclaim has been received.

### **2.2 Asset realisations**

There have been no realisations during the period, as set out in the attached receipts and payments account (Appendix 2).

### **2.3 Costs**

There have been no payments made in this period, as set out in the attached receipts and payments account (Appendix 2).

### **2.4 Schedule of expenses**

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

## **3 Dividend prospects**

### **3.1 Secured creditors**

SVB is the sole Secured creditor with a debenture containing fixed and floating charges over the Company. SVB has confirmed they were owed £510,195 at the time of our appointment.

The Company has insufficient funds to enable a distribution and advise that SVB will suffer a significant shortfall against its debt to the Group.

### **3.2 Preferential creditors**

We are not aware of any preferential claims against the Company.

### **3.3 Unsecured creditors**

There will not be a dividend to unsecured creditors.



## **4 Joint Administrators' remuneration and disbursements**

### **Time costs**

From 24 September 2020 to 23 March 2021, we have incurred time costs of £5,847. These represent 14 hours at an average rate of £407 per hour.

### **Disbursements**

During the period, we have not incurred any disbursements.

### **Additional information**

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 24 September 2020 to 23 March 2021. We have also attached our charging and disbursements policy.

The continuing delay in the receipt of the VAT reclaim from HMRC, means that this administration has remained ongoing for longer than we previously envisaged. We will therefore exceed the revised fees estimate provided in our first progress report (dated 21 April 2020) as we ensure we comply with ongoing statutory and compliance matters until we are able to conclude this administration. We will not be seeking to recover these additional time costs, accordingly we have not provided an updated fees estimate.

## **5 Future strategy**

### **5.1 Future conduct of the administration**

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- receiving the VAT repayment due from HMRC;
- payment of the costs of the administration;
- complying with ongoing statutory and compliance matters.

### **5.2 Future reporting**

We intend to provide our final progress report by 23 September 2021, or earlier if the administration has been completed prior to this date.

## Appendix 1      Statutory information

### Company information

Company name	Sphere Medical Holding Limited
Date of incorporation	14 March 2001
Company registration number	04179503
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

### Administration information

Administration appointment	The administration appointment granted in High Court of Justice, Business & Property Courts of England & Wales, 006296 of 2019
Appointor	Directors
Date of appointment	24 September 2019
Joint Administrators' details	Steve Absolom and Will Wright
Values of the Net Property and Prescribed Part	The Prescribed Part is not applicable on this case as there are insufficient realisations.  Estimated Net Property is £NIL. Estimated Prescribed Part is £NIL.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	23 September 2021

## Appendix 2      Joint Administrators' receipts and payments account

Sphere Medical Holding Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 24/09/2020 To 23/03/2021 (£)	From 24/09/2019 To 23/03/2021 (£)
FIXED CHARGE CREDITORS			
(508,075.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
150.00	VAT refunds (pre-app'ent)	NIL	NIL
70,368.00	Cash at bank	NIL	70,368.42
		NIL	70,368.42
OTHER REALISATIONS			
	Bank interest, gross	NIL	186.06
		NIL	186.06
COST OF REALISATIONS			
	Joint Administrators' pre-admin fees	NIL	(14,203.75)
	Administrators' fees	NIL	(40,110.96)
	Administrators' expenses	NIL	(619.96)
	Legal fees	NIL	(4,003.90)
	Statutory advertising	NIL	(73.00)
		NIL	(59,011.57)
UNSECURED CREDITORS			
(903.00)	Trade & expense	NIL	NIL
(859,804.00)	Connected companies	NIL	NIL
		NIL	NIL
<b>(1,298,264.00)</b>		<b>NIL</b>	<b>11,542.91</b>
REPRESENTED BY			
	Floating ch. VAT rec'able		11,802.31
	Current NIB w.e.f 27.02.20		55.98
	Floating ch. VAT control		(315.38)
			<b>11,542.91</b>

## Appendix 3 Schedule of expenses

### Schedule of expenses (24/09/2020 to 23/03/2021)

Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
<b>Cost of realisations</b>			
Administrators' time costs	0.00	5,846.75	<b>5,846.75</b>
<b>TOTAL</b>	<b>0.00</b>	<b>5,846.75</b>	<b>5,846.75</b>

Please note that the accrual for our remuneration is based on time costs incurred to date. For reporting purposes these have not been adjusted to reflect the quantum of our remuneration agreed with the secured creditor.

As previously reported, we have agreed with the secured creditor that the quantum of fees to be drawn for the Company and SML be £245,000.

### Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by emailing us at [spheremedical@kpmg.co.uk](mailto:spheremedical@kpmg.co.uk) or by writing to the Joint Administrators of Sphere Medical Holding Limited at 15 Canada Square, Canary Wharf, London, E14 5GL.

## Appendix 4 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and employee advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Rachel Narraway on 0203 0783847 or by email at [spheremedical@kpmg.co.uk](mailto:spheremedical@kpmg.co.uk).

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Grade	From 24 Sept 2020 £/hr
Partner	920
Director	810
Senior Manager	710
Manager	565
Senior Administrator	415
Administrator	315
Support	157

### Table of charge-out rates

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

## Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Narrative of work carried out for the period 24 September 2020 to 23 March 2021

The key areas of work have been:

Statutory and compliance	posting information on a dedicated web page; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	regular case management and reviewing of progress, including regular team update meetings and calls; reviewing and authorising junior staff correspondence and other work; dealing with queries arising during the appointment; reviewing matters affecting the outcome of the administration; complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	providing written and oral updates to representatives of the secured creditor regarding the progress of the administration and case strategy.
Cashiering	reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	following up progress regarding submitted VAT returns with HMRC; submitting a request to HMRC to disband the VAT group and deregister the Company from VAT;

	dealing with post appointment tax compliance.
Shareholders	responding to enquiries from shareholders regarding the administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9.
Creditors and claims	responding to enquiries from creditors regarding the administration; drafting our progress report.

## Time costs

### SIP 9 –Time costs analysis (24/09/2020 to 23/03/2021)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Cashiering			
General (Cashiering)	<b>0.30</b>	104.50	348.33
General			
Books and records	<b>1.10</b>	346.50	315.00
Statutory and compliance			
Checklist & reviews	<b>3.05</b>	1,055.75	346.15
Statutory receipts and payments accounts	<b>0.20</b>	83.00	415.00
Strategy documents	<b>0.20</b>	142.00	710.00
Tax			
Post appointment VAT	<b>1.75</b>	671.25	383.57
<b>Creditors</b>			
Creditors and claims			
General correspondence	<b>0.95</b>	314.25	330.79
Statutory reports	<b>6.80</b>	3,129.50	460.22
<b>Total in period</b>	<b>14.35</b>	<b>5,846.75</b>	<b>407.44</b>
Brought forward time (appointment date to SIP 9 period start date)	173.30	81,500.90	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	14.35	5,846.75	
Carry forward time (appointment date to SIP 9 period end date)	187.65	87,347.65	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

## Appendix 5      Glossary

<b>Company</b>	Sphere Medical Holding Limited - in Administration
<b>Group</b>	The Company together with;  Sphere Medical Limited (in administration)
<b>Joint Administrators/we/our/us</b>	Steve Absolom and Will Wright
<b>KPMG</b>	KPMG LLP
<b>Secured creditor/ SVB</b>	Silicon Valley Bank

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.



## Appendix 6      Notice: About this report

This report has been prepared by Steve Absolom and Will Wright, the Joint Administrators of Sphere Medical Holding Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Stephen John Absolom and William James Wright are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html](http://home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html).

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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