

The Insolvency Act 1986

Administrators' progress report

Name of Company

Trimega Laboratories Limited

Company number

05652830

In the
High Court Manchester District Registry

[full name of court]

Court case number

2424 of 2014

(a) Insert full name(s)
and address(es) of
administrator(s)~~I/We~~ (a)Paul Andrew Flint
KPMG LLP
1 St Peter's Square
Manchester
M2 3AEBrian Green
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Joint Administrators of the above company attach a progress report for the period

(b) Insert dates from

to

(b) 18 February 2015

(b) 17 August 2015

Signed



Joint Administrator

Dated

16 September 2015

Contact Details:

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

Ryan Scallon
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Tel 0161 2464582

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

FRIDAY



A28

A4GNPRUJ

25/09/2015

#392

COMPANIES HOUSE



cutting through complexity™

Trimega Laboratories Limited - in Administration

Joint Administrators' progress report for
the period 18 February 2015 to 17
August 2015

16 September 2015

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+TE407B5740.html> We hope this is helpful to you

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



See Notice About this Report All rights reserved © 2015 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity All rights reserved

Contents

1	Executive summary	1
2	Progress to date	2
3	Dividend prospects	3
4	Joint Administrators' remuneration and disbursements	4
5	Future strategy	4
Appendix 1	Statutory information	5
Appendix 2	Joint Administrators' receipts and payments account	6
Appendix 3	Schedule of expenses	8
Appendix 4	Joint Administrators' charging and disbursements policy	9
Appendix 5	Glossary	13
Appendix 6	Notice: About this report	14



1 Executive summary

- The Directors resolved on 7 April 2014 to appoint us as Joint Administrators. The notice of appointment was lodged at High Court Manchester District Registry on 7 April 2014 and we were duly appointed.
- This progress report covers the period from 18 February 2015 to 17 August 2015.
- To date book debts of £249,791 have been collected. In addition there was an amount of £26,927 realised which was cash in transit on appointment, as such had not been included in the outstanding ledger. Of those amounts realised £226,418 has been paid into the estate (the balance of which was remitted straight to Lloyds CF and cleared their indebtedness which was outstanding on appointment). It is not anticipated that any further material realisations will be achieved in this regard. (Section 2 – Progress to date)
- As well as Lloyds being repaid their indebtedness in full a distribution of £20,000 has been paid to CBPE against their fixed charge cross guarantee indebtedness against the Company. (Section 3- Dividend prospects)
- It is anticipated a dividend will be made available to preferential creditors, the quantum is currently estimated at 100p in the £, however the timing remains uncertain at this time. Preferential claims are currently estimated at £54,500. (Section 3 - Dividend prospects)
- It is anticipated that a dividend will be made available to unsecured creditors. We have yet to determine the amount of this, at present is not expected that this will be greater than 2p in the £ however, an exact amount will be calculated when we have completed the realisation of assets and payment of associated costs. (Section 3 - Dividend prospects)
- The administration is currently due to end on 6 April 2016.
- Please note you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+TE407B5740.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Paul Flint
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 reports to creditors.

2.1 Strategy and progress to date

Strategy

The sales ledger was the main post-appointment asset. It is now believed that collections have been exhausted and it is not anticipated that any further material realisations will be achieved in this regard.

An intercompany debtor estimated at £35,000 remains outstanding and we are in discussions regarding this matter and any potential realisations; however, it is considered that recoveries against this debt, if successful, will be at low levels.

In addition, we are aware of approximately £20,000 held in a German bank account and we are currently in dialogue with the bank's representatives to get these funds released and paid to an account under the Joint Administrator's control.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Debtors

In the period, the Company in administration has collected £3,993 of book debts. To date, collections total £249,791. In addition, there was an amount of £26,927 realised which was cash in transit on appointment, as such at the time had not been included in the outstanding ledger but which relate to debtors.

As previously reported, Lloyds CF have been repaid their indebtedness in full, inclusive of interest and termination charges. To date, book debt realisations receipted into our account total £226,418.

Bank Interest

Bank interests in the amount of £275 have been earned during the period, with £12 earned in the fixed charge account and £263 earned in the floating charge account.

Investigations

We have continued to review the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors. It is not considered appropriate to carry out any further investigation work.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.



Storage Expenses

We have been charged and subsequently paid £212 during the period relating to the storage of the Company's books and records

Legal fees

We have paid legal fees totalling £3,726 during the period. The legal advice received was in relation to the extension obtained via a Court application and advice received regarding the Company's German employees

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)

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below

Joint Administrators' time costs

Time costs totalling £26,251 have been incurred in the period. As explained in section 4 we have not drawn any remuneration during the period. We have however received the approval to draw our fees on a time cost basis. The authority of which was provided by the unsecured creditors of the Company

3 Dividend prospects

3.1 Secured creditors

Lloyds CF were owed £20,824 (plus interest and charges) as at the date of our appointment

CBPE hold a second ranking charge over the Company's fixed assets. CBPE has no direct indebtedness in the Company, however they have a claim against the Company as the Company was a party to a cross company guarantee with its immediate parent to whom CBPE had indebtedness of £1.1m

A £20,000 payment on account was made to CBPE during the period. It is anticipated that there will be a small future distribution to CBPE in respect of their fixed charge

3.2 Preferential creditors

We estimate the amount of preferential claims to be £54,500

Based on current estimates, we anticipate that preferential creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs

3.3 Unsecured creditors

We anticipate that unsecured creditors should receive a dividend. We have yet to determine the amount of this, however, based on current estimates it is not expected that payment will be greater than 2p in the £. An exact amount will be calculated when we have completed the realisation of assets and payment of associated costs



4 Joint Administrators' remuneration and disbursements

Time costs

From 18 February 2015 to 17 August 2015, we have incurred time costs of £26,251. These represent 89 hours at an average rate of £296 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 18 February 2015 to 17 August 2015. We have also attached our charging and disbursements policy.

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:

- Realisation of the intercompany balance owing by a connected company,
- Realisation of funds held in the German bank account,
- Distribution to the Company's preferential creditors,
- If applicable, distribution to the Company's unsecured creditors,
- Payment of outstanding costs incurred including the Joint Administrators' remuneration, and
- Statutory procedures required for closure.

5.2 Future reporting

We will provide a further progress report within one month of 17 February 2016 or earlier if (1) a further extension request is necessary or (2) the administration has been completed prior to that time.



Appendix 1 Statutory information

Company information

Company name	Trimega Laboratories Limited
Date of incorporation	13 December 2005
Company registration number	05652830
Present registered office	KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE

Administration information

Administration appointment	The administration appointment granted in High Court Manchester District Registry, 2424 of 2014
Appointor	Directors
Date of appointment	7 April 2014
Joint Administrators' details	Paul Flint and Brian Green
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	6 April 2016



Appendix 2 Joint Administrators' receipts and payments account

Trimega Laboratories Limited - in Administration

Joint Administrators' abstract of receipts & payments

Statement of affairs (£)		From 18/02/2015 To 17/08/2015 (£)	From 07/04/2014 To 17/08/2015 (£)
FIXED CHARGE ASSETS			
120,000 00	Book debts	NIL	NIL
30,000 00	Goodwill	NIL	30,000 00
	Bank interest, gross	12 43	58 77
		12 43	30,058 77
FIXED CHARGE COSTS			
	Bank charges	NIL	(40 00)
		NIL	(40 00)
FIXED CHARGE CREDITORS			
	CBPE	NIL	(20,000 00)
		NIL	(20,000 00)
ASSET REALISATIONS			
12,500 00	Furniture & equipment	NIL	12,500 00
	Book debts	3,993 38	226,417 57
2,050 00	Cash at bank	NIL	1,953 17
9,482 00	Cash re Subrogated Claim	NIL	NIL
		3,993 38	240,870 74
OTHER REALISATIONS			
	Bank interest, gross	262 51	494 83
	Sundry refunds	NIL	10,608 38
		262 51	11,103 21
COST OF REALISATIONS			
	Storage expenses	(211 56)	(652 33)
	Agents'/Valuers' fees	NIL	(1,690 00)
	Legal fees	(3,725 51)	(7,725 51)
	Debt Collection Costs	NIL	(2,957 94)
	Statutory advertising	NIL	(253 80)
	Other expenses	NIL	(9,085 15)
	Insurance of assets	NIL	(394 32)
	Wages & salaries	NIL	(14,655 17)
	Bank charges	NIL	(90 00)
	Payroll costs	NIL	(729 99)
		(3,937 07)	(38,234 21)



Trimega Laboratories Limited - in Administration
Joint Administrators' abstract of receipts & payments

Statement of affairs (£)	From 18/02/2015 To 17/08/2015 (£)	From 07/04/2014 To 17/08/2015 (£)
174,032 00	331 25	223,758 51
REPRESENTED BY		
Floating ch VAT rec'able		4,160 42
Fixed charge current		10,018 77
Floating charge current		213,241 44
Fixed charge VAT payable		(6,000 00)
Floating ch VAT payable		(2,500 00)
Floating ch VAT control		(1,162 12)
Fixed charge VAT control		6,000 00
	331 25	223,758 51



Appendix 3 Schedule of expenses

Schedule of expenses (18/02/2015 to 17/08/2015)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Storage expenses	211 56	0 00	211 56
Legal Fees	3725 51	0 00	3,725.51
Joint Administrators' fees		26,251 00	26,251 00
TOTAL	3,937.07	26,251.00	30,188 07

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 writing to Ryan Scallon at KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE



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, employee, pensions and health and safety 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

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov_2011.pdf

If you are unable to access this guide and would like a copy, please contact Ryan Scallon on 0161 2464582.

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.

Charge-out rates (£)		
Grade	From 01 Oct 2013 £/hr	From 01 Oct 2014 £/hr
Partner	565	595
Director	485	535
Senior Manager	475	485
Manager	385	405
Senior Administrator	265	280
Administrator	195	205
Support	120	125

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 18 February 2015 to 17 August 2015

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts, ■ arranging bonding and complying with statutory requirements, ■ obtaining approval from Court of a twelve-month extension of the administration, ■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ 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, ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters, ■ complying with internal filing and information recording practices, including documenting strategy decisions
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing oral updates to representatives of CBPE regarding the progress of the administration and case strategy
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> ■ analysing VAT related transactions, ■ dealing with post appointment tax compliance
Shareholders	<ul style="list-style-type: none"> ■ providing copies of statutory reports to the shareholders
General	<ul style="list-style-type: none"> ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage
Asset realisations	<ul style="list-style-type: none"> ■ liaising with RMUK regarding debtor recoveries, ■ reviewing the inter-company debtor position between the Company and other group companies
Employees	<ul style="list-style-type: none"> ■ communicating and corresponding with HM Revenue and Customs, ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, ■ managing claims from employees
Creditors and claims	<ul style="list-style-type: none"> ■ creating and updating the list of unsecured creditors, ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records, ■ drafting our progress report

Time costs

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
General (Cashiering)			12 00		12 00	2,527 50	210 63
Statutory and compliance							
Checklist & reviews	0 50		2 00	3 50	6 00	1,115 00	185 83
Pre-administration checks			1 75		1 75	358 75	205 00
Strategy documents			1 00		1 00	205 00	205 00
Tax							
Post appointment corporation tax	0 50	0 50	1 50		2 50	930 00	372 00
Post appointment VAT		0 60	5 25		5 85	1,319 25	225 51
Creditors							
Creditors and claims							
Agreement of preferential claims		11 70			11 70	4,738 50	405 00
General correspondence			8 00	3 00	11 00	2,090 00	190 00
Legal claims			2 20		2 20	451 00	205 00
Secured creditors	0 50	4 40			4 90	2,401 50	490 10
Statutory reports	1 00	6 70	10 00		17 70	6,209 50	350 82
Employees							
Correspondence		4 50			4 50	1,822 50	405 00
Investigation							
Investigations							
Mail redirection				1 00	1 00	125 00	125 00
Realisation of assets							
Asset Realisation							
Cash and investments				1 00	1 00	125 00	125 00
Debtors	0 50	1 00			1 50	672 50	448 33
Other assets		1 50	1 50	1 00	4 00	1,160 00	290 00
Total in period	3 00	30 90	45 20	9 50	88 60	26,251 00	296 29

Brought forward time (appointment date to SIP 9 period start date)	800 90	243,826 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	88 60	26,251 00
Carry forward time (appointment date to SIP 9 period end date)	889 50	270,077 00



Appendix 5 Glossary

CBPE	CBPE Capital
Company	Trimega Laboratories Limited - in Administration
Joint Administrators/we/our/us	Paul Flint and Brian Green
KPMG	KPMG LLP
Secured creditors	CBPE Lloyds CF
Lloyds CF	Lloyds Commercial Finance

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



Appendix 6 Notice About this report

This report has been prepared by Paul Flint and Brian Green, the Joint Administrators of Trimega Laboratories Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 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.

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 1986 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.

Paul Andrew Flint and Brian Green are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

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.



© 2015 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").

