

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

04494032

Name of Company

Nucleus Healthcare Limited

I / We

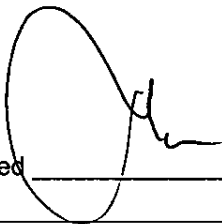
Andrew Pear, 82 St John Street, London, EC1M 4JN

Michael Solomons, 82 St John Street, London, EC1M 4JN

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

The Progress Report covers the period from 01/05/2014 to 30/04/2015

Signed



Date

26/05/2015

BM Advisory
82 St John Street
London
EC1M 4JN

Ref NUC003AP/AJP/MSES/JT/CL/AK

FRIDAY



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29/05/2015

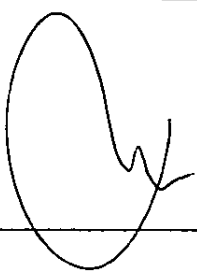
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COMPANIES HOUSE

Nucleus Healthcare Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 01/05/2014 To 30/04/2015	From 01/05/2013 To 30/04/2015
SECURED CREDITORS		
Palm European Investments LLC	NIL	10,000 00
	NIL	(10,000 00)
ASSET REALISATIONS		
Funds from Administration	NIL	42,485 08
Book Debts	NIL	5,053 13
Cash at Bank	NIL	3,500 00
	NIL	51,038 21
COST OF REALISATIONS		
Professional Services - Investigations	(200 00)	NIL
Joint Administrators' Fees	NIL	(15,000 00)
Joint Liquidators' Expenses	(1,597 05)	(1,597 05)
Legal Fees	(2,577 82)	(8,702 82)
VAT - Irrecoverable	(4,992 20)	(4,992 20)
Debt Collection Agent's Commission	NIL	(386 01)
Agent's Fees - Investigatory Services	NIL	(950 00)
	(9,367 07)	(31,628 08)
	(9,367.07)	9,410.13
REPRESENTED BY		
Vat Receivable		334 98
Estate bank account - interest bearing		9,075 15
		9,410 13

Note


 Andrew Pear
 Joint Liquidator

**NUCLEUS HEALTHCARE LIMITED – IN CREDITORS' VOLUNTARY LIQUIDATION
JOINT LIQUIDATORS' PROGRESS REPORT TO MEMBERS AND CREDITORS
FOR THE PERIOD 1 MAY 2014 TO 30 APRIL 2015**

STATUTORY INFORMATION

Company name:	Nucleus Healthcare Limited
Registered office:	82 St John Street, London EC1M 4JN
Former registered office:	5 th Floor, 15 Whitehall, London SW1A 2DD
Former trading address:	Celtic Springs Clinic, Spooner Close, Celtic Springs, Newport NP10 8FZ
Registered number:	04494032
Joint Liquidators' names.	Andrew Pear and Michael Solomons
Joint Liquidators' address:	82 St John Street, London EC1M 4JN
Joint Liquidators' date of appointment:	1 May 2013

The Joint Liquidators have acted jointly and severally in all matters relating to the Liquidation. There have been no changes in the office holders since my last report.

This report should be read in conjunction with my previous report dated 27 June 2014, a copy of which is available on request. Further information can also be found at www.creditorinsolvencyguide.co.uk which is designed to provide creditors with a step by step guide to the insolvency process.

CONDUCT OF LIQUIDATION

I was appointed Joint Liquidator of Nucleus Healthcare Limited ("the Company") on 1 May 2013, following the Company's conversion from Administration to Liquidation.

During the period I have attended to the statutory matters incumbent upon liquidators generally, including (but not limited to) circularising a copy of my annual report to members and creditors, submitting statutory returns to the Registrar of Companies, and submitting tax returns to HM Revenue & Customs.

A significant amount of time has been spent continuing my investigations into the pre appointment trading activity of the Company. This is discussed in greater detail in the "Joint Liquidators' investigations" section of this report.

RECEIPTS AND PAYMENTS ACCOUNT

A receipts and payments account for the period from 1 May 2014 to 30 April 2015, and the whole period of the Liquidation, is attached as **Appendix I** and shows a balance on hand of £9,410.

Estate funds were banked into a designated interest bearing estate account at a UK bank, and accordingly there is no account held by the Secretary of State to reconcile the attached account.

ASSETS

All of the Company's assets have been realised, save for any future recoveries which may arise from potential antecedent transactions. Please refer to the section of this report entitled "Joint Liquidators' investigations" for further details.

LIABILITIES

Secured creditors

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

Palm European Investments LLC

Debenture (fixed and floating charge) - £3,052,581 owed as at 1 May 2013

Created: 02/05/2012

Registered: 05/05/2012

Finance Wales Investments (6) Limited

Debenture (fixed and floating charge) - £360,000 owed as at 1 May 2013

Created: 01/09/2010

Registered: 07/09/2010

A security review has been undertaken and I am satisfied as to the validity of both debentures.

Preferential creditors

There are no residual preferential creditors in the Liquidation. A dividend of 100p in the £ was paid to preferential creditors by the Joint Administrators prior to the conversion to Liquidation.

Unsecured Creditors – trade and expense creditors

It is not currently anticipated that there will be a dividend available for unsecured creditors. Therefore, I have not taken steps to adjudicate claims received from trade and expense creditors.

Unsecured creditors – Crown creditors

As stated above, it is not currently anticipated that there will be a dividend available for unsecured creditors. Therefore, I have not taken steps to adjudicate the claim received from HM Revenue & Customs of £16,872, relating to unpaid PAYE and National Insurance Contributions.

PRESCRIBED PART

The Prescribed Part Fund is created out of the Company's net floating charge property pursuant to Section 176A of the Insolvency Act 1986, as long as the floating charge was registered later than 15 September 2003. The Company has granted two such charges, as detailed in the "secured creditors" section of this report.

The Company's net property is likely to be less than £10,000 and insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of a distribution would be disproportionate to the benefit to creditors. I am of the view that the costs would be disproportionate and as such will not be making a distribution of the prescribed part.

JOINT LIQUIDATORS' INVESTIGATIONS

Under the insolvency legislation, the Joint Liquidators have a duty to consider the conduct of those persons who have been directors, shadow directors or de facto directors of the Company at any time within three years preceding the Liquidation and consider whether any civil proceedings should be taken.

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking into account public interest and the potential recoveries and costs involved.

I identified a number of transactions which required further investigation. Preliminary enquiries were made with the appropriate parties, and the responses received were considered. I instructed Counsel to provide an opinion on the substance of these transactions, and have received advice which confirms that the transactions may be challengeable, which may result in asset recoveries for the Liquidation.

I am currently in the process of finalising the evidence upon which a claim will be raised against the relevant party, and obtaining adverse costs insurance. A letter before action will be issued in due course. I am unable to estimate whether or not this matter will be resolved within the forthcoming reporting period.

Within six months of my appointment as Liquidator, I was required to submit a confidential report to the Secretary of State to include any matters which came to my attention during the course of my work, which may have indicated that the conduct of any past or present director would make them unfit to be concerned with the management of a company. I confirm that my report has been submitted.

PRE-APPOINTMENT REMUNERATION

The Joint Liquidators were appointed following the Company's conversion from Administration to Liquidation. Therefore, there is no pre-appointment Liquidators' remuneration to report on. The sum of £15,000 has been paid to the Joint Administrators in respect of their unpaid time costs incurred whilst in office.

JOINT LIQUIDATORS' REMUNERATION

The Joint Liquidators' remuneration is fixed on the same basis as the preceding Joint Administrators, in accordance with Rule 4.127(5A) of the Insolvency Rules 1986. Accordingly, as agreed by the secured creditors, the Joint Liquidators are to be remunerated by reference to time properly spent by them and their staff in attending to matters arising from the Liquidation of the Company. The total amount which can be recovered by the Joint Liquidators in respect of their remuneration is subject to a capped limit which has now been reached.

During this reporting period, a total of 77 hours have been spent at a cost of £20,094, resulting in an average hourly charge out rate of £260. A schedule of my time costs for this reporting period, as well as for the whole period of the Liquidation, is attached as **Appendix II** and **Appendix III**, together with details of my firm's charge out rates, disbursement rates and an explanation of how fees are calculated.

I have not been able to draw any remuneration in the Liquidation to date, due to the previously agreed fee cap limit being reached.

A description of the routine work undertaken in this reporting period is as follows.

Administration and Planning

- Dealing with all routine correspondence.
- Maintaining physical case files and electronic case details on IPS.
- Case planning and administration.
- Internal case strategy meetings.
- Maintaining and managing the Joint Liquidators' cashbook and bank account.
- Ensuring statutory lodgement obligations are met.

Creditors

- Dealing with creditor correspondence and telephone calls.

Investigations

- Review of Company records focussed on specific transactions.
- Recovery of further records to assist in investigations.
- Significant correspondence with relevant parties.
- Background investigations into commerciality of pursuing antecedent transactions.
- Correspondence with litigation funding providers and adverse costs insurers.
- Preparing a report pursuant to the Company Directors Disqualification Act.

Legal and Litigation

- Instruction of solicitor and negotiation of terms of engagement.
- Review of further information received, instruction of Counsel.
- Attending meeting at Chambers regarding matters identified.
- Preparation of files for review by Counsel.
- Receipt and review of formal opinion provided by Counsel.

Statutory Compliance

- Maintaining statutory case diary on IPS.
- Review of bordereau level.
- Updating and reviewing case checklist.
- Issuing annual report to members and creditors.
- Submission of statutory annual return to the Registrar of Companies.
- Submission of Corporation Tax return.

Employees

- Dealing with employee correspondence and telephone calls.

A copy of 'A Guide to Liquidators' Fees' can be located on the following website which provides information relating to Liquidators' remuneration: www.r3.org.uk/index.cfm?page=1591. A hard copy is available on request.

JOINT LIQUIDATORS' DISBURSEMENTS

The Joint Liquidators' disbursements are fixed on the same basis as the preceding Joint Administrators, in accordance with Rule 4.127(5A) of the Insolvency Rules 1986. Accordingly, Category 2 disbursements were agreed by creditors and are as detailed in my firm's policy on fees. Category 1 disbursements do not need approval and can be drawn at the Liquidators discretion without authority

During this reporting period, I have incurred disbursements of £1,865 and I have drawn £1,597. Details of disbursements already paid are reflected within my Receipts and Payments account. The remaining balance of £268 will be drawn in due course

Below is a break down of disbursements incurred during this period:

	£	
Courier charges	100	Category 1
Creditor portal – report upload	10	Category 1
Storage	1,597	Category 2
Search fees	13	Category 1
Travel	13	Category 1
Postage and Printing	132	Category 1 & 2
Total	1,865	

The category 2 disbursements charged in respect of storage costs relate to 169 boxes of the Company's records which are stored at the premises of BM Advisory LLP. The charges have been calculated as per the rates allowable at **Appendix III**.

The following agents or professional advisors were utilised in this Liquidation and details of the payments made to them are reported in my receipts and payments account:

Professional/Agent	Nature of work	Fee Arrangement
Chambers of the Rt.Hon. Sir Tony Baldry M.P.	Counsel opinion	Fixed fee - £2,500
Fletcher Day	Legal advice	Time and expenses
Legastat	Stationery	Fixed fee - £78

The choice of professionals was based on my perception of their experience and ability to perform this type of

work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

A secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), may request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report.

A secured creditor, or unsecured creditor with the permission of the Court or with the concurrence of 10% in value of the creditors (including the creditor in question), may apply to Court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report

COMPLAINTS PROCEDURE

BM Advisory strives to provide a first class service to all of its clients and we are committed to a process of continuous improvement. As such should you have any comments or complaints regarding this matter you should contact me in the first place at the address on the front of this letter.

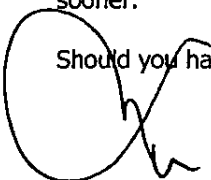
Should you consider that we have not dealt with your comments appropriately you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within BM Advisory not involved in the assignment and would be co-ordinated by the Complaints Partner, Paul Ashton, who is contactable at this office.

If you do not receive a satisfactory response then you may be able to make a complaint to my regulatory body, via the complaints Gateway operated by The Insolvency Service. The contact details for the Gateway are by email insolvency.enquiryline@insolvency.gsi.gov.uk, by phone 0300 678 0015 (call charges apply) or by post at The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA To make an online submission or for further information please visit <https://www.gov.uk/complain-about-insolvency-practitioner>

SUMMARY

I shall report again on the next anniversary of my appointment, or the closure of the Liquidation, whichever is sooner.

Should you have any queries regarding this report, please contact Calum Leslie on 020 7549 8009



Andrew Pear
Joint Liquidator

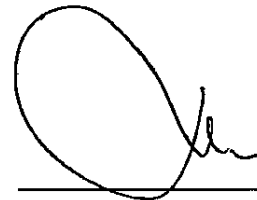
26 May 2015

**Nucleus Healthcare Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments**

Appendix I

Statement of Affairs	From 01/05/2014 To 30/04/2015	From 01/05/2013 To 30/04/2015
SECURED CREDITORS		
Palm European Investments LLC	NIL	10,000.00
	NIL	(10,000.00)
ASSET REALISATIONS		
Funds from Administration	NIL	42,485.08
Book Debts	NIL	5,053.13
Cash at Bank	NIL	3,500.00
	NIL	51,038.21
COST OF REALISATIONS		
Professional Services - Investigations	(200.00)	NIL
Joint Administrators' Fees	NIL	(15,000.00)
Joint Liquidators' Expenses	(1,597.05)	(1,597.05)
Legal Fees	(2,577.82)	(8,702.82)
VAT - Irrecoverable	(4,992.20)	(4,992.20)
Debt Collection Agent's Commission	NIL	(386.01)
Agent's Fees - Investigatory Services	NIL	(950.00)
	(9,367.07)	(31,628.08)
	(9,367.07)	9,410.13
REPRESENTED BY		
Vat Receivable		334.98
Estate bank account - interest bearing		9,075.15
		9,410.13

Note:



**Andrew Pear
Joint Liquidator**

Nucleus Healthcare Limited - In Liquidation

Joint Liquidators' time costs
For the period
1 May 2014 to 31 April 2015

Classification of Work	Work Analysis	Hours by Staff Grade							Grand Total	Total Cost £	Average Hrlly Rate £
		Partner	Senior Administrator	Junior	Cashier	Support Staff	Associate Director	Administrator 2			
Administration and Planning	Admin & Planning	0 20	8 30	1 75	0 00	0 20	0 00	0 00	10 45	2,175 00	208 13
	Case Accounting	0 00	0 80	0 00	2 90	0 20	0 10	0 47	4 47	651 35	145.72
	Partner Review	3 10	0 00	0 00	0 00	0 00	0 00	0 00	3 10	1,333 00	430 00
Creditors	Unsecured Creditors	0 00	0 30	0 00	0 00	0 00	0 00	0 00	0 30	72 00	240 00
Investigation	Investigatory Work	5 90	30 50	0 10	0 00	0 00	0 00	0 00	36 50	9 887 50	270 89
Legal and Litigation	Legal / Litigation	6 60	0 00	0 00	0 00	0 00	0 00	0 00	6 60	2,838 00	430 00
Statutory Compliance	Statutory Compliance	0 00	0 60	0 00	0 00	0 00	0 50	0 00	1 10	328 50	298 64
	Statutory Reporting	0 70	7 40	3 95	0 00	0 00	0 00	0 00	12.05	2,393 00	198 59
	Tax & VAT	0 00	1 00	1 60	0 00	0 00	0 00	0 00	2 60	368 00	141 54
Employees	Employees	0 00	0 20	0 00	0 00	0 00	0 00	0 00	0 20	48 00	240 00
Grand Total		16 50	49 10	7 40	2 90	0 40	0 60	0 47	77.37	20,094 35	259 72

Nucleus Healthcare Limited - In Liquidation

Joint Liquidators' time costs

For the period

1 May 2013 to 31 April 2015

		Hours by Staff Grade											Grand Total	Total Cost £	Average Hourly Rate £
Classification of Work	Work Analysis	Partner	Senior Administrator	Junior Administrator	Administrator	Junior	Cashier	Support Staff	Administrator 1	Senior Manager	Associate Director	Administrator 2			
Administration and Planning	Admin & Planning	0.80	13.50	0.00	29.10	1.75	0.00	0.20	0.00	2.20	0.00	0.00	47.55	8,524.00	179.26
	Case Accounting	0.00	5.00	1.70	3.00	0.00	4.95	0.20	0.00	0.20	0.10	1.57	16.72	2,711.60	162.18
	Partner Review	7.50	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.90	3,065.00	387.97
Asset Realisation	Asset Realisation	2.20	8.70	0.00	19.30	0.00	0.00	0.00	0.00	0.30	0.00	0.00	30.50	5,571.00	182.66
	Freshfield/Lessford Property	0.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	2.10	0.00	0.00	7.10	1,359.00	191.41
Creditors	Unsecured Creditors	1.80	0.70	0.00	21.30	0.00	0.00	0.00	0.00	2.50	0.00	0.00	26.30	4,787.00	182.02
	Preferential Creditors	0.00	0.00	0.00	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	45.00	150.00
	Secured Creditors	0.30	0.00	0.00	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.60	459.00	176.54
	Investigatory Work	24.30	42.20	0.00	74.40	0.10	0.00	0.00	0.00	1.60	0.00	0.00	142.60	31,211.50	218.87
Investigation	Special Investigation	0.00	0.00	0.00	3.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.30	495.00	150.00
	Legal / Litigation	24.60	0.00	0.00	13.20	0.00	0.00	0.00	1.20	0.00	0.00	0.00	39.00	12,059.00	305.29
Statutory Compliance	Statutory Compliance	0.00	0.60	0.00	6.50	0.00	0.00	0.00	0.20	1.00	0.50	0.00	8.80	1,629.50	185.17
	Statutory Reporting	1.00	7.40	0.00	0.00	3.95	0.00	0.00	0.00	0.00	0.00	0.00	12.35	2,507.00	203.00
	Tax & VAT	0.00	1.00	0.00	0.00	1.60	0.00	0.00	0.00	0.00	0.00	0.00	2.60	368.00	141.54
Employees	Employees	0.00	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	49.00	240.00
	Grand Total	62.50	79.30	1.70	178.10	7.40	4.95	0.40	1.90	9.90	0.60	1.57	348.37	74,839.60	214.88

BM ADVISORY

STATEMENT OF POLICY ON FEES IN INSOLVENCY PROCEEDINGS

Introduction

This statement has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9 issued by the Association of Business Recovery Professionals (R3)

The following information applies to all appointments of partners, directors, consultants or staff of BM Advisory, to act as any of the following:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company or Limited Liability Partnership
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order

When acting as Nominee, the provisions of the Insolvency Act 1986 require that the amount of the fees payable to the Office Holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office Holder's expected time costs arising as referred to below

Policy on fees

Unless otherwise fixed in accordance with the Insolvency Act 1986, an Office Holder's fees are charged by reference to time costs, as incurred, charged at the firm's usual rates applicable at the time the work is carried out. Rates may be varied from time to time, at the sole discretion of BM Advisory, and such changes will be notified in retrospect with each report to Creditors. It is the policy of BM Advisory to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

As at 1st March 2014 the rates applicable are:

Grade	£
Partner 1	430
Partner 2	380
Associate Director	360
Senior Manager	340
Manager	310
Assistant Manager	285
Senior Administrator	240
Administrator 1	185
Administrator 2	155
Junior Administrator	125
Cashier	115
Support staff	85

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, BM Advisory may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees at www.r3.org.uk/index.cfm?page=1591

Disbursements

Disbursements are categorised as either Category 1 or Category 2

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

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

It is proposed that the following Category 2 disbursements are recovered by BM Advisory

Meeting room hire	Up to £200
Creditor portal (operated within BM Advisory website)	£10 (per report)
Postage	£0.51 - £2.25
Mileage (per mile)	£0.45
Photocopies (per sheet)	£0.15
Storage (per box per month)	£0.35

The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.