

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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14/09/2017

#468

COMPANIES HOUSE

on, please
at
nieshouse

1 Company details

Company number 06837980

Company name in full Payvand Medical Hygiene Supplies Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew

Surname Beckingham

3 Administrator's address

Building name/number Leonard Curtis

Street 2nd Floor

40 Queen Square

Post town Bristol

County/Region

Postcode BS14QP

Country

4 Administrator's name

Full forename(s) Siann

Surname Huntley

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address

Building name/number Leonard Curtis

Street 2nd Floor

40 Queen Square

Post town Bristol

County/Region

Postcode BS14QP

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

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6

Period of progress report

From date	d	0	d	7	m	0	m	3	y	2	y	0	y	1	y	7
To date	d	0	d	6	m	0	m	9	y	2	y	0	y	1	y	7

7

Progress report

☒ I attach a copy of the progress report

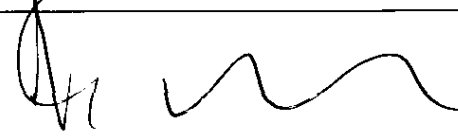
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Sign and date

Administrator's
signature

Signature

X



X

Signature date

d	1	d	3	m	0	m	7	y	2	y	0	y	1	y	7
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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	Andrew Dally
Company name	Leonard Curtis
Address	2nd Floor
	40 Queen Square
	Bristol
Post town	
County/Region	
Postcode	B S 1 4 Q P
Country	
DX	
Telephone	0117 929 4900

**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.

**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



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

PAYVAND MEDICAL HYGIENE SUPPLIES LIMITED
(IN ADMINISTRATION)

Registered Number: 06837980
Court Ref: 35 of 2017
Bristol District Registry of the High Court

**Joint Administrators' First Progress Report in accordance
with Rule 18.3 of the Insolvency (England and Wales) Rules 2016**

Report period
7 March 2017 to 6 September 2017

13 September 2017

Andrew Beckingham and Siann Huntley - Joint Administrators
Leonard Curtis
2nd Floor, 40 Queen Square, Bristol BS1 4QP
Tel: 0117 929 4900 Fax: 0117 927 0000
recovery@leonardcurtis.co.uk
Ref: S/41/AJD/SP883B/1010

CONTENTS

- 1 Introduction
- 2 Statutory Information
- 3 Joint Administrators' Proposals
- 4 Progress of the Administration
- 5 Investigations
- 6 Joint Administrators' Remuneration and Disbursements
- 7 Estimated Outcome for Creditors
- 8 Matters Still to be Dealt With
- 9 Extensions to the Administration
- 10 Next Report

APPENDICES

- A Summary of Joint Administrators' Approved Proposals
- B Summary of Joint Administrators' Receipts and Payments Account for the Period from 7 March 2017 to 6 September 2017
- C Summary of Joint Administrators' Time Costs for the Period from 7 March 2017 to 6 September 2017
- D Work Undertaken and Proposed to be Undertaken by the Joint Administrators
- E Summary of Joint Administrators' Expenses from 7 March 2017 to 6 September 2017 Incorporating a Comparison of the Joint Administrators' Statement of Likely Expenses
- F Leonard Curtis Policy regarding Fees, Expenses and Disbursements
- G Proof of Debt – General Form

**STRICTLY PRIVATE AND CONFIDENTIAL
NOT FOR PUBLICATION**

**TO: THE REGISTRAR OF COMPANIES
ALL CREDITORS
ALL MEMBERS**

1 INTRODUCTION

- 1.1 This report has been produced in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ("the Rules") to provide creditors with an update on the progress of the administration of Payvand Medical Hygiene Supplies Limited ("the Company") for the period from 7 March 2017 to 6 September 2017. This is the Joint Administrators' first progress report to creditors.

2 STATUTORY INFORMATION

- 2.1 Andrew Beckingham and Siann Huntley were appointed as Joint Administrators of Payvand Medical Hygiene Supplies Limited in the jurisdiction of Bristol District Registry of the High Court, number 35 of 2017 on 7 March 2017. The administration appointment was made by the Director. The Joint Administrators can confirm that there has been no change in office-holder since the date of administration.
- 2.2 The administration is being handled by the Bristol office of Leonard Curtis, which is situated at 2nd Floor, 40 Queen Square, Bristol, BS1 4QP.
- 2.3 The principal trading address of the Company was 7/8 John Baker Close, Llantarnam Park Estate, Cwmbran, NP44 3AX. The business traded under its registered name.
- 2.4 The registered office address of the Company at the date of the appointment of the Joint Administrators was 24 Bridge Street, NP20 4SF. Following the appointment, this was changed to 2nd Floor, 40 Queen Square, Bristol BS1 4QP. The registered number of the Company is 06837980.
- 2.5 For the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended), it should be noted that during the period in which the Administration Order is in force, any act or function required or authorised under any enactment to be done by the Administrator may be exercised by all or any of the persons holding that office.
- 2.6 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

3 JOINT ADMINISTRATORS' PROPOSALS

- 3.1 Attached at Appendix A is a summary of the Joint Administrators' approved proposals for achieving one of the three statutory purposes of Administration.
- 3.2 The Proposals were approved by deemed consent by creditors on 12 May 2017.
- 3.3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration to date.

- 3.4 The objective of the administration is to realise property in order to make a distribution to one or more secured or preferential creditors.
- 3.5 This objective has and continues to be achieved on the basis that HH Cashflow Finance Limited ("HH"), as Secured creditor to the Company, has and will receive returns in regards to the Invoice Factoring Agreement.

4 PROGRESS OF THE ADMINISTRATION

- 4.1 Attached at Appendix B is the Joint Administrators' receipts and payments account for the period from 7 March 2017 to 6 September 2017.

Chattel Assets

- 5.1 As previously reported, the Company was in possession of various trading assets as would ordinarily be associated with a business of this nature, including vehicles, warehouse, office and IT equipment. Independent RICS registered Agents, Gordon Brothers International Limited, were engaged at the outset of the assignment to reconcile and provide a valuation of these assets.
- 5.2 It was noted by our Agents that the entire inventory of the Company's plant and equipment, office furniture and IT equipment was subject to a lease purchase (sale and lease back) agreement with Bell Finance Limited and there was no equity in the agreement.
- 5.3 The motor vehicles utilised by the business were subject to short term hire or lease rental agreements with no option to purchase and have therefore been returned to the lease providers.

Stock

- 5.4 The Company had stock-in-trade, comprising medical supplies, incontinence and skin care products, and medical equipment as well as raw materials and packaging used in the manufacture of cleaning products with a book value of £158,635. However, £129,184 of this stock was over 2 years old was therefore either out of date or classified as obsolete. It was also noted that the balance of saleable stock may be subject to retention of title claims.
- 5.5 Due to the low unit values generally, and the fact that there would undoubtedly be numerous items of stock which would fail to attract interest as either part of a negotiated private treaty sale or online auction, our Agents did not recommend any material expenditure on marketing as these costs would be highly unlikely to be recouped. Our Agents therefore circulated details to their database of known buyers in this sector in order to attract any potential interest.
- 5.6 At the same time, our Agents entered into sale negotiations with a successor company, Solar Medical & Chemical Limited (Company Registration number 10648817), who had already taken on the Company's former employees. In accordance with Statement of Insolvency Practice 13 and in the interests of transparency, creditors are advised that Solar Medical & Chemical Limited is a connected company by virtue of its sole director and shareholder, Rebecca-Ann Jordan, being a former employee of the Company and therefore an associate within the meaning of the Insolvency Act 1986. Moreover, the Company's director Russell Powell is understood to be involved in the management of Solar Medical & Chemical Limited and it is also therefore considered connected on this basis.
- 5.7 An offer of £20,000 was subsequently received from Solar Medical & Chemical Limited for the Company's stock. Upon our Agents recommendation, and for the following reasons, this offer was accepted by the Joint Administrators:
- Offer supported by valuation opinion;
 - No costs incurred in respect of rent and/or removal, storage and disposal;
 - Purchaser has assumed responsibly for all retention of title claims;

- Purchaser provides on-going customer continuity and therefore resultant improved debtor collections (see below); and
- Transfer of employees to purchaser extinguishes all preferential creditor claims.

The sum of £9,795 has been received by our Agents to date and they continue to liaise with the purchaser in respect of settlement of the balance of the agreed consideration. The Joint Administrators have contractually retained title to the stock until full payment is received.

Debtor Ledger

- 5.8 As noted above, HH Cashflow ("HH") provided funding in accordance with an invoice factoring agreement with the Company.
- 5.9 The overall balance of the debtor ledger at 7 March 2017 totalled £120,903 with advances from HH of £101,167.
- 5.10 It is understood that HH have received debtor payments in the total value of £96,517 to date and the Company's outstanding indebtedness currently stands at £8,829. However, any deficit or surplus available as compared with the amount due to HH is as yet unknown due to potential bad debts and termination charges which could be applied against the ledger.

Utility Refund

- 5.11 It came to our attention that the Company's energy provider held a credit balance of £1,043 and a refund was therefore requested and has now been received by the Joint Administrators.

Cash in Hand

- 5.12 The Joint Administrators are aware that the Company operated a Paypal account and understand there is a credit balance of £38. It is unlikely this amount will be realised as it would not be cost effective to do so.

5 INVESTIGATIONS

- 5.1 Following their appointment, the Joint Administrators considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 5.2 That assessment remains on-going. If any creditor is aware of any particular matters which they consider require investigation, they should please send full details to this office at the address given at the front of this report.
- 5.3 Regardless of the above, the Joint Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

6 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Pre-Administration Costs

- 6.1 Time charged and expenses incurred by the Joint Administrators and their Agents and Solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Leonard Curtis Recovery Limited	Initial financial assessment & appointment particulars	1,253.00	NIL	N/A	1,253.00
Carbon Law LLP	Statutory documentation & appointment particulars	660.00	NIL	N/A	660.00
Gordon Brothers International Ltd	Valuation report & general advice	1,550.00	NIL	N/A	1,550.00

The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of Creditors under Rule 3.52 of the Insolvency (England and Wales) Rules 2016. In this case, the Joint Administrators will seek this approval from the secured creditor of the Company.

Joint Administrators' Remuneration

10.1 General

The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

10.2 Approval by appropriate body

The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.

10.3 In the absence of a Creditors' Committee being established in this case, and as no distribution to preferential creditors is anticipated, approval will be sought from the secured creditor and the outcome will be reported to all creditors in due course.

Information to be given to creditors

10.4 The Joint Administrators wish, in this case, to seek the secured creditors' agreement to their remuneration being fixed as a set amount of £25,000. Details of the work already undertaken and proposed to be undertaken by the Joint Administrators in this respect is included at Appendix D.

10.5 The Joint Administrators consider that a set amount is the most appropriate basis of remuneration in the circumstances given that the Joint Administrators' have already incurred time costs to date which, based on current estimates, exceeds the realisable value of the Company's assets. As such, the time costs that would be set out in a Fees Estimate would be vastly disproportionate to actual asset realisations. Similarly, remuneration on a percentage basis would be unsuitable due the potential asset values and the time already properly given by

the Joint Administrators and their staff in attending to matters in the administration. For information purposes, the Joint Administrators' have incurred time costs of £38,245 to date which represents 118 hours at an average rate of £324.11 per hour, details of which are at Appendix C.

- 10.6 If approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed £25,000 without prior approval. However, it should be reiterated that payment of these costs will be limited to the amount of realisations available in the administration, and therefore it is very likely that this amount will be unable able to be drawn in full, and the unpaid balance will have to be written off, as will any excess time costs incurred.
- 10.7 However, should any further realisable assets come to light during the course of the administration, it may be necessary for the Joint Administrators to revert to the secured creditor for further approval.
- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H.
- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link: <https://www.r3.org.uk/what-we-do/publications/professional/fees>
- If you would prefer this to be sent to you in hard copy please email bristol@leonardcurtis.co.uk or contact Andrew Dally of this office on 0117 929 4900.

Joint Administrators' Statement of Likely Expenses

- 6.11 Creditors will recall that the Joint Administrators have previously circulated a 'Statement of Likely Expenses' in this matter.

Expenses are separated into the following categories:

- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
- (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in a particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs).

These are known as "Category 2 disbursements" and are subject to the approval of the secured creditors. On 2 September 2011, the deemed approved also approved that category 2 disbursements could be drawn by the Joint Administrators, as detailed at Appendix F.

- 6.12 A copy of the Joint Administrators' statement of likely expenses, together with comparative details of expenses incurred during the current reporting period and confirmation as to whether those amounts are paid or unpaid is set out at Appendix E.
- 6.13 You will note that, in general, the nature and value of expenses incurred to date fall within those anticipated within the original statement of expenses.
- 6.15 Attached at Appendix F is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of our current charge-out rates by staff grade.

Creditors' Rights

- 6.16 Under Rule 18.9 of the Rules, within 21 days of receipt of this report, a secured creditor, or an unsecured creditor with either the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or with the permission of the court, may make a written request to the Joint Administrators for further information about remuneration or expenses set out in this report.

- 6.17 Under Rule 18.34 of the Rules, any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or the remuneration or expenses charged by the Joint Administrators are, in all the circumstances, excessive.
- 6.21 The application must be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question.
- 6.22 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the Administration.

7 ESTIMATED OUTCOME FOR CREDITORS

- 7.1 From April 2017, the Joint Administrators have had the discretion to admit claims from creditors with claims under £1,000 without receiving a proof of debt. The Joint Administrators confirm that, to date, no claims have been *admitted under the small claims provisions*.

7.2 Secured Creditor

HH Cashflow provided funding in accordance with a factoring agreement with the Company. HH hold security by way of fixed and floating charges over the assets of the Company, dated 19 December 2016, as well as a limited personal guarantee from the Director.

It is understood that the current balance of the debtor ledger is £24,386 with advances from HH of £8,829. The extent of bad debts on the remaining ledger is undetermined at this stage. Due to the Company's insolvency, termination charges may also be applied against the ledger. As a consequence, any deficit or surplus available as compared with the amount due to HH is as yet unknown.

7.3 Preferential Creditors

Preferential claims represent those of employees' entitlements, relating to arrears of wages and holiday pay, within prescribed statutory thresholds. However, in this instance, all employees and their associated qualifying liabilities have been transferred to a successor company in accordance with Transfer of Undertakings (Protection of Employment) Regulations 2006 and therefore no preferential claims are anticipated.

7.4 Prescribed Part

The Insolvency Act 1986 provides that, where a company has created a floating charge after 15 September 2003, a prescribed part of the company's net property must be made available to the unsecured creditors and not be distributed to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

Based upon the information currently available, it is unlikely that there will be a prescribed part fund available in this case.

7.5 Unsecured Claims

Based on present information, it is considered unlikely that there will be sufficient funds available to enable a distribution to Unsecured Creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 of the Act. Creditors should however continue to submit details of their claims using the statement of claim form attached at Appendix G

8 MATTERS STILL TO BE DEALT WITH

8.1 Matters still to be dealt with before conclusion of the Administration include the following:

- Collection of the balance of deferred consideration from the stock sale;
- Recovery of the Company's debts that remain outstanding by HH Cashflow and re-assignment of the balance of the ledger if appropriate; and
- Formal agreement and settlement of unpaid remuneration and expenses of the proceedings.

9 EXTENSIONS TO THE ADMINISTRATION

9.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.

9.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of the secured creditor of the Company.

9.3 At this stage we do not believe that an extension to the administration will be necessary in this case.

10 NEXT REPORT

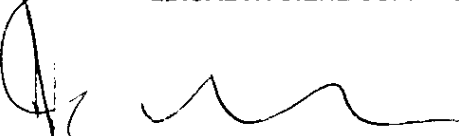
10.1 The Joint Administrators are required to provide a progress report which must be delivered within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

10.2 Creditors' attention is drawn to Appendix I of this report, which provides further information about the availability of future documents on a prescribed website.

If you wish to discuss the issues raised in this report or require any additional information, please contact this office.

for and on behalf of

PAYVAND MEDICAL HYGIENE SUPPLIES LIMITED



ANDREW BECKINGHAM
JOINT ADMINISTRATOR

Andrew Beckingham and Siann Huntley are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales under office holder numbers 8683 and 19130, respectively

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

SUMMARY OF JOINT ADMINISTRATORS' PROPOSALS

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors Voluntary Liquidation. It is further proposed that Andrew Beckingham and Siann Huntley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured Creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to Creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured Creditors. In these circumstances it is further proposed that Andrew Beckingham and Siann Huntley be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM
FROM 7 MARCH 2017 TO 6 SEPTEMBER 2017

	Estimated to Realise £	Received to date £
RECEIPTS		
Stocks (monies held by Gordon Brothers)	20,000	9,795.00
Utility Refund	1,043	1,043.60
	<u>21,043</u>	<u>10,838.60</u>
PAYMENTS		<u>-</u>
BALANCE IN HAND		<u>10,838.60</u>

APPENDIX C

SUMMARY OF JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 7 MARCH 2017 TO 6 SEPTEMBER 2017

	Director		Senior Manager		Manager 1		Administrator 1		Administrator 2		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review	-	-	7	287.00	87	3,175.50	30	780.00	52	1,196.00	176	5,438.50	309.01	
Receipts & Payments	-	-	-	-	-	-	-	-	15	345.00	15	345.00	230.00	
Insurance	-	-	-	-	-	-	-	-	4	92.00	4	92.00	230.00	
Assets	221	9,945.00	15	615.00	27	985.50	-	-	42	966.00	305	12,511.50	410.21	
Liabilities	23	1,035.00	10	410.00	7	255.50	-	-	306	7,038.00	346	8,738.50	252.56	
Landlords	15	675.00	-	-	-	-	-	-	-	-	15	675.00	450.00	
Debenture Holder	53	2,385.00	-	-	-	-	-	-	-	-	53	2,385.00	450.00	
General Administration	5	225.00	26	1,066.00	13	474.50	-	-	110	2,530.00	154	4,295.50	278.93	
Appointment	-	-	-	-	-	-	-	-	25	575.00	25	575.00	230.00	
Investigations	54	2,430.00	-	-	-	-	-	-	33	759.00	87	3,189.00	366.55	

Total	371	16,695.00	58	2,378.00	134	4,891.00	30	780.00	587	13,501.00	1,180	38,245.00		
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Average Hourly Rate (£)

	450.00	410.00	365.00	260.00	230.00	324.11
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All Units are 6 minutes

WORK UNDERTAKEN AND PROPOSED TO BE UNDERTAKEN BY THE JOINT ADMINISTRATORS

Statutory and Review

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These have been carried out periodically throughout the life of the case. In the early stages of the case this has involved regular team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out six monthly periodic reviews to ensure that the case is progressing as planned;
- Allocation of staff, management of staff, case resourcing and budgeting. In general, efforts have and will be made to keep case costs to a minimum where possible. However, given the nature of the case, it has and will necessitate the ongoing attendance by senior members of staff in some areas;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This resulted in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years; and
- Completion of case closing procedures at the end of the case.

Receipts and Payments

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

- Opening of case bank accounts;
- Management of case bank account to ensure compliance with relevant risk management procedures;
- Preparation of periodic receipts and payments accounts for inclusion in statutory reports. The Joint Administrators will, as a minimum, provide two full reports to creditors during the administration;
- Timely completion of all post appointment tax and VAT returns; and
- Managing estate expenses.

Insurance, Bonding and Pensions

Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees. Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

PAYVAND MEDICAL HYGIENE SUPPLIES LIMITED – IN ADMINISTRATION

- Calculation and request of Joint Administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice; and
- Completion and submission of statutory notifications under the Pensions Act 2004. This has included liaising with the Company director to establish the existence of Company pension schemes and making the statutory notifications under s120 of the pensions legislation;

Assets

- Correspondence with the Company's energy provider in respect of a utility refund;
- Instruction of and liaising with agents Gordon Brothers as required to provide and discuss the valuation of the Company's assets, facilitate the sale of the stock to the successor company, and collect the sale proceeds;
- Liaising with the Company's invoice factor, HH Cashflow Finance, in respect of debtor collection and arranging for any surplus funds to be transferred to the administration estate as appropriate.
- Liaising with Company's bankers in relation to pre-appointment bank accounts; and
- Identification and return of third party assets.

Liabilities / Debenture Holder

This category of time includes both statutory and non-statutory matters.

Statutory

- Processing of claims from the Company's Creditors. The Company has approximately 50 Creditors whose claims have been initially be recorded at this stage;
- Preparation and submission of periodic progress reports to Creditors. The Joint Administrators will issued at least two full reports to creditors during the course of the Administration; and
- Preparation of Joint Administrators' Proposals and Report for achieving a statutory purpose of the administration.

Non-statutory

- Consultation with the Company's secured creditor, HH Cashflow Finance, in respect of the administration strategy;
- Dealing with enquiries from the Company's creditors; and
- Dealing with enquiries from the Company's employees.

Landlords

- Review of current leases in respect of Company premises; and
- Liaising with landlords in respect of premises and their unsecured claim.

General Administration

- General planning matters;
- Setting up and maintaining the Joint Administrators' records; and
- Dealing with general correspondence and communicating with director/shareholder

Appointment

- Statutory notifications to creditors and other interested parties following the Joint Administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

Investigations

- Arranging collection and reviewing the Company's books and records including electronic accounting records; and
- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Companies Directors Disqualification Act 1986.

APPENDIX E

**SUMMARY OF JOINT ADMINISTRATORS' EXPENSES
FROM 7 MARCH 2017 TO 6 SEPTEMBER 2017
INCORPORATING A COMPARISON OF THE JOINT ADMINISTRATORS'
STATEMENT OF LIKELY EXPENSES**

Standard Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
AML Checks	Business Tax Centre	Electronic client verification	5.00	5.00	5.00	-	5.00
Bond Fee	AUA IRS	Insurance bond	40.00	40.00	40.00	-	40.00
Document Hosting	Pelstar Computing	Hosting of documents for creditors	21.00	28.00	28.00	-	28.00
Software Licence Fee	Pelstar Computing	Case management system licence fee	87.00	87.00	87.00	-	87.00
Statutory Advertising	Courts Advertising	Advertising	249.06	83.02	83.02	-	83.02
Storage Costs	Storage 2000	Storage of books and records	350.00	98.15	98.15	-	98.15
		Total standard expenses	567.06	341.17	341.17	-	341.17

Case Specific Expenses

Type	Charged by	Description	Estimated Amount £	Total Amount Incurred to Date £	Amount Incurred in This Period £	Amount Paid £	Amount Unpaid £
Agents Fees	Gordon Brothers	Costs of appointed agents (10% of sales commission)	2,000.00	979.50	979.50	-	979.50
Legal Fees	Carbon Law LLP	Costs of appointed solicitors	2,000.00	-	-	-	-
Staff Mileage	Leonard Curtis Staff	Category 2 disbursement requiring specific creditor / committee approval	-	7.48	7.48	-	7.48
		Total case specific expenses	4,000.00	986.98	986.98	-	986.98

LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

	Standard	Complex
	£	£
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

APPENDIX F (cont)

Type	Description	Amount																								
AML checks	Electronic client verification in compliance with the Money Laundering Regulations 2007	£5.00 plus VAT per individual																								
Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors	<table> <tr> <th>Type</th><th>100 creds</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr> </table>	Type	100 creds	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
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BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £185.00 3-6 months £275.00 6-12 months £445.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to 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 (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) 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. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£70.40 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

Proof of Debt – General Form

Relevant date: 7 March 2017

Name of Company in Administration:

Payvand Medical Hygiene Supplies Limited

Company registered number:

06837980

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

APPENDIX G (cont)

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

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8. Details of any document by reference to which the debt relates

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9. Signature of creditor (or person authorised to act on the creditor's behalf)

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10. Date of signing:

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11. Address of person signing (if different from 2 above)

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12. Name in BLOCK LETTERS

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13. Position with, or relation to, creditor

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Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. This form can be authenticated for submission by email 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 the company, please state your relationship to the company.